

SUMMARY BUDGET INFORMATION

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2008 AGENCY FUND TRANSFERS

For your information, the Office of Budget has enumerated the following fund transfers which were made from agency treasury fund accounts but do not appear on the Appropriation Summary as expenditures

| <u>Agency</u> | <u>Blanket Surety Bond Premiums ACA §21-2-710</u> | <u>Claims ACA §19-10-204</u> | <u>Workers' Compensation Administrative Cost Reimbursement ACA §11-9-307</u> |
|---|---|----------------------------------|--|
| Educational Television Commission, Arkansas | \$186 | \$0 | \$300 |
| School for the Blind, Arkansas | \$174 | \$0 | \$90 |
| School for the Deaf, Arkansas | \$326 | \$0 | \$2,960 |
| DHS - Director's Office/Office of Chief Counsel | \$304 | \$5,495 | \$5,462 |
| DHS - Administrative Services Division | \$545 | \$0 | \$8,865 |
| DHS - Volunteerism Division | \$38 | \$0 | \$556 |
| DHS - Aging & Adult Services Division | \$245 | \$0 | \$5,018 |
| DHS - Children & Family Services Division | \$1,866 | \$41,337 | \$24,047 |
| DHS - Child Care/Early Childhood Education Division | \$326 | \$2,210 | \$3,909 |
| DHS - Behavioral Health Services Division | \$1,794 | \$7,491 | \$28,161 |
| DHS - Medical Services Division | \$514 | \$957 | \$9,155 |
| DHS - County Operations Division | \$3,433 | \$4,117 | \$41,252 |
| DHS - Developmental Disabilities Services Division | \$4,779 | \$5,222 | \$48,734 |
| DHS - Services for the Blind Division | \$115 | \$0 | \$1,832 |
| DHS - Youth Services Division | \$170 | \$316 | \$3,894 |

AGENCY POSITION USAGE REPORT

| Agency | FY2008 - FY2009 | | | | | | 3 YEAR AVERAGE(FY07,FY08,FY09) | | | | | |
|--|-------------------|----------|----------|-------|------------|------------------------|--------------------------------|----------|----------|-------|------------|------------------------|
| | Authorized in Act | Budgeted | | | Unbudgeted | % of Authorized Unused | Authorized in Act | Budgeted | | | Unbudgeted | % of Authorized Unused |
| | | Filled | Unfilled | Total | Total | | | Filled | Unfilled | Total | Total | |
| 0516 - Educational Television Commission, Arkansas | 113 | 97 | 16 | 113 | 0 | 14.16 % | 112 | 94 | 15 | 109 | 3 | 16.07 % |
| 0510 - School for the Blind, Arkansas | 102 | 86 | 11 | 97 | 5 | 15.69 % | 103 | 88 | 10 | 98 | 5 | 14.56 % |
| 0513 - School for the Deaf, Arkansas | 183 | 144 | 35 | 179 | 4 | 21.31 % | 186 | 150 | 31 | 181 | 5 | 19.35 % |
| 0710 - DHS - Director's Office/Office of Chief Counsel | 185 | 166 | 18 | 184 | 1 | 10.27 % | 179 | 161 | 14 | 175 | 4 | 10.06 % |
| 0710 - DHS - Administrative Services Division | 357 | 299 | 41 | 340 | 17 | 16.25 % | 369 | 304 | 40 | 344 | 25 | 17.62 % |
| 0710 - DHS - Volunteerism Division | 23 | 22 | 1 | 23 | 0 | 4.35 % | 23 | 20 | 2 | 22 | 1 | 13.04 % |
| 0710 - DHS - Aging & Adult Services Division | 203 | 192 | 3 | 195 | 8 | 5.42 % | 174 | 171 | 8 | 179 | -5 | 1.72 % |
| 0710 - DHS - Children & Family Services Division | 1,137 | 953 | 78 | 1,031 | 106 | 16.18 % | 1,125 | 976 | 67 | 1,043 | 82 | 13.24 % |
| 0710 - DHS - Child Care/Early Childhood Education Division | 171 | 171 | 0 | 171 | 0 | 0.00 % | 166 | 166 | 4 | 170 | -4 | 0.00 % |
| 0710 - DHS - Behavioral Health Services Division | 1,172 | 944 | 12 | 956 | 216 | 19.45 % | 1,162 | 956 | 36 | 992 | 170 | 17.73 % |
| 0710 - DHS - Medical Services Division | 305 | 265 | 37 | 302 | 3 | 13.11 % | 300 | 259 | 39 | 298 | 2 | 13.67 % |
| 0710 - DHS - County Operations Division | 1,943 | 1,746 | 87 | 1,833 | 110 | 10.14 % | 1,944 | 1,757 | 50 | 1,807 | 137 | 9.62 % |
| 0710 - DHS - Developmental Disabilities Services Division | 2,599 | 2,373 | 47 | 2,420 | 179 | 8.70 % | 2,595 | 2,379 | 31 | 2,410 | 185 | 8.32 % |
| 0710 - DHS - Services for the Blind Division | 69 | 60 | 13 | 73 | -4 | 13.04 % | 70 | 59 | 9 | 68 | 2 | 15.71 % |
| 0710 - DHS - Youth Services Division | 161 | 79 | 14 | 93 | 68 | 50.93 % | 162 | 79 | 14 | 93 | 69 | 51.23 % |

0710 - Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 1279 of 2007 section 18(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-214(5)(A)).

EDUCATIONAL TELEVISION COMMISSION

Enabling Laws

Act 786 of 2007
A.C.A. §6-3-101 to 6-3-113

History and Organization

Mission Statement

The mission of the Arkansas Educational Television Network (AETN) is to offer lifelong learning opportunities to all Arkansans; to supply instructional programs to Arkansas' schools; to provide programming and services to improve and enhance the lives of Arkansas' citizens; and to illuminate the culture and heritage of Arkansas and the world.

To accomplish this mission, AETN, through the creative use of telecommunications, will present a high quality public television service designed to inform, educate, motivate, entertain, enlighten and inspire.

B. Legislation Creating the Agency

ENABLING LAWS: The Arkansas Educational Television Commission was established under Act 198 of 1961, as amended in the Arkansas Code 6-3-101 to 6-3-113. Arkansas Code 6-3-105 (a) states that AETN was organized "for the purpose of making the benefits of educational television available to and promoting its use by inhabitants of Arkansas." The Commission is composed of eight members appointed by the governor and is charged with providing educational telecommunications services to the people of Arkansas. Today AETN functions as a public service media providing services that include broadcasting in both analog and digital technologies, satellite narrowcasting, compressed video, web-based video streaming of ADE approved curriculum materials for schools statewide, educational workshops, and professional development training for teachers. AETN's most current operations funding is appropriated by Act 786 of 2007.

HISTORY AND ORGANIZATION: The Commission began broadcasting in December of 1966, using a studio in Conway and its first transmitter located in Little Rock/Redfield (KETS) serving Central Arkansas. Transmitters at Arkadelphia/KETG, Jonesboro/KTEJ and Fayetteville/KAFT all went on the air in 1976. A fifth transmitter at Mountain View/KEMV began broadcasting in 1980. In June 2004 AETN added digital transmitters and microwaves at each site statewide to fulfill a mandate of the Federal Communications Commission (FCC). In May 2006 AETN finished construction on a sixth new digital transmitter at El Dorado/KETZ to better serve the Delta region of the state. Today AETN's statewide infrastructure includes 11 transmitters and 21 microwaves broadcasting to almost 100% of the State.

Congress set the date of February 17, 2009 for analog airwaves to be returned to the federal government. After that date analog spectrum will be used for national security, auction to wireless services and for other purposes. Digital will be the exclusive broadcast technology in the nation except for low power analog stations. Until then AETN must maintain both its analog and digital transmissions. After that date the network will make the necessary changes to ensure digital service for years to come.

C. Agency Objectives

AETN's long range strategic plan was formulated in 2001 and updated in 2008. Goals are divided into two major service areas of "Content" and "Support."

Content Goals include:

Agency Goal #1: AETN partners with educational entities to provide lifelong learning opportunities for all Arkansans, with special emphasis on teacher professional development and classroom resources. (Education)

Agency Goal #2: AETN creates and acquires relevant programming and services designed to educate, enlighten and inspire a diverse audience. (Programs/Services)

Agency Goal #4: AETN promotes its programs and services to the community of Arkansas through various activities as a recognized source of statewide educational opportunities. (Outreach)

Support Goals include:

Agency Goal #3: AETN provides broad reliable distribution of programming and services to Arkansans through the innovative use of technology. (Access)

Agency Goal #5: AETN uses a wide variety of resources to consistently support performance-based, fiscally-sound and mission-focused organizational decisions. (Administration and Finance)

D. Major Service Groups

AETN accomplishes its mission through **four major service groups:** Programs and Services, Engineering, Information Technology and Administration. These areas include the following divisions.

The Programs and Services Group includes 4 divisions:

The **Education Division** provides instructional telecommunications materials and services to Arkansas' educational communities by acquiring and producing daily programs for the Pre-K-12 classrooms and at-home learners, providing overnight feeds of program series for school media resources, providing video streaming of ADE approved curriculum based course materials and teacher training through the innovative Arkansas Ideas portal, coordinating college credit telecourses through universities statewide, and broadcasting adult education classes. This division offers professional training workshops through various technologies available 24/7 for the State's 35,000 teachers to help them complete 60 hours/year mandated professional development training within their busy schedules. This division acquires and produces programs for the state's only channel totally dedicated to education, AETN's Scholar Channel. AETN also continues to maintain and grow an innovative historical archive for teachers, students and the general public preserving and sharing the memories of more than 350 Arkansas World War II veterans with In Their Words. This division's goals/objectives fit primarily within agency Programs and Services goals.

The **Programming Division** acquires and schedules general audience programming, evaluates the programming needs of Arkansans from pre-school through old age, and negotiates for the best programs

appropriate to those needs from the Public Broadcasting Service and other regional and national distributors. AETN maintains a digital service with four separate channels - AETN, AETN Create/World, AETN Scholar and AETN Kids - in addition to high definition programming, when available. This division's goals/objectives fit primarily within agency Programs and Services goals.

The **Production Division** researches and creates unique local programs for and about Arkansas for AETN's general audience broadcast schedule. All productions include educational components for use by schools statewide. AETN's local productions have won many regional and national awards for excellence. Locally produced programs are considered for seven major subject areas concerning Arkansans: economic growth, education, environment, health, heritage, public affairs and public safety. This division's goals/objectives fit primarily within agency Programs and Services goals.

The **Outreach Division** develops and distributes information to Arkansans about the AETN programs and services available to them; coordinates advertising campaigns and public events; produces graphics and still photography for the network's broadcast and print needs; designs and constructs studio sets, and provides creative content of AETN's award-winning website. The division also coordinates all AETN outreach activities, such as special exhibits, Family Day, Statewide Art Portfolio Days and specific projects connecting Arkansans with topics such as World War II, childhood obesity and retirement issues, etc. This division's goals/objectives fit primarily within agency Programs and Services goals.

The Engineering Group includes 2 divisions:

The **Engineering Division** designs, installs, maintains and operates AETN's production and broadcasting equipment statewide: five television transmitters broadcasting in analog and six in digital, twenty one microwave relay stations, AETN's production center and production truck, and the network's master control center. The division is managing the FCC required 2009 digital transition and the changes needed before, during and after transition. This division also provides evaluation and feasibility studies of new technologies and equipment to guide AETN in supporting the telecommunications needs of Arkansas. This division's goals/objectives fit primarily within agency Support goals.

The **Operations Division** coordinates and schedules all technical facilities, equipment, vehicles and crew for AETN's award-winning instructional and general audience productions. It maintains AETN's network headquarters building security, trains volunteers and interns on camera usage, and assures periodic safety drills for AETN staff. This division's goals/objectives fit primarily within agency Support goals.

The Information Technology Group includes 2 divisions:

The **Information Systems Division** maintains all network computer systems, oversees all computer technology - including instructional web site and technical assistance - and provides technology training both in-house and to state educators, agencies and businesses. This division's goals/objectives fit primarily within agency Support goals.

The **Broadcast Systems Division** works closely with Engineering to ensure a successful transition from analog to digital technology, trouble shoots digital broadcast software, and maintains general server space for a growing library of digital and high definition programs. This division's goals/objectives fit primarily within agency Support goals.

The Administration Group includes 4 divisions:

The **Administration Division** plans, develops and implements Commission policy, and provides for the overall management of AETN's human resources, payroll, benefits, training and procurement. This

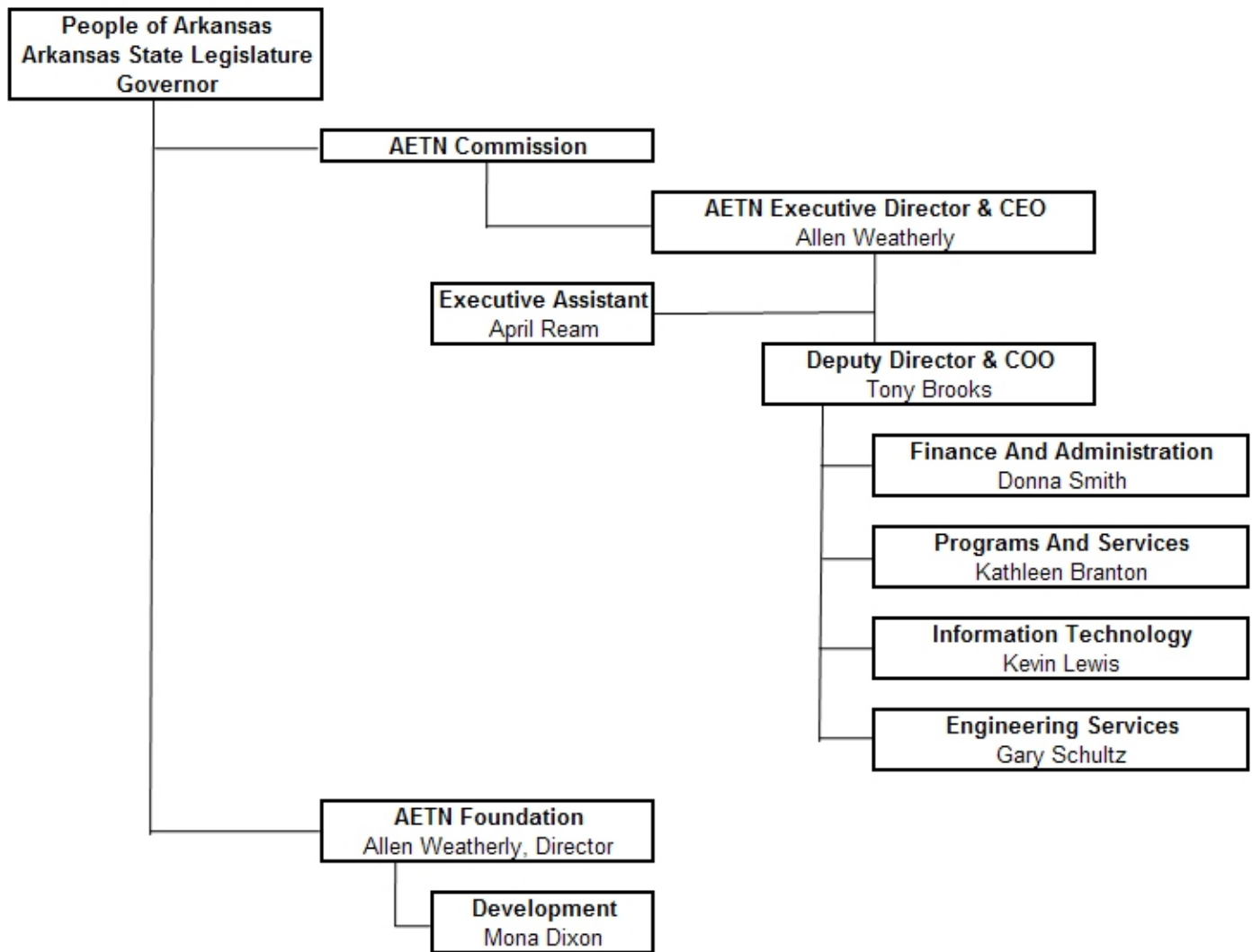
division's goals/objectives fit primarily within agency Support goals.

The **Accounting Division** directs all financial activities of the agency including accounting, budgeting, risk management, land management, investments, reporting, audits and grants. This division's goals/objectives fit primarily within agency Support goals.

The **Development Division** (AETN Foundation) creates and directs special events to enhance public awareness of AETN; recruits and coordinates volunteers; seeks corporate underwriters; and produces on-air and direct mail fundraising appeals. This division is fully funded by the AETN Foundation, and provides significant supplemental funding for AETN programming and operations. The Development Division Goals fit mostly within the Agency Support Goals.

The **Research and Special Projects Division** (AETN Foundation) assists the network with cable and government relations; coordinates the AETN Speakers and building tours; assists with research of audience demographics and viewing trends, broadcasting industry trends and legal issues concerning the FCC, trademarks and copyrights; coordinates government grants and reports; and assists all divisions as interdepartmental work team facilitator. This division is fully funded by the AETN Foundation. This Division's Goals fit mostly within the Agency Support Goals.

AETN is a statewide organization with network headquarters located in Conway, Arkansas. AETN personnel serve every corner of the State. AETN's over-the-air broadcasts currently are carried through an infrastructure of 11 transmitters and 21 microwaves that service almost 100% of Arkansas. Field engineering personnel are assigned supervision of each transmitter and roving engineers maintain the connecting microwaves. Education field personnel travel to conduct workshops all over the State. Part-time producers are stationed in the northwest, central and southern regions of Arkansas to help AETN create local programming for and about Arkansas. Each field staff member is specialized and answers to a division director in that specialty area.



Agency Commentary

The Arkansas Educational Television Network (AETN) is the state's only public educational television service and the only television in Arkansas with statewide over-the-air broadcast capability. Today Arkansas citizens can access AETN's services via broadcast, cable, satellite, and web technologies 24-hours a day. As a PBS affiliate AETN broadcasts national programming and creates local programs for and about Arkansas. AETN serves a non-commercial educational mission through more than 41,800 hours of cost-effective educational programming, communications, and training services each year. In 2008, AETN was selected as one of the five most psychologically healthy places to work in the United States, as judged by the American Psychological Association.

AETN's mission is to provide accessible lifelong learning opportunities for all Arkansans. During its 42 year history AETN has progressed from a single channel analog transmitter serving central Arkansas to a statewide network of five analog transmitters, six digital transmitters, ten analog microwaves and eleven digital microwaves today. (Note: AETN's analog signal will cease broadcasting statewide on February 17, 2009.)

To meet an FCC mandate AETN installed basic digital equipment throughout its statewide infrastructure and began digital multi-casting in 2004. DTV effectively quadrupled AETN's broadcast channel capacity.

AETN uses standard definition digital TV during the daytime hours to provide 4 distinct channel offerings and provides high definition programs when available during the evening. With this new capacity AETN can help education in Arkansas even more by putting to good use the state's investment in various digital technologies. AETN's 4 digital channels include: AETN SCHOLAR that premiered in 2005 as the state's only full-time educational channel with curriculum based materials approved by the Arkansas Department of Education (ADE) for use in the classroom and professional development training for teachers approved by both ADE and the Southern Regional Education Board for Professional Development; AETN CREATE that premiered in 2006 with numerous "how-to" and lifestyle programs for the lifelong learner; AETN KIDS that premiered in 2006 featuring the best of public television's high quality programs for children; and AETN's regular educational channel, a simulcast of our award-winning, broad-based analog schedule serving all Arkansans.

AETN serves almost every Arkansan for a very modest cost to the state, and receives less than half its current funding (\$5M) from the state. AETN's funding comes from state and federal grants; partnerships with government, non-profits, and businesses; and individual donors who want to make a difference in the quality of programs accessible to Arkansans. On-air member drives are conducted three times a year by AETN's affiliated private non-profit Foundation to help raise funds for prime time programs. AETN's program schedule is devoted to children and families and offers a daily safe haven for learning. Instructional programs for kindergarten through twelfth grade students are broadcast daily in series block feeds for use in classrooms and by at-home-learners.

AETN's innovative IDEAS portal (Internet Delivered Education for Arkansas Schools) offers Arkansas' 35,000 certified teachers free access to professional development materials 24 hours a day. AETN also offers professional development materials on its SCHOLAR Channel, plus workshops for teachers throughout the state in technology training. The IDEAS portal is continually adding new materials for the state's teachers to improve their training and classroom presentations. More than 10,000 Arkansas teachers received credit through Arkansas Ideas in the first year of operation.

AETN also partners with Arkansas Department of Education (ADE) to provide a highly popular video-streaming service that's free and accessible to all public K12 schools in the state. Today almost 100% of all schools are using the video streaming to enhance classroom presentation and meet the curriculum requirements of the State Board of Education. Students use it to research reports and enhance computer skills. Colleges and Universities use it to train future teachers. College telecourses are broadcast by AETN to provide easy access to classes for non-traditional students. Student credit is coordinated statewide with participating institutions. Adult education programs are broadcast to help adult students earn GEDs, learn to read, and stay motivated to improve their lives.

Prime time and weekend programs offer cultural classics, public affairs, how-tos and outstanding documentaries on current issues for lifelong learners. AETN partners with other state agencies like the Arkansas Game & Fish Commission to solicit feedback from the citizens through call-in programs and to produce programs specific to Arkansas. AETN's satellite technology has helped agencies like Human Services, Emergency Services, and Special Education to improve communications with citizens and train thousands of employees via distance learning. Citizens can stay updated on current issues and get immediate answers to their questions by watching and calling during locally produced programs like ARKANSANS ASK with the Governor, Legislators, and other public officials. AETN continues to produce a wide variety of award-winning programs for and about Arkansas.

A 2007 Oakleaf and Associates survey found almost universal and enthusiastic support for AETN in Arkansas. Nationally, for the fifth consecutive year the American public has declared PBS the most

trustworthy institution in the country. The 2008 Roper study ranks PBS as second only to military defense in terms of value for tax dollars. The 2006 Grumwald National Survey of Educators indicates that PBS programs were the #1 choice for teachers for the 4th consecutive year, and the most used resource for video support in the classroom.

The 2006-2007 Erdos & Morgan Opinion Leaders Study verified that PBS News and Public Affairs programming continues to be a trusted source for opinion leaders. The NewsHour with Jim Lehrer and Washington Week were voted the top two most "objective" weekday news programs among opinion leaders. The NewsHour, Washington Week, NOVA and FRONTLINE were among the top 10 most "credible" media sources (print and television) for most opinion leaders. In a 2004 PKS survey PBS was voted a safe place for children to watch TV (84%) and a valuable cultural resource (83%).

AETN'S GENERAL REVENUE REQUEST:

State Treasury Operations:

AETN requests approximately \$2M in operating funds from General Revenue to support its statewide infrastructure and to enhance its educational services. Basic costs like utilities, land leases, insurance, maintenance and repairs have grown. Maintenance on digital equipment is also more expensive, involving software support contracts, ongoing upgrades, and computerized equipment that must be replaced within a shorter life span. AETN's digital technology has effectively become a huge statewide computer system. Most of the land on which AETN towers stand is leased. AETN also leases tower space in some regions of the state. Tower inspections are needed statewide to maintain the technical infrastructure and prevent calamities like the Redfield tower collapse in January 2008. The Albritton owned tower was undergoing maintenance contracted by KATV/Channel 7 when it fell. AETN leased space on that tower since 1966 and lost its Central Arkansas analog capability for several months after the tower fell. Regular inspections are especially important at the transmitter sites where AETN towers are over a thousand feet tall, but also on the shorter microwave towers that carry the signal to the transmitters. If the signal is interrupted at any site a whole region of the state goes unserved until the signal can be restored. Schools, teachers, and citizens depend on AETN 24/7 for programs and services that make a difference in their lives.

AETN needs funds to maintain a site in Northwest Arkansas to provide outreach programs in the fastest growing region of the state; to continue supporting Radio Reading Services for the Blind which has used AETN's analog infrastructure for years and must go digital when the analog system goes away; and for producing local programs in high definition to meet broadcast standards.

AETN requests funding to enhance educational Children's programming, new Children's initiatives and Arkansas Heritage Initiatives. Costs include acquiring and producing innovative educational programs for broadcast on AETN's Scholar Channel, the only formal education channel in the state. Funds are needed to maintain a digital management/storage system and to provide web servers which will house educational content and provide online resources for teachers, para-professionals, parents, children, and child-care providers. Educational content and online resources will include tutoring, stories and other interactive learning activities related to our Children's, Heritage and Cultural initiatives.

Honoring Arkansas' War Heroes:

AETN requests funding to continue its popular "In Their Words" Veterans' archiving project. The testimonies of more than 350 Arkansas WWII Veterans have been archived to date to assure their stories

are accessible for future generations. This project has touched the lives of thousands of Arkansans who are related to or know a Veteran from the "Greatest Generation." Their real stories will be available to generations of school children, putting a human face on the history of WWII. All AETN programs provide educational tools for the schools and teachers of Arkansas as well as the citizen populace of lifelong learners.

AETN'S CASH APPROPRIATION REQUEST:

AETN requests approximately \$1.2M in Cash appropriation to continue a variety of programs, productions and equipment purchases from grants. AETN continues a very successful partnership with ADE to offer high quality professional development free to Arkansas' 35,000 certified teachers through its popular IDEAS Portal (Internet Delivered Education for Arkansas Schools). All coursework is approved by the Arkansas Department of Education and the Southern Regional Education Board for Professional Development to help teachers meet 60/hours/year of professional training required by law. Training opportunities are delivered 24 hours a day through the Internet, on AETN's digital Scholar Channel, and through workshops like the Arkansas Technology Institute (ATI) where teachers learn how to use technology in the classroom.

AETN supports the ADE proposal to increase the share of per student funding for professional development that goes directly to ADE for new media services provided primarily, but not exclusively, by AETN. These services include in-classroom programs and project streaming on demand, PBS Teacherline, Teacher Connect, Arkansas IDEAS and specialized training to connect education and technology in the classroom. Funding must be increased to expand services for all teachers statewide.

Other cash funded programs include video streaming of curriculum materials for classroom teachers, at home learners, and student research projects; Kid's Computer Camp offered each summer across the state; Virtual Tours of Arkansas landmarks; and online communications capability for educators to share information with each other. AETN partners with ADE and other state agencies, universities, foundations and corporations to host, produce and originate programs for and about Arkansas.

AETN's Contingency Appropriation:

AETN requests continuance of this contingency appropriation for various digital grants and projects that may be funded from outside resources throughout the biennium.

See AETN's web page aetn.org for information on AETN's varied programs and services.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
ARKANSAS EDUCATIONAL TELEVISION COMMISSION

FOR THE YEAR ENDED JUNE 30, 2007

| Findings | Recommendations |
|----------|-----------------|
| None | None |

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS EDUCATIONAL TELECOMMUNICATIONS NETWORK FOUNDATION
 FOR THE YEAR ENDED JUNE 30, 2006

| | |
|----------|-----------------|
| Findings | Recommendations |
| None | None |

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 45 | 36 | 81 | 84 % |
| Black Employees | 4 | 10 | 14 | 14 % |
| Other Racial Minorities | 1 | 1 | 2 | 2 % |
| Total Minorities | | | 16 | 16 % |
| Total Employees | | | 97 | 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 |
| 127 AETN-Treasury Paying | 5,985,110 | 17 | 10,469,676 | 37 | 9,770,127 | 37 | 9,154,407 | 37 | 10,413,907 | 37 | 10,413,907 | 37 | 9,178,583 | 37 | 10,438,083 | 37 | 10,438,083 | 37 |
| 199 AETN-State Operations | 4,958,436 | 81 | 4,850,189 | 76 | 5,160,844 | 76 | 5,134,655 | 76 | 7,232,632 | 80 | 5,184,655 | 76 | 5,225,609 | 76 | 7,231,480 | 80 | 5,275,609 | 76 |
| 2YX Honoring Arkansas' War Heros | 125,000 | 1 | 125,000 | 0 | 125,000 | 0 | 0 | 0 | 208,500 | 0 | 125,000 | 0 | 0 | 0 | 185,500 | 0 | 125,000 | 0 |
| B93 AETN-Contingency | 0 | 0 | 1,318,703 | 0 | 1,318,703 | 0 | 1,318,703 | 0 | 1,318,703 | 0 | 1,318,703 | 0 | 1,318,703 | 0 | 1,318,703 | 0 | 1,318,703 | 0 |
| Total | 11,068,546 | 98 | 16,763,568 | 113 | 16,374,674 | 113 | 15,607,765 | 113 | 19,173,742 | 117 | 17,042,265 | 113 | 15,722,895 | 113 | 19,173,766 | 117 | 17,157,395 | 113 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | |
|--------------------------------|---------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| Fund Balance | 4000005 | 5,238,762 | 29.9 | 6,453,855 | 32.7 | 2,953,855 | 17.2 | 2,953,855 | 14.3 | 2,953,855 | 16.0 | 1,521,461 | 8.8 | 1,521,461 | 7.3 | 1,521,461 | 8.2 |
| General Revenue | 4000010 | 5,080,672 | 29.0 | 4,975,189 | 25.2 | 5,134,655 | 30.0 | 7,441,132 | 36.0 | 5,259,655 | 28.4 | 5,225,609 | 30.3 | 7,416,980 | 35.8 | 5,350,609 | 28.7 |
| Cash Fund | 4000045 | 7,200,203 | 41.1 | 6,969,676 | 35.3 | 7,722,013 | 45.1 | 8,981,513 | 43.4 | 8,981,513 | 48.5 | 9,192,434 | 53.3 | 10,451,934 | 50.5 | 10,451,934 | 56.1 |
| AETN Contingency | 4000075 | 0 | 0.0 | 1,318,703 | 6.7 | 1,318,703 | 7.7 | 1,318,703 | 6.4 | 1,318,703 | 7.1 | 1,318,703 | 7.6 | 1,318,703 | 6.4 | 1,318,703 | 7.1 |
| M & R Sales | 4000340 | 2,764 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Funds | | 17,522,401 | 100.0 | 19,717,423 | 100.0 | 17,129,226 | 100.0 | 20,695,203 | 100.0 | 18,513,726 | 100.0 | 17,258,207 | 100.0 | 20,709,078 | 100.0 | 18,642,707 | 100.0 |
| Excess Appropriation/(Funding) | | (6,453,855) | | (2,953,855) | | (1,521,461) | | (1,521,461) | | (1,471,461) | | (1,535,312) | | (1,535,312) | | (1,485,312) | |
| Grand Total | | 11,068,546 | | 16,763,568 | | 15,607,765 | | 19,173,742 | | 17,042,265 | | 15,722,895 | | 19,173,766 | | 17,157,395 | |

The FY09 Budget in AETN - Treasury Paying (Appropriation 127) exceeds Authorized Appropriation due to a transfer from the Cash Fund Holding Account.

The Executive Recommendation for \$50,000 of unfunded appropriation in Appropriation 199 causes the variance in fund balance.

Actual Positions exceed the Authorized number (Appropriation 199) due to the flexibility inherent in the authorization of all positions through one salary section in appropriation acts.

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 | |
| 111 | 91 | 22 | 113 | -2 | 18.02 % | 113 | 95 | 8 | 103 | 10 | 15.93 % | 113 | 97 | 16 | 113 | 0 | 14.16 % |

FY2007 total positions exceed authorized due to agency's ability to add pool positions through Act 2167 Section 9 of 2005.

Analysis of Budget Request

Appropriation: 127 - AETN-Treasury Paying

Funding Sources: NET - Cash in Treasury

Arkansas Educational Television receives funding for this cash appropriation from grants from private foundations, earnings for programs produced from the Agency's studios, and partnerships with various educational entities, state agencies, and private groups.

The 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 may include board member Stipend payments and Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

AETN's Change Level requests total \$1,259,500 for both fiscal years and include:

- An increase of \$610,589 each year in Operating Expenses as AETN continues to maintain and improve its educational services throughout Arkansas. This includes the Internet Delivered Education for Arkansas Schools (IDEAS) program, which offers professional development training for Arkansas' teachers. This program is available to assist teachers in meeting the 60 hours a year of professional training as required by law. Some other programs funded through this cash appropriation are video streaming of curriculum materials for classroom teachers, home school learners and student research projects, Kid's Computer Camp offered during the summer, Virtual Tours of Arkansas landmarks and an online communications community for educators to share information with each other.
- An increase of \$103,911 each year in Conference and Travel Expenses to allow representatives to continue to attend training and other educational conferences.
- An increase of \$45,000 for Promotional Items each year to allow AETN to get and keep the attention of their end-users, specifically teachers. This line item allows AETN to purchase logo items with AETN's name, address, phone and email address to encourage end-users to contact them for help.
- An increase of \$500,000 for Capital Outlay each year to allow AETN to maintain and enhance their technology infrastructure to assure efficient delivery of telecommunications statewide.

AETN requested and received Legislative PEER approval for similar requests in FY09 through a cash appropriation increase letter. AETN is required to request the appropriation as a Change Level request for the next biennium. The increase request for FY09 and the Change Level requests for the biennium will be funded by new and continued Foundation Grants and continued support from the Department of Education and various other educational entities.

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

Appropriation Summary

Appropriation: 127 - AETN-Treasury Paying

Funding Sources: NET - 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 | 574,817 | 1,217,675 | 1,094,394 | 1,311,662 | 1,311,662 | 1,311,662 | 1,331,549 | 1,331,549 | 1,331,549 |
| #Positions | | 17 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 |
| Extra Help | 5010001 | 260,837 | 409,003 | 765,655 | 409,003 | 409,003 | 409,003 | 409,003 | 409,003 | 409,003 |
| #Extra Help | | 28 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Personal Services Matching | 5010003 | 262,218 | 504,288 | 439,428 | 501,885 | 501,885 | 501,885 | 506,174 | 506,174 | 506,174 |
| Operating Expenses | 5020002 | 3,976,810 | 6,467,087 | 5,856,498 | 5,856,498 | 6,467,087 | 6,467,087 | 5,856,498 | 6,467,087 | 6,467,087 |
| Conference & Travel Expenses | 5050009 | 119,062 | 245,348 | 141,437 | 141,437 | 245,348 | 245,348 | 141,437 | 245,348 | 245,348 |
| Professional Fees | 5060010 | 567,659 | 918,922 | 1,207,715 | 918,922 | 918,922 | 918,922 | 918,922 | 918,922 | 918,922 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Promotional Items | 5090028 | 24,996 | 25,000 | 15,000 | 15,000 | 60,000 | 60,000 | 15,000 | 60,000 | 60,000 |
| Capital Outlay | 5120011 | 198,711 | 682,353 | 250,000 | 0 | 500,000 | 500,000 | 0 | 500,000 | 500,000 |
| Total | | 5,985,110 | 10,469,676 | 9,770,127 | 9,154,407 | 10,413,907 | 10,413,907 | 9,178,583 | 10,438,083 | 10,438,083 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 5,238,762 | 6,453,855 | | 2,953,855 | 2,953,855 | 2,953,855 | 1,521,461 | 1,521,461 | 1,521,461 |
| Cash Fund | 4000045 | 7,200,203 | 6,969,676 | | 7,722,013 | 8,981,513 | 8,981,513 | 9,192,434 | 10,451,934 | 10,451,934 |
| Total Funding | | 12,438,965 | 13,423,531 | | 10,675,868 | 11,935,368 | 11,935,368 | 10,713,895 | 11,973,395 | 11,973,395 |
| Excess Appropriation/(Funding) | | (6,453,855) | (2,953,855) | | (1,521,461) | (1,521,461) | (1,521,461) | (1,535,312) | (1,535,312) | (1,535,312) |
| Grand Total | | 5,985,110 | 10,469,676 | | 9,154,407 | 10,413,907 | 10,413,907 | 9,178,583 | 10,438,083 | 10,438,083 |

Budget Exceeds Authorized Appropriation due to transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 127 - AETN-Treasury Paying

Funding Sources: NET - Cash in Treasury

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 9,154,407 | 37 | 9,154,407 | 100.0 | 9,178,583 | 37 | 9,178,583 | 100.0 |
| C01 | Existing Program | 759,500 | 0 | 9,913,907 | 108.3 | 759,500 | 0 | 9,938,083 | 108.3 |
| C08 | Technology | 500,000 | 0 | 10,413,907 | 113.8 | 500,000 | 0 | 10,438,083 | 113.7 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 9,154,407 | 37 | 9,154,407 | 100.0 | 9,178,583 | 37 | 9,178,583 | 100.0 |
| C01 | Existing Program | 759,500 | 0 | 9,913,907 | 108.3 | 759,500 | 0 | 9,938,083 | 108.3 |
| C08 | Technology | 500,000 | 0 | 10,413,907 | 113.8 | 500,000 | 0 | 10,438,083 | 113.7 |

Justification

| | |
|-----|---|
| C01 | AETN requests cash appropriation to maintain and enhance its statewide educational services including the popular IDEAS Portal (Internet Delivered Education for Arkansas Schools) offering professional development training to teachers all over Arkansas. All coursework is approved by the Arkansas Department of Education and the Southern Regional Education Board for Professional Development to help teachers meet 60/hours/year of professional training required by law. Offerings are available 24/7 at no cost through the Internet, on AETN's digital Scholar Channel, and through workshops like the Arkansas Technology Institute (ATI) where teachers learn how to use technology in the classroom. Other cash funded programs include video streaming of curriculum materials for classroom teachers, at home learners, and student research projects; Kid's Computer Camp offered each summer across the state; Virtual Tours of Arkansas landmarks; and online communications capability for educators to share information with each other. Arkansas IDEAS is provided by the Arkansas Online Professional Development Initiative, a collaborative effort of AETN, the Arkansas Education Department and PBS Teacherline. AETN partners with ADE and other state agencies, universities, foundations and corporations to host, produce and originate programs/projects for and about Arkansas. Note: AETN supports the ADE proposal to increase the share of per student funding for professional development that goes directly to ADE for new media services provided primarily, but not exclusively, by AETN. These services include in-classroom programs and project streaming on demand, Teacherline, Teacher Connect, Arkansas IDEAS and specialized training to connect education and technology in the classroom. Funding must be increased to expand services for all teachers statewide. |
| C08 | AETN requests funds to maintain and enhance our technology infrastructure to assure efficient delivery of telecommunications statewide, including professional development, video on demand, virtual tours, workshops, and digital productions. Operations will require additional digital storage space, a system to manage digital storage, digital channel maximization, and replacement of older program equipment. IT Plan Tab-Project:Media Asset Management, IT Plan Tab-Project:Broadcast Storage Management |

Analysis of Budget Request

Appropriation: 199 - AETN-State Operations

Funding Sources: EMA - ETV-State Operation

Arkansas Educational Television Network (AETN) is Arkansas' only statewide television network. AETN distributes a program of educational and general audience offerings that is broadcast for all citizens of Arkansas. The network's broadcast are carried from the R. Lee Reaves Center for Educational Telecommunications in Conway via AETN's own microwave interconnection relay system to the five analog and six digital broadcasting transmitters. All transmitters broadcast stereo audio. AETN's Second Audio Program (SAP) channel delivers the Arkansas Information Reading Service (AIRS) for the Blind as well as Descriptive Video on selected programs for those who are blind or are visually-impaired. Virtually all programs broadcast on AETN are also closed captioned for the deaf or hearing impaired. Additionally, AETN is set to begin broadcasting at 100% digital programming, as federally required, at midnight on February 17, 2009. Funding for this appropriation comes from State General Revenue.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study as well as the recommendation for one position transitioning from unclassified to classified. 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 may include board member Stipend payments and Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Change Level requests include:

- An increase in Regular Salaries of \$139,327 in FY10 and \$142,529 in FY11, plus the Personal Services Matching of \$50,650 in FY10 and \$51,342 in FY11 for four (4) new positions. These positions are: a Website Developer, an Information Systems Coordinator Specialist, an Education and Instruction Manager and an Education and Instruction Specialist. The Website Developer is requested to assist with AETN's website as the demand and popularity of the site continues to expand as users view and download video materials. The Information Systems Coordinator Specialist is needed to assist with AETN's statewide digital technology as this system continues to become a larger computerized system. The Education & Instruction Manager and Specialist positions are needed in Northwest Arkansas to provide teacher training, educational services and outreach for network initiatives as that section of Arkansas continues to grow.
- An increase in Operating Expense of \$1,263,000 in FY10 and \$1,245,000 in FY11 for increases in basic cost of utilities, land leases, facilities for outreach programs in Northwest Arkansas, support for Radio Reading Services for the Blind and producing local programs in high definition to meet broadcast standards.
- An increase in Conference and Travel Expenses of \$60,000 for each fiscal year to allow AETN to acquire and produce innovative educational programs on AETN's scholar channel.
- Increasing the Professional Fees line item by \$285,000 in FY10 and \$242,000 in FY11 to allow AETN to contract with outside sources to enhance the educational services for children's programs, children's initiatives and the Arkansas Heritage Initiatives.

- Increases of \$60,000 in FY10 and \$55,000 in FY11 for the Promotional Items line item. This is to allow AETN to purchase logo items with AETN's name, address, phone, and email address to encourage end-users to contact them for help.
- Increases of \$240,000 in FY10 and \$210,000 in FY11 for Capital Outlay due to infrastructure needs to maintain a digital management/ storage system and provide web servers that can provide better online resources for all users.

The Executive Recommendation provides Base Level with an increase \$50,000 of unfunded appropriation in Capital Outlay.

Appropriation Summary

Appropriation: 199 - AETN-State Operations

Funding Sources: EMA - ETV-State Operation

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 | 3,214,820 | 3,154,174 | 3,154,174 | 3,331,545 | 3,470,872 | 3,331,545 | 3,406,384 | 3,548,913 | 3,406,384 |
| #Positions | | 81 | 76 | 76 | 76 | 80 | 76 | 76 | 80 | 76 |
| Extra Help | 5010001 | 6,459 | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 |
| #Extra Help | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Personal Services Matching | 5010003 | 996,506 | 996,904 | 1,016,919 | 1,103,999 | 1,154,649 | 1,103,999 | 1,120,114 | 1,171,456 | 1,120,114 |
| Operating Expenses | 5020002 | 732,876 | 670,311 | 905,951 | 670,311 | 1,933,311 | 670,311 | 670,311 | 1,915,311 | 670,311 |
| Conference & Travel Expenses | 5050009 | 0 | 0 | 0 | 0 | 60,000 | 0 | 0 | 60,000 | 0 |
| Professional Fees | 5060010 | 7,775 | 20,000 | 20,000 | 20,000 | 305,000 | 20,000 | 20,000 | 262,000 | 20,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Promotional Items | 5090028 | 0 | 0 | 5,000 | 0 | 60,000 | 0 | 0 | 55,000 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 50,000 | 0 | 240,000 | 50,000 | 0 | 210,000 | 50,000 |
| Total | | 4,958,436 | 4,850,189 | 5,160,844 | 5,134,655 | 7,232,632 | 5,184,655 | 5,225,609 | 7,231,480 | 5,275,609 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 4,955,672 | 4,850,189 | | 5,134,655 | 7,232,632 | 5,134,655 | 5,225,609 | 7,231,480 | 5,225,609 |
| M & R Sales | 4000340 | 2,764 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | | 4,958,436 | 4,850,189 | | 5,134,655 | 7,232,632 | 5,134,655 | 5,225,609 | 7,231,480 | 5,225,609 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 50,000 | 0 | 0 | 50,000 |
| Grand Total | | 4,958,436 | 4,850,189 | | 5,134,655 | 7,232,632 | 5,184,655 | 5,225,609 | 7,231,480 | 5,275,609 |

Actual and/or Budgeted Number of Positions may exceed the Authorized Number due to the flexibility inherent in the authorization of all positions through one salary section in appropriation acts.

Change Level by Appropriation

Appropriation: 199 - AETN-State Operations

Funding Sources: EMA - ETV-State Operation

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 5,134,655 | 76 | 5,134,655 | 100.0 | 5,225,609 | 76 | 5,225,609 | 100.0 |
| C01 | Existing Program | 722,977 | 4 | 5,857,632 | 114.1 | 730,871 | 4 | 5,956,480 | 114.0 |
| C02 | New Program | 1,235,000 | 0 | 7,092,632 | 138.1 | 1,135,000 | 0 | 7,091,480 | 135.7 |
| C08 | Technology | 140,000 | 0 | 7,232,632 | 140.9 | 140,000 | 0 | 7,231,480 | 138.4 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 5,134,655 | 76 | 5,134,655 | 100.0 | 5,225,609 | 76 | 5,225,609 | 100.0 |
| C01 | Existing Program | 0 | 0 | 5,134,655 | 100.0 | 0 | 0 | 5,225,609 | 100.0 |
| C02 | New Program | 0 | 0 | 5,134,655 | 100.0 | 0 | 0 | 5,225,609 | 100.0 |
| C08 | Technology | 50,000 | 0 | 5,184,655 | 101.0 | 50,000 | 0 | 5,275,609 | 101.0 |

Justification

| | |
|-----|--|
| C01 | AETN requests funding to maintain its statewide digital operations and infrastructure. Costs have increased for land/tower leases, facilities for outreach programs in Northwest Arkansas, support for Radio Reading Services for the Blind, producing local programs in high definition to meet broadcast standards, and maintenance and utilities for the statewide infrastructure of 6 digital transmitters, and 11 microwaves broadcasting AETN's signal to Arkansas. This request includes 4 additional positions to maintain existing programs: a Website Developer to assist with growing web demands as AETN's web effectively becomes another channel for users to view and download video materials; a Systems Coordination Analyst I to assist with AETN's statewide digital technology which has become a huge computerized system; and 2 field staff for AETN's NW Arkansas office on the UofA campus, an Education/Instruction Manager and Education/Instruction Specialist to provide teacher training, educational services and outreach for network initiatives to the fastest growing corner of the state. |
| C02 | AETN requests funding to enhance educational services including Children's programming, Children's initiatives and Arkansas Heritage Initiatives. Costs include acquiring and producing innovative educational programs for broadcast on AETN's Scholar Channel, the only formal education channel in the state. |
| C08 | Infrastructure funds are needed to maintain a digital management/storage system and to provide web servers which will house educational content and provide online resources for teachers, para-professionals, parents, children, and child-care providers. Educational content and online resources will include tutoring, stories and other interactive learning activities related to our Children's, Heritage and Cultural initiatives. IT Plan Tab-Projects: Media Asset Management, IT Plan Tab-Major Application:Web development and Services, IT Plan Tab-Major Application: Staff Development Portal |

Analysis of Budget Request

Appropriation: 2YX - Honoring Arkansas' War Heros

Funding Sources: EMA - ETV-State Operations

This general revenue funded appropriation is used by AETN to design documentaries honoring Arkansas' was heroes. Through the "In Their Words" Veteran's archiving project, AETN has archived the testimonies of more than 350 Arkansas WWII Veterans. With the use of this oral history, AETN can now offer a much more inclusive picture of the past. The archival program is featuring an extensive web/streaming and research environment for teachers and every Arkansas student with the ability to follow the actions, careers and lessons taught by these great Arkansans. This important and large project is a vital part of the Arkansas and American record.

Special language in AETN's current appropriation act (Section 9 of Act 786 of 2007) requires the Agency to request the continuation and any increase of this appropriation as a change level request for the 2009-2011 Biennium.

The Agency is requesting funding and appropriation of \$208,500 for FY10 and \$185,500 for FY11. This will allow the Agency to continue and improve this program.

The Executive Recommendation allows for funding and appropriation of \$125,000 for each fiscal year.

Appropriation Summary

Appropriation: 2YX - Honoring Arkansas' War Heros

Funding Sources: EMA - ETV-State Operations

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 |
| Honoring Arkansas' War Heroes 5900046 | 125,000 | 125,000 | 125,000 | 0 | 208,500 | 125,000 | 0 | 185,500 | 125,000 |
| Total | 125,000 | 125,000 | 125,000 | 0 | 208,500 | 125,000 | 0 | 185,500 | 125,000 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 125,000 | 125,000 | | 0 | 208,500 | 125,000 | 0 | 185,500 | 125,000 |
| Total Funding | 125,000 | 125,000 | | 0 | 208,500 | 125,000 | 0 | 185,500 | 125,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 125,000 | 125,000 | | 0 | 208,500 | 125,000 | 0 | 185,500 | 125,000 |

Special Language in Section 9 of Act 786 of 2007 requires AETN to request continuation of this appropriation as a change level request.

Change Level by Appropriation

Appropriation: 2YX - Honoring Arkansas' War Heros

Funding Sources: EMA - ETV-State Operations

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|-----------|----------|------------|------------|-----------|----------|------------|------------|
| BL | Base Level | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0.0 |
| C01 | Existing Program | 208,500 | 0 | 208,500 | 100.0 | 185,500 | 0 | 185,500 | 100.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|-----------|----------|------------|------------|-----------|----------|------------|------------|
| BL | Base Level | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0.0 |
| C01 | Existing Program | 125,000 | 0 | 125,000 | 100.0 | 125,000 | 0 | 125,000 | 100.0 |

Justification

| | |
|-----|--|
| C01 | AETN requests funding to continue its popular "In Their Words" Veterans' archiving project. The testimonies of more than 350 Arkansas WWII Veterans have been archived to date to assure their stories are accessible for future generations. All AETN programs provide educational tools for the schools and teachers of Arkansas as well as the citizen populace of lifelong learners. |
|-----|--|

Analysis of Budget Request

Appropriation: B93 - AETN-Contingency

Funding Sources: 516 - AETN Contingency

This Contingency appropriation was established during the 82nd General Assembly for the AETN/UCA complex. Continuation is requested to provide sufficient appropriation to meet the needs of the Digital Television and Americans with Disabilities Federal mandates.

The Agency is requesting Base Level for the 2009-11 Biennium.

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

Appropriation Summary

Appropriation: B93 - AETN-Contingency

Funding Sources: 516 - AETN Contingency

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 |
| Contingency 5130018 | 0 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 |
| Total | 0 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 |
| Funding Sources | | | | | | | | | |
| AETN Contingency 4000075 | 0 | 1,318,703 | | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 |
| Total Funding | 0 | 1,318,703 | | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 1,318,703 | | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 | 1,318,703 |

SCHOOL FOR THE BLIND

Enabling Laws

Act 326 of 2007

A.C.A. §6-43-101 - 115; and §6-43-201 - 223

History and Organization

The Board of Trustees, a five-member board appointed by the Governor, for the Arkansas School for the Blind and the Arkansas School for the Deaf has oversight responsibilities for the Arkansas School for the Blind. This responsibility is set forth in A.C.A. §6-43-101 (Title 6 of the Arkansas Code of 1987). The Board has approved a mission statement for the Arkansas School for the Blind which is as follows: To provide quality education and training for all children and young people (birth through age twenty-one) who are visually impaired so they possess the required skills to become personally productive and self-sufficient citizens.

In 1859 the Arkansas Institute for the Education of the Blind (ASB) was incorporated by Act 97. In 1866, Act 10 provided for the acquisition of a site and buildings to house the institution at Arkadelphia in Clark County. Act 50 of 1868 provided for the move of the Institute to Little Rock. It occupied facilities at 18th and Center Street until 1939 when it moved to its current location at 2600 West Markham Street. The present campus comprises 40.4 acres and the facilities consist of fifteen buildings. The Reorganization Act (Act 38 of 1971), placed the Arkansas School for the Blind under the umbrella of the Department of Education for budgeting purposes. A.C.A. §6-43-113 reserves all powers, duties, and functions of the Arkansas School for the Blind, together with those of the Board of Directors, to the Superintendent and the Arkansas School for the Blind Board of Education.

ASB is fully accredited by the Arkansas Department of Education and the North Central Association. It provides a variety of educational programs within the State's prescribed continuum of services for students from 0 to the age of 21 years.

The regular on-campus program provides academic and vocational training, residential living and extra curricular activities. Daily transportation is provided through the local school districts for nonresidential students. The Arkansas School for the Deaf provides weekly, statewide transportation for residential students to and from home each weekend. This is another effort to make the program less restrictive to students and families.

The academic and vocational divisions give the students the necessary skills and background to continue their education at the post secondary or college levels, or enter directly into the work world. An average of ten students graduate from the school each year and approximately fifty percent continue their education at a higher level.

Other services provided by the school are: low vision evaluation services, physical and occupational therapy, health services, psychological evaluations, orientation and mobility services, life skills training, nutritional meals, vocational work study program, braille, adaptive technology training and evaluation.

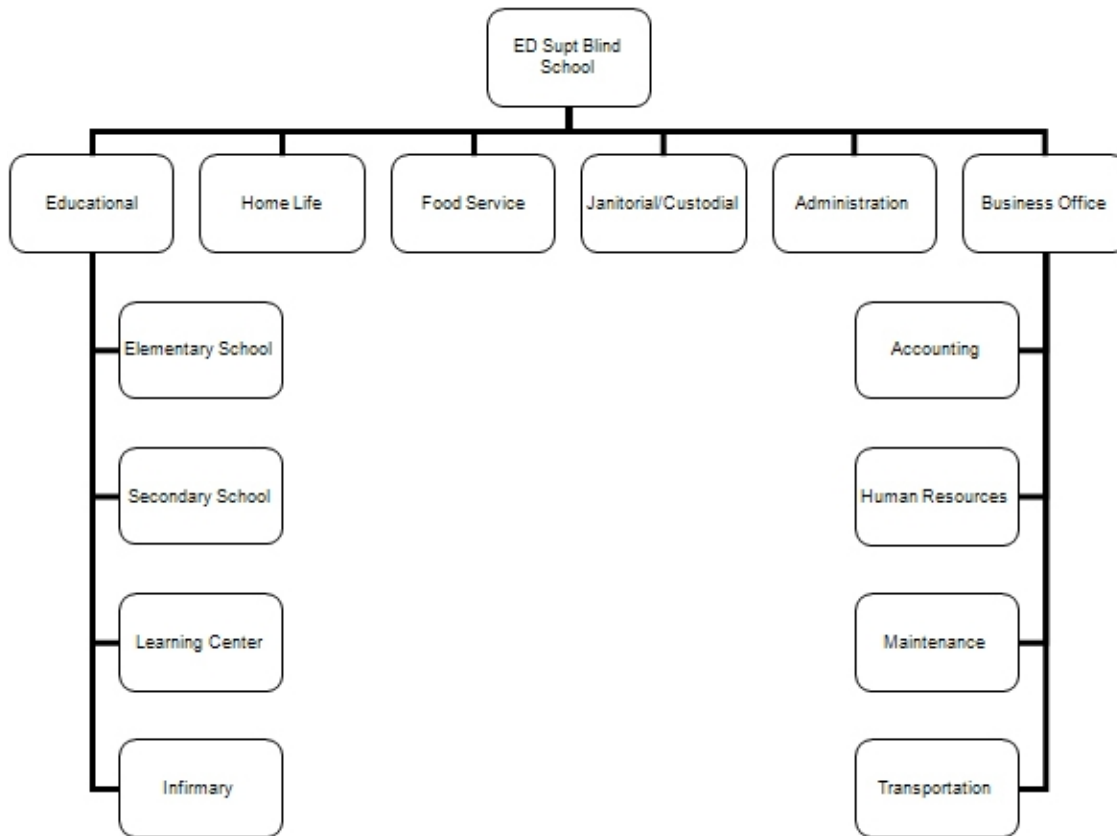
The school maintains an educational program for blind and visually impaired babies ages birth to five.

The program provides activities designed to train babies to develop sensory skills other than sight as learning tools. The program also provides extensive training and development of parent skills designed to assist the child in enhanced use of all available sensory skills. Currently, two staff members, who are certified in vision education and early childhood education, travel state wide to provide training to both child and parents. The school also provides a pre-school program for visually impaired children age 3-5 years old. The program experienced significant growth during the 2006-2007 school year and currently has an enrollment of 80 babies.

The school implemented a new program during the 2006-2007 school year named "short term enrollment", a program for students enrolled in public schools. The program provides courses in the school's extended core curriculum, which includes braille, orientation and mobility, life skills, and adaptive technology. Many public schools are unable to provide adequate training by staff certified in basic courses in the Extended Core Curriculum. The program allows the student to remain enrolled in their local public school program, but take their required academic courses under the direction of ASB teachers who have ADE certification in the subject taught, as well as certification in vision education. The program allows students to maintain their home school academic training while taking extremely important courses in the ASB extended core curriculum. Since FY06-07, sixty (60) public school students have received training through the program.

Individual education plans for every student are written annually and monitored to insure that ASB designs all programs to meet the needs of each respective student at their educational level. This is in compliance with the Arkansas Department of Education rules and regulations.

The Arkansas School for the Blind coordinates a statewide program that identifies and provides services to visually impaired students in public schools. This program is operated and funded by ASB. ASB Staff has provided training and inservice opportunities for Public School Administrators and Teachers. Student evaluations in adaptive tech, mobility, braille, and low vision are available to public school students free of charge. (ASB also provides all large print and braille textbooks and instructional materials for visually impaired students attending public school.)



Agency Commentary

The Arkansas School for the Blind (ASB) provides a variety of educational programs within the State's prescribed continuum of services for vision-impaired students from 0 to 21 years of age. The regular on-campus programming includes academic and vocational training, independent living training, residential living and extra curricular activities. Daily transportation is provided through local schools districts for non-residential students. The Arkansas School for the Deaf (ASD) provides weekly statewide transportation for ASB and ASD residential students to and from home each weekend. By law, ASD also provides maintenance and security services for ASB. Joint services for business, accounting, and human resources are provided to both schools through use of a Board approved paying account, permitting the pooling of funds from each agency based on a ratio of student population at each school.

Change Level requests for ASB for each year of the biennium include a reduction of one (1) position from Authorized Level due to budget cuts. Two (2) new positions are requested to help with the expanding birth to five years of age program. This is the only birth to five years of age program for blind and visually impaired students in Arkansas. Enrollment has grown to ninety (90) blind and visually impaired students in two years. The goal of the program is to provide students with public school entry level skills equal to their sighted peers. For the program to continue to provide the level of services required by students and parents, additional staff will be required. Other Change Level requests for each year of the biennium include small increases in Extra Help and Conference Fees and Travel, moderate increases in Maintenance and Operation, Professional Fees, and Braille Text Books, and larger increases in the Summer Projects and Special Maintenance line items. Restoration of Capital Outlay, Special Maintenance, Summer Projects, and Braille Text Books to Authorized Level are also included.

ASB lost one (1) position in **Salary and Personal Services Matching** for the biennium period because

of budget cuts. Restoration of this position was not requested. However, two (2) new positions are requested to help with our birth to five program established in FY2006. The population of clients in this program has increased greatly.

Additional authority and funding are needed for each year of the biennium for **Extra Help** to help cover the need for payment of substitute teachers and other staff. Due primarily to higher fuel prices, a small increase is requested in **Conference Fees and Travel** to help cover increased travel costs for providing professional development support to staff. Additional authority and funding are needed for each year of the biennium for **Professional Fees** to help cover increased services and rates of Occupational, Physical, and Speech Therapists, Physicians, and contracted services for providing in-service training for required professional development for teachers and other professional staff. Additional authority and funding are needed in **Operating Expenses** to help cover inflationary increases primarily caused by higher fuel costs. Unfortunately, higher prices are being passed on to us by vendors providing maintenance and other necessary services to ASB. Business mileage reimbursement rates have increased several cents per mile and, as fuel costs continue to increase, applicable expenses will rise accordingly.

Restoration of **Capital Outlay** to Authorized Level is requested for each year of the biennium to permit purchase of new or replacement equipment for items beyond repair, obsolete, or too expensive to maintain. Restoration of Authorized Level and increases beyond Base Level are requested in **Braille Text Books** to cover increased cost associated with providing braille and large print textbooks to public schools. ASB serves as the distribution center to public schools for large print and braille text books. Books are recycled from school to school on an "as needed" basis. When public schools change to a new textbook, the new version (first print) in braille may cost upwards of \$10,000 to \$15,000 each. Each student may need six or seven books depending on what classes he/she is enrolled. A normal book having 400 pages may take 1,200 pages to produce in braille or large print.

Restoration to Authorized Level and Change Levels above Base Level are requested for **Summer Projects** to help cover the cost of summer school, shift differential pay, and extra curricular pay. Increases in funding and authority for **Special Maintenance** will serve to maintain a never ending battle of preventative maintenance on 15 buildings, of which the newest is over 30 years old.

For Federally funded programs, Change Level requests includes reallocating the Medicaid Provider Program into ASB's Federal Operations Program Account to provide better internal management control. Restoration of Capital Outlay to Authorized Levels for each year of the biennium is requested in the Federal Operations appropriation and represents the sum of current Authorized Levels for both the merged Medicaid Provider Program and the Federal Operations appropriation itself.

Cash funded requests include restoration of **Capital Outlay** to Authorized Level for each year of the biennium.

Changes to Special Language:

- Section 12 of Act 326 of 2007: Changes requested would permit ASB to use some of its Braille Textbook funds for costs associated with providing Braille and Large Print Textbooks to Public Schools. Currently, the language only permits the actual purchase of these books, but does not include agency costs associated with getting these books to and from Public Schools.
- Section 14 of Act 326 of 2007: Changes requested would permit ASB to hire teachers from Public Schools at the salary they would be making upon their effective hire date at ASB. This would enable teachers to start at salary levels paid by Public Schools in order to compete for the hiring of

tenured teachers in subject areas such as math and science where the availability of applicants are limited.

- Section 16 of Act 326 of 2007: Changes reflect Certified Bachelor's Teacher, Certified Masters Teacher, Certified Masters Degree Librarian, Education Counselor, School Speech Pathologist, and School Principal classifications as staff eligible for salary adjustments to maintain equity with comparable positions in the Central Arkansas Public School System.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
ARKANSAS SCHOOL FOR THE BLIND

FOR THE YEAR ENDED JUNE 30, 2007

| Findings | Recommendations |
|----------|-----------------|
| None | None |

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 14 | 44 | 58 | 67 % |
| Black Employees | 8 | 20 | 28 | 33 % |
| Other Racial Minorities | 0 | 0 | 0 | 0 % |
| Total Minorities | | | 28 | 33 % |
| Total Employees | | | 86 | 100 % |

Cash Fund Balance Description as of June 30, 2008

| Fund Account | Balance | Type | Location |
|--------------|-------------|----------|----------------------------|
| 1140100 | \$1,250,047 | Checking | Regions Bank - Little Rock |

Statutory/Other Restrictions on use:

Arkansas Code 19-4-801 establishes that the agency can use these funds for operating expenses.

Statutory Provisions for Fees, Fines, Penalties:

NONE

Revenue Receipts Cycle:

National School Lunch and Breakfast reimbursements are collected throughout the year, as well as meal ticket sales, some royalties, interests and other donations.

Fund Balance Utilization:

Funds are collected on an irregular basis throughout the year. Since collections cannot be accurately projected, these funds are not used for on-going expenses. They are used as needed for food and other miscellaneous items.

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 |
| 076 School for the Blind-State Operations | 5,444,838 | 88 | 5,664,901 | 95 | 5,828,513 | 96 | 5,986,779 | 95 | 6,456,180 | 97 | 6,202,650 | 96 | 6,079,952 | 95 | 6,551,343 | 97 | 6,296,820 | 96 |
| 077 School for the Blind-Federal Operations | 231,735 | 6 | 702,581 | 5 | 720,871 | 6 | 608,464 | 5 | 907,464 | 5 | 907,464 | 5 | 613,238 | 5 | 912,238 | 5 | 912,238 | 5 |
| 086 Braille Textbooks | 168,333 | 0 | 168,024 | 0 | 175,000 | 0 | 168,024 | 0 | 200,000 | 0 | 168,024 | 0 | 168,024 | 0 | 200,000 | 0 | 168,024 | 0 |
| 1TC Medicaid Provider-Federal | 84,329 | 0 | 195,000 | 0 | 195,000 | 0 | 145,000 | 0 | 0 | 0 | 0 | 0 | 145,000 | 0 | 0 | 0 | 0 | 0 |
| A19 School for the Blind-Cash Operations | 60,407 | 0 | 424,508 | 0 | 424,508 | 0 | 374,508 | 0 | 424,508 | 0 | 424,508 | 0 | 374,508 | 0 | 424,508 | 0 | 424,508 | 0 |
| Total | 5,989,642 | 94 | 7,155,014 | 100 | 7,343,892 | 102 | 7,282,775 | 100 | 7,988,152 | 102 | 7,702,646 | 101 | 7,380,722 | 100 | 8,088,089 | 102 | 7,801,590 | 101 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | |
|--------------------------------|---------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| Fund Balance | 4000005 | 1,184,526 | 16.4 | 1,250,047 | 14.9 | 1,250,047 | 14.6 | 1,250,047 | 13.5 | 1,250,047 | 14.2 | 1,255,539 | 14.5 | 1,255,539 | 13.4 | 1,255,539 | 14.1 |
| General Revenue | 4000010 | 5,613,171 | 77.5 | 5,895,249 | 70.1 | 6,154,803 | 72.1 | 6,656,180 | 72.0 | 6,228,174 | 70.6 | 6,247,976 | 72.3 | 6,751,343 | 72.2 | 6,322,344 | 70.9 |
| Federal Revenue | 4000020 | 316,064 | 4.4 | 897,581 | 10.7 | 753,464 | 8.8 | 907,464 | 9.8 | 907,464 | 10.3 | 758,238 | 8.8 | 912,238 | 9.8 | 912,238 | 10.2 |
| Cash Fund | 4000045 | 125,928 | 1.7 | 424,508 | 5.1 | 380,000 | 4.5 | 430,000 | 4.7 | 430,000 | 4.9 | 383,000 | 4.4 | 433,000 | 4.6 | 433,000 | 4.9 |
| Merit Adjustment Fund | 4000055 | 0 | 0.0 | 43,794 | 0.5 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Inter-agency Fund Transfer | 4000316 | 0 | 0.0 | (106,118) | (1.3) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Funds | | 7,239,689 | 100.0 | 8,405,061 | 100.0 | 8,538,314 | 100.0 | 9,243,691 | 100.0 | 8,815,685 | 100.0 | 8,644,753 | 100.0 | 9,352,120 | 100.0 | 8,923,121 | 100.0 |
| Excess Appropriation/(Funding) | | (1,250,047) | | (1,250,047) | | (1,255,539) | | (1,255,539) | | (1,113,039) | | (1,264,031) | | (1,264,031) | | (1,121,531) | |
| Grand Total | | 5,989,642 | | 7,155,014 | | 7,282,775 | | 7,988,152 | | 7,702,646 | | 7,380,722 | | 8,088,089 | | 7,801,590 | |

Inter-Agency Fund transfer represents the balance of funds allocated by ASB to the Arkansas School for the Deaf (ASD) for costs associated with the legislatively authorized paying account provided for in Section 11 of Act 326 of 2007. Funding support for the paying account is calculated based on student ratio population for each school.

The difference between the ending fund balance for FY2010 and the beginning fund balance for FY2011 in the Executive Recommendation columns is \$142,500 and represents unfunded appropriation recommended for the State Operations appropriation (App. 076).

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 | |
| 107 | 88 | 14 | 102 | 5 | 17.76 % | 102 | 92 | 5 | 97 | 5 | 9.80 % | 102 | 86 | 11 | 97 | 5 | 15.69 % |

Analysis of Budget Request

Appropriation: 076 - School for the Blind-State Operations

Funding Sources: ESA - State Operations - School for the Blind

The Arkansas School for the Blind (ASB) operates from a combination of general revenue, cash, and federal funds. ASB provides service programs for the visually impaired aged 0 to 21 such as academic and vocational training, independent living training, residential living, and extra curricular activities. All costs associated with this appropriation are funded with stabilized general revenue and provides the majority of support for the school.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and one unclassified position reflects similar line item salary adjustments in accordance with 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 may include board member Stipend payments and 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.

Base Level for ASB totals \$5,986,779 for FY2010 and \$6,079,952 for FY2011. Change Level requests for both appropriation and funding total \$469,401 for FY2010 and \$471,391 for FY2011 and are as follows:

- ASB requests two (2) new Grade C119 Certified Masters Teacher positions. Salary and matching costs total \$96,745 for FY2011 and \$98,735 for FY2011. These positions are requested in the "Birth to Kindergarten" Program, created in FY2007. This program is the only birth to five years of age program for blind and visually impaired babies and toddlers in Arkansas. The focus of the program is to provide enrollees with public school entry skills equal to their sighted peers. According to ASB, the program has grown to serve ninety (90) children since inception and cannot continue to adequately address needs of the students without additional manpower. Currently, there are two (2) staff positions assigned to this program, yielding a staff/child ratio of 1 staff to 45 children.
- Change Levels of \$12,171 in appropriation and funding for Extra Help and associated matching costs is requested each year. The primary justification given by ASB for the increase is the dramatic increase in costs of providing substitute teachers where and when necessary.
- A total of \$25,000 each year is requested to restore Authorized Level for Capital Outlay to permit the replacement of equipment that is beyond repair, obsolete, or too expensive to maintain.
- For Operating Expenses, a total of \$47,500 each year is requested primarily to support inflationary increases caused by high fuel prices. Current prices have caused drastic increases in utility costs for facilities and have increased travel reimbursement costs for staff who are required to travel the State providing services to the visually impaired.
- Increases of \$150,000 each year is requested for Special Maintenance in order to provide support for preventative maintenance on fifteen (15) campus buildings, of which the newest is over thirty (30) years old. This request reflects an increase of \$100,000 each year over current Authorized Level.
- In the area of Summer Projects, ASB is requesting an additional \$105,000 each year to support increased costs associated with the provision of a three (3) week summer school for ASB students as well as Extra Curricular & Shift Differential Pay for eligible employees. Special language currently permits costs associated with Summer Projects, Shift Differential, & Extra Curricular Activities to be paid as a transfer from the Summer Projects line item to salaries and matching line items as appropriate.

- For Professional Fees, \$25,000 each year is requested to support costs of services provided by occupational, physical, and speech therapists and physicians as well as to provide for costs of providing in-service training on the ASB campus for required professional development for teachers and other staff.
- A total of \$7,985 in Change Levels are requested for Conference Fees & Travel each year. According to ASB, this request is made to support increased costs of providing a minimum of sixty (60) hours of professional in-service training to teachers and other professional staff. This is a standard for professional staff established by the Department of Education.

The Executive Recommendation provides \$48,371 for FY2010 and \$49,368 for FY2011 in Regular Salary and associated Personal Services Matching appropriation and new general revenue funding for one (1) Certified Masters Teacher position. The Agency Request in appropriation only is recommended for Operating Expenses and Capital Outlay. For the Special Maintenance and Summer Projects line items, the Executive Recommendation provides for Authorized Level. All other line items are recommended at Base Level for each year.

In addition to the appropriation and general revenue funding recommended for the Certified Masters Teacher position as described above, the Executive Recommendation also provides \$25,000 each year in new general revenue funding above Base Level. In summary, new general revenue funding recommended above Base Level totals \$73,371 for FY2010 and \$74,368 for FY2011.

Appropriation Summary

Appropriation: 076 - School for the Blind-State Operations
Funding Sources: ESA - State Operations - School for the Blind

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 | 3,124,699 | 3,376,921 | 3,381,231 | 3,541,752 | 3,612,860 | 3,577,306 | 3,618,306 | 3,691,048 | 3,654,677 |
| #Positions | | 87 | 95 | 96 | 95 | 97 | 96 | 95 | 97 | 96 |
| Extra Help | 5010001 | 14,422 | 15,000 | 15,000 | 15,000 | 25,000 | 15,000 | 15,000 | 25,000 | 15,000 |
| #Extra Help | | 3 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Personal Services Matching | 5010003 | 1,049,043 | 1,098,465 | 1,142,767 | 1,260,512 | 1,288,320 | 1,273,329 | 1,277,131 | 1,305,295 | 1,290,128 |
| Overtime | 5010006 | 8,846 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Operating Expenses | 5020002 | 775,445 | 777,500 | 777,500 | 777,500 | 825,000 | 825,000 | 777,500 | 825,000 | 825,000 |
| Conference & Travel Expenses | 5050009 | 16,860 | 17,015 | 17,015 | 17,015 | 25,000 | 17,015 | 17,015 | 25,000 | 17,015 |
| Professional Fees | 5060010 | 88,170 | 100,000 | 100,000 | 100,000 | 125,000 | 100,000 | 100,000 | 125,000 | 100,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 24,638 | 5,000 | 25,000 | 0 | 25,000 | 25,000 | 0 | 25,000 | 25,000 |
| Special Maintenance | 5120032 | 249,239 | 200,000 | 250,000 | 200,000 | 350,000 | 250,000 | 200,000 | 350,000 | 250,000 |
| Vocational Workstudy | 5900046 | 5,458 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Summer Projects | 5900048 | 88,018 | 45,000 | 90,000 | 45,000 | 150,000 | 90,000 | 45,000 | 150,000 | 90,000 |
| Total | | 5,444,838 | 5,664,901 | 5,828,513 | 5,986,779 | 6,456,180 | 6,202,650 | 6,079,952 | 6,551,343 | 6,296,820 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 5,444,838 | 5,727,225 | | 5,986,779 | 6,456,180 | 6,060,150 | 6,079,952 | 6,551,343 | 6,154,320 |
| Merit Adjustment Fund | 4000055 | 0 | 43,794 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Inter-agency Fund Transfer | 4000316 | 0 | (106,118) | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | | 5,444,838 | 5,664,901 | | 5,986,779 | 6,456,180 | 6,060,150 | 6,079,952 | 6,551,343 | 6,154,320 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 142,500 | 0 | 0 | 142,500 |
| Grand Total | | 5,444,838 | 5,664,901 | | 5,986,779 | 6,456,180 | 6,202,650 | 6,079,952 | 6,551,343 | 6,296,820 |

Inter-agency fund transfer represents the balance of funds allocated by ASB to the Arkansas School for the Deaf (ASD) for costs associated with the legislatively authorized paying account provided for in Section 11 of Act 326 of 2007. Funding support for the paying account is calculated based on student ratio population for each school.

Change Level by Appropriation

Appropriation: 076 - School for the Blind-State Operations
Funding Sources: ESA - State Operations - School for the Blind

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 5,986,779 | 95 | 5,986,779 | 100.0 | 6,079,952 | 95 | 6,079,952 | 100.0 |
| C01 | Existing Program | 372,656 | 0 | 6,359,435 | 106.2 | 372,656 | 0 | 6,452,608 | 106.1 |
| C02 | New Program | 96,745 | 2 | 6,456,180 | 107.8 | 98,735 | 2 | 6,551,343 | 107.8 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 5,986,779 | 95 | 5,986,779 | 100.0 | 6,079,952 | 95 | 6,079,952 | 100.0 |
| C01 | Existing Program | 167,500 | 0 | 6,154,279 | 102.8 | 167,500 | 0 | 6,247,452 | 102.8 |
| C02 | New Program | 48,371 | 1 | 6,202,650 | 103.6 | 49,368 | 1 | 6,296,820 | 103.6 |

Justification

| | |
|-----|--|
| C01 | Additional authority and funding are needed in Extra Help and Match to cover increased cost of substitute teachers and other staff for sick leave and vacation leave. Additional authority and funding are needed in Operating Expenses to help cover inflationary increases caused primarily by higher fuel cost and cost increases implemented by vendors. Additional authority and funding are needed in Conference Fees to help cover the cost of providing required in-service training, primarily to teachers and professional staff. Additional authority and funding are needed in Professional Fees as a result of increased rates and services of Occupational and Physical Therapy and contracted services for providing in-service training to staff. Restoration to authority level for Capital Outlay is requested for each year of the biennium to permit the replacement of worn out or obsolete equipment in such areas as food service, library holdings, maintenance, and academics. Request for Special Maintenance include both restoration and additional authority and funding to help maintain a never ending battle of preventative maintenance on 15 campus buildings. Restoration and additional authority and funding are needed in Summer Projects to help cover the cost of summer school, shift differential pay, and extra curricular pay. |
| C02 | Additional authority and funding are needed in Salary and Match to cover the cost of two additional teacher positions needed in the birth to kindergarten program. This program started during the 2006-2007 school year and has grown to a current population of 90 blind or visually impaired babies and services cannot be adequately provided by the two staff currently in the program. This program is expected to grow to as many as 100 babies and sets of parents by the end of FY09. |

Analysis of Budget Request

Appropriation: 077 - School for the Blind-Federal Operations

Funding Sources: FEC - Federal Operations - School for the Blind

This appropriation represents the primary federal operations support for the Arkansas School for the Blind (ASB). The funds support for this appropriation is, among others, Chapter VI-B Pass-Through, Carl Perkins Federal Vocational Grants, Medicaid reimbursements, and an Adaptive Technology Grant received through the State Department of Education.

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 may include board member Stipend payments and 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.

Base Level is \$608,464 for FY2010 and \$613,238 for FY2011.

ASD is requesting Change Levels totaling \$299,000 each year. Of this amount, \$154,000 each year is requested for Capital Outlay. The Capital Outlay request is composed of the restoration of the FY09 Authorized Level in Federal Operations and an additional \$50,000 each year currently authorized in the Medicaid Provider - Federal appropriation (App. 1TC). This request will provide authority to replace equipment that is beyond repair, obsolete, or too expensive to maintain. The balance of the request for Operating Expenses (\$55,000/year), Conference Fees & Travel (\$5,000/year), and Professional Fees (\$85,000/year) represents the requested reallocation of Base Levels for the Medicaid Provider - Federal appropriation (Fund Center 1TC) within this appropriation. According to the Agency, such a transfer/reallocation will provide for better internal management control.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 077 - School for the Blind-Federal Operations
Funding Sources: FEC - Federal Operations - School for the Blind

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 | 150,434 | 163,147 | 176,363 | 167,481 | 167,481 | 167,481 | 171,403 | 171,403 | 171,403 |
| #Positions | | 6 | 5 | 6 | 5 | 5 | 5 | 5 | 5 | 5 |
| Extra Help | 5010001 | 13,086 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| #Extra Help | | 5 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Personal Services Matching | 5010003 | 59,803 | 59,570 | 64,644 | 65,119 | 65,119 | 65,119 | 65,971 | 65,971 | 65,971 |
| Operating Expenses | 5020002 | 2,350 | 186,050 | 186,050 | 186,050 | 241,050 | 241,050 | 186,050 | 241,050 | 241,050 |
| Conference & Travel Expenses | 5050009 | 6,062 | 56,382 | 56,382 | 56,382 | 61,382 | 61,382 | 56,382 | 61,382 | 61,382 |
| Professional Fees | 5060010 | 0 | 118,432 | 118,432 | 118,432 | 203,432 | 203,432 | 118,432 | 203,432 | 203,432 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 104,000 | 104,000 | 0 | 154,000 | 154,000 | 0 | 154,000 | 154,000 |
| Total | | 231,735 | 702,581 | 720,871 | 608,464 | 907,464 | 907,464 | 613,238 | 912,238 | 912,238 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 231,735 | 702,581 | | 608,464 | 907,464 | 907,464 | 613,238 | 912,238 | 912,238 |
| Total Funding | | 231,735 | 702,581 | | 608,464 | 907,464 | 907,464 | 613,238 | 912,238 | 912,238 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 231,735 | 702,581 | | 608,464 | 907,464 | 907,464 | 613,238 | 912,238 | 912,238 |

Change Level requests for Operating Expenses, Conference & Travel Expenses, and Professional Fees total \$145,000 each year & represent the Agency's Request to reallocate the Medicaid Provider - Federal appropriation (Fund Center 1TC) within this appropriation to provide the Agency with improved internal management control.

Change Level by Appropriation

Appropriation: 077 - School for the Blind-Federal Operations
Funding Sources: FEC - Federal Operations - School for the Blind

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 608,464 | 5 | 608,464 | 100.0 | 613,238 | 5 | 613,238 | 100.0 |
| C01 | Existing Program | 154,000 | 0 | 762,464 | 125.3 | 154,000 | 0 | 767,238 | 125.1 |
| C04 | Reallocation | 145,000 | 0 | 907,464 | 149.1 | 145,000 | 0 | 912,238 | 148.8 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 608,464 | 5 | 608,464 | 100.0 | 613,238 | 5 | 613,238 | 100.0 |
| C01 | Existing Program | 154,000 | 0 | 762,464 | 125.3 | 154,000 | 0 | 767,238 | 125.1 |
| C04 | Reallocation | 145,000 | 0 | 907,464 | 149.1 | 145,000 | 0 | 912,238 | 148.8 |

Justification

| | |
|-----|--|
| C01 | Restoration of Capital Outlay to Authorized Level is requested for each year of the biennium to permit purchase of new and replacement equipment of items that are obsolete or too expensive to maintain. The restored amount requested for Capital Outlay in Federal Operations includes the Authorized Level for Capital Outlay (\$50,000 each year) reflected in the Medicaid Provider - Federal appropriation (Fund center 1TC). |
| C04 | For better internal management control, the Medicaid Provider - Federal Program (Fund Center 1TC) is requested to be reallocated into the Federal Operations appropriation. |

Analysis of Budget Request

Appropriation: 086 - Braille Textbooks

Funding Sources: ESA - State Operations - School for the Blind

The School for the Blind (ASB) utilizes this appropriation to purchase Braille and Large Print textbooks for visually impaired students attending public schools. This appropriation is funded from general revenue.

Change Levels totaling \$31,976 each year in appropriation and funding are requested to support the increased costs of Braille and Large Print textbooks to be used by ASB and the public schools. ASB serves as a clearing house to public schools for the distribution of these materials. According to ASB, the cost of these textbooks continue to rise with some books anticipated to be as much as \$10,000 to \$15,000 per book. Also, this request includes copying, postage, and freight costs associated with shipping the materials to various public schools.

The Executive Recommendation provides for Base Level each year of the 2009-11 biennium.

Appropriation Summary

Appropriation: 086 - Braille Textbooks
Funding Sources: ESA - State Operations - School for the Blind

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 |
| Braille Textbooks 5900046 | 168,333 | 168,024 | 175,000 | 168,024 | 200,000 | 168,024 | 168,024 | 200,000 | 168,024 |
| Total | 168,333 | 168,024 | 175,000 | 168,024 | 200,000 | 168,024 | 168,024 | 200,000 | 168,024 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 168,333 | 168,024 | | 168,024 | 200,000 | 168,024 | 168,024 | 200,000 | 168,024 |
| Total Funding | 168,333 | 168,024 | | 168,024 | 200,000 | 168,024 | 168,024 | 200,000 | 168,024 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 168,333 | 168,024 | | 168,024 | 200,000 | 168,024 | 168,024 | 200,000 | 168,024 |

Change Level by Appropriation

Appropriation: 086 - Braille Textbooks
Funding Sources: ESA - State Operations - School for the Blind

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 168,024 | 0 | 168,024 | 100.0 | 168,024 | 0 | 168,024 | 100.0 |
| C01 | Existing Program | 31,976 | 0 | 200,000 | 119.0 | 31,976 | 0 | 200,000 | 119.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 168,024 | 0 | 168,024 | 100.0 | 168,024 | 0 | 168,024 | 100.0 |
| C01 | Existing Program | 0 | 0 | 168,024 | 100.0 | 0 | 0 | 168,024 | 100.0 |

Justification

| | |
|-----|---|
| C01 | Restoration and additional authority and funding are needed in Braille Textbooks to help cover the increased cost of providing large print and Braille Textbooks to public schools. ASB is requesting a change in Special Language permitting payment of some operating expenses involved in providing large print and Braille Textbooks to public schools. |
|-----|---|

Analysis of Budget Request

Appropriation: 1TC - Medicaid Provider-Federal

Funding Sources: FEC - Federal Operations - School for the Blind

The Medicaid Provider - Federal appropriation is federally funded from the Arkansas Medicaid Program and also receives funds from an Adaptive Assistance Grant from the Arkansas Department of Workforce Education. Approximately 75% of the students at the school are eligible for Medicaid and these funds may be used to purchase materials and equipment needed by these students for such services as occupational therapy, speech therapy, and physical therapy. Funds are generated through services provided to Medicaid eligible children. Matching funds in the amount of approximately twenty-eight percent (28%) are required and are paid to the State Department of Education from general revenue.

The Base Level for this appropriation is \$145,000 each year. For the 2009-2011 biennium, the Agency is requesting negative Change Levels totaling \$145,000 each year in order that this program may be reallocated within the ASB - Federal Operations appropriation (Fund Center 077). According to the Agency, such a reallocation will provide for better internal management control. A similar reallocation for the Medicaid Provider Program operated by the School for the Deaf was made several years ago and is now requested for the School for the Blind.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1TC - Medicaid Provider-Federal
Funding Sources: FEC - Federal Operations - School for the Blind

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 |
| Operating Expenses | 5020002 | 21,352 | 55,000 | 55,000 | 55,000 | 0 | 0 | 55,000 | 0 | 0 |
| Conference & Travel Expenses | 5050009 | 1,306 | 5,000 | 5,000 | 5,000 | 0 | 0 | 5,000 | 0 | 0 |
| Professional Fees | 5060010 | 55,151 | 85,000 | 85,000 | 85,000 | 0 | 0 | 85,000 | 0 | 0 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 6,520 | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 84,329 | 195,000 | 195,000 | 145,000 | 0 | 0 | 145,000 | 0 | 0 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 84,329 | 195,000 | | 145,000 | 0 | 0 | 145,000 | 0 | 0 |
| Total Funding | | 84,329 | 195,000 | | 145,000 | 0 | 0 | 145,000 | 0 | 0 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 84,329 | 195,000 | | 145,000 | 0 | 0 | 145,000 | 0 | 0 |

Agency requests that this appropriation be reallocated within the Federal Operations appropriation (Fund Center 077) to provide the Agency with improved internal management control.

Change Level by Appropriation

Appropriation: 1TC - Medicaid Provider-Federal
Funding Sources: FEC - Federal Operations - School for the Blind

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 145,000 | 0 | 145,000 | 100.0 | 145,000 | 0 | 145,000 | 100.0 |
| C04 | Reallocation | (145,000) | 0 | 0 | 0.0 | (145,000) | 0 | 0 | 0.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 145,000 | 0 | 145,000 | 100.0 | 145,000 | 0 | 145,000 | 100.0 |
| C04 | Reallocation | (145,000) | 0 | 0 | 0.0 | (145,000) | 0 | 0 | 0.0 |

Justification

| | |
|-----|--|
| C04 | The Medicaid Provider Program is requested to be reallocated into the Federal Operations Program appropriation (Fund Center 077) in order to provide the Agency with better internal management control. |
|-----|--|

Analysis of Budget Request

Appropriation: A19 - School for the Blind-Cash Operations

Funding Sources: 114 - Cash Operations - School for the Blind

The Arkansas School for the Blind (ASB) uses their cash appropriation to supplement general revenues as needed for provision of required services for the blind and visually impaired student population. Cash funds are primarily received from USDA Reimbursements, interest on cash investments, and legacy donations.

In addition to the Base Level of \$374,508 each year, Change Levels totaling \$50,000 each year of the 2009-2011 biennium is requested for Capital Outlay. This request would restore the FY09 Authorized Level for Capital Outlay and provide authority for equipment purchases in the areas of food service and maintenance.

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

Appropriation Summary

Appropriation: A19 - School for the Blind-Cash Operations

Funding Sources: 114 - Cash Operations - School for the Blind

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 |
| Operating Expenses | 5020002 | 54,785 | 186,508 | 186,508 | 186,508 | 186,508 | 186,508 | 186,508 | 186,508 | 186,508 |
| Conference & Travel Expenses | 5050009 | 5,622 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 |
| Professional Fees | 5060010 | 0 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 50,000 | 50,000 | 0 | 50,000 | 50,000 | 0 | 50,000 | 50,000 |
| Special Maintenance | 5120032 | 0 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Total | | 60,407 | 424,508 | 424,508 | 374,508 | 424,508 | 424,508 | 374,508 | 424,508 | 424,508 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 1,184,526 | 1,250,047 | | 1,250,047 | 1,250,047 | 1,250,047 | 1,255,539 | 1,255,539 | 1,255,539 |
| Cash Fund | 4000045 | 125,928 | 424,508 | | 380,000 | 430,000 | 430,000 | 383,000 | 433,000 | 433,000 |
| Total Funding | | 1,310,454 | 1,674,555 | | 1,630,047 | 1,680,047 | 1,680,047 | 1,638,539 | 1,688,539 | 1,688,539 |
| Excess Appropriation/(Funding) | | (1,250,047) | (1,250,047) | | (1,255,539) | (1,255,539) | (1,255,539) | (1,264,031) | (1,264,031) | (1,264,031) |
| Grand Total | | 60,407 | 424,508 | | 374,508 | 424,508 | 424,508 | 374,508 | 424,508 | 424,508 |

Change Level by Appropriation

Appropriation: A19 - School for the Blind-Cash Operations
Funding Sources: 114 - Cash Operations - School for the Blind

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 374,508 | 0 | 374,508 | 100.0 | 374,508 | 0 | 374,508 | 100.0 |
| C01 | Existing Program | 50,000 | 0 | 424,508 | 113.4 | 50,000 | 0 | 424,508 | 113.4 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 374,508 | 0 | 374,508 | 100.0 | 374,508 | 0 | 374,508 | 100.0 |
| C01 | Existing Program | 50,000 | 0 | 424,508 | 113.4 | 50,000 | 0 | 424,508 | 113.4 |

Justification

| | |
|-----|---|
| C01 | Restoration of Capital Outlay to current authorized level is requested for each year of the biennium. Purchases are primarily in the Food Service Department and Maintenance/Housekeeping Department for replacement of equipment which is obsolete or too expensive to maintain. |
|-----|---|

SCHOOL FOR THE DEAF

Enabling Laws

Act 328 of 2007

A.C.A. §6-43-101 - 115; and A.C.A. §6-43-301 - 320

History and Organization

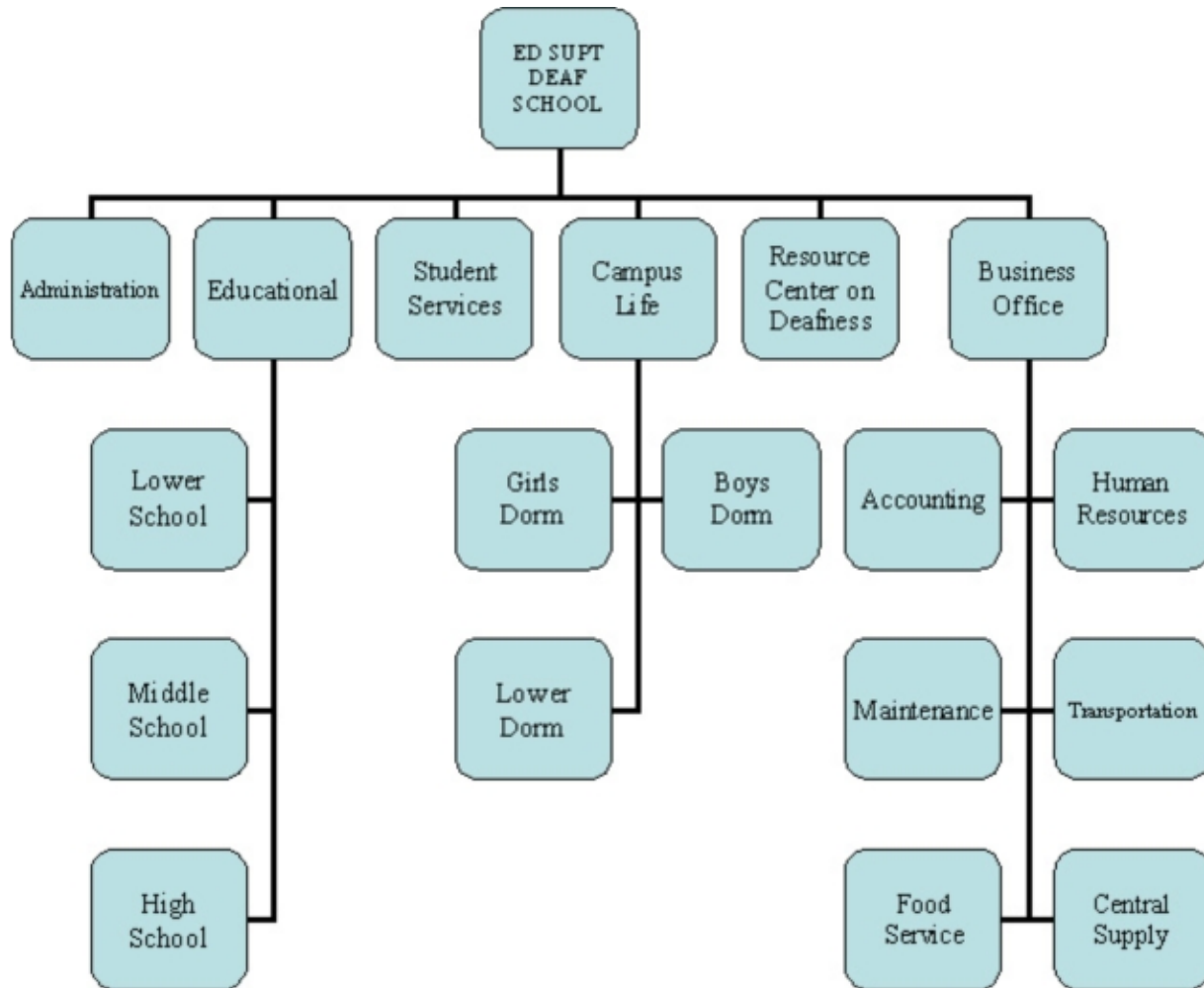
The Board of Trustees, a five-member board appointed by the Governor, for the Arkansas School for the Blind and the Arkansas School for the Deaf has oversight responsibilities for the Arkansas School for the Deaf. This responsibility is set forth in A.C.A. §6-43-101 and §6-43-102 (Title 6 of the Arkansas Code of 1987). The Board has approved the following mission statement for the Arkansas School for the Deaf (ASD): "Working Together to Create Learning Opportunities for Academic Excellence and Personal Independence." Approximately 500 individuals receive education, services and training through the various programs offered by ASD.

In 1850, the first class for deaf students was offered in the City of Clarksville. In 1868, Governor Powell Clayton recommended in his message to the General Assembly that a School for the Deaf, supported inadequately at the time by private subscriptions and funds given by the City of Little Rock, be taken over as a State Institution. Two tracts of land were donated to the Institute. One tract is now part of the site of the present location of the State Capitol. The other tract, which is the Capitol grounds owned by the School for the Deaf, was sold in 1871 to raise funds for the construction of a building for girls. The General Assembly approved Act 36 on July 17, 1868 giving the school the title of "The Arkansas Deaf Mute Institution". Act 462 of 1923 changed the name of the Institution to the "Arkansas School for the Deaf".

The Arkansas Department of Education, the North Central Association, and the Conference of Educational Administrators Serving the Deaf accredit the Arkansas School for the Deaf (ASD). The Arkansas School for the Deaf (ASD) operates under the direction and rules and regulations of the Department of Education as a day school with residential facilities and provides educational services and opportunities for students birth through the age of 21. Programming includes services in the following areas: academic, vocational, social-emotional, transition, residential, extra-curricular, and family training. Other services provided by the school are: audiological services, physical therapy, occupational therapy, tutoring, speech-language therapy, psychological services, health services, nutritional meals, and special training for children with additional disabilities. Daily transportation is provided by local school districts for non-residential students. By law, ASD provides weekly statewide transportation for residential students of both the ASD and the Arkansas School for the Blind (ASB) to and from home each weekend.

The Arkansas School for the Deaf is collaborating with Centers for Youth and Family to provide a comprehensive array of behavioral healthcare services to meet the needs of students of the Arkansas School for the Deaf diagnosed as emotionally disturbed. Most of the students served by this program will meet the State definition of seriously emotionally disturbed. Services will include residential care (dorm), day treatment, case management, school-based services, emergency (crisis intervention) services, respite care via the therapeutic foster care program, crisis stabilization services, and psychiatric residential treatment services.

ASD functions as the Statewide Resource Center on Deafness, coordinating programs that identify and provide services to students who are deaf and hard of hearing throughout the State through partnerships with agencies such as Department of Workforce Education, Department of Education, Arkansas Rehabilitation Services, University of Arkansas at Little Rock, and the Little Rock Adult Education Center. The Arkansas School for the Deaf coordinates a statewide program which provides early intervention services to families and consultation services for students in early intervention programs. Research has shown that early intervention potentially holds the key to success for children/students who are deaf/hard of hearing and that the development of communication, language, social/emotional, and cognitive skills at the earliest possible age is fundamental to subsequent educational growth for children birth to five who are deaf/hard of hearing. The ASD early intervention program provides training to the families of these children through on-campus services and home visits by parent advisors throughout the State. ASD is committed to providing these services which are free and available to all families in Arkansas.



Agency Commentary

The Arkansas School for the Deaf (ASD) operates under the direction of the Department of Education as a day school with residential facilities and provides educational services and opportunities for students from birth through the age of 21. Programming includes services in the following areas: academic, vocational, social-emotional, transition, residential, extra-curricular, and family training. ASD functions as the Resource Center on Deafness, coordinating programs that identify and provide services to students who are deaf and hard of hearing throughout the State through partnerships with agencies such as

Department of Workforce Education, Department of Education, Arkansas Rehabilitation Services, University of Arkansas at Little Rock, Arkansas Children's Hospital, Centers for Youth and Family Services, and the Little Rock Adult Education Center. Daily transportation is provided by local school districts for non-residential students. By law, ASD provides weekly statewide transportation for residential students of both ASD and the Arkansas School for the Blind (ASB) to and from home each weekend. ASD also provides maintenance and security services for ASB. Joint services for business, accounting, and personnel are provided to both schools through the use of a Board approved paying account permitting the pooling of funds from each agency based on a ratio of student population at each school.

Change Level requests for ASD for each year of the biennium include reduction of five (5) positions from Authorized Level due to budget cuts. Other Change Level requests for each year of the biennium include small increases in Extra Help, Professional Fees, and a larger increase in Maintenance and Operation. Restoration of Special Maintenance, Miscellaneous Activities, and Capital Outlay to Authorized Level are also requested.

ASD lost five positions in **Salary and Personal Services Matching** for the biennium period because of budget cuts. Restoration of these positions was not necessary because of organizational changes made within the agency.

Additional authority and funding are needed for each year of the biennium for **Extra Help** to help cover the increased enrollment in our Early Intervention Program serving birth to Kindergarten age children. Research has shown that early intervention potentially holds the key to success for children/students who are deaf/hard of hearing and that the development of communication, language, social/emotional, and cognitive skills at the earliest possible age is fundamental to their subsequent educational growth. Extra help funds are also used for payment of substitutes for teachers and other staff. A small increase is requested in **Professional Fees** for each year of the biennium to help cover increased services and rates of Occupational and Physical Therapists, Physicians, and contracted services providing in-service training for required professional development for teachers and other professional staff.

Additional authority and funding are needed for each year of the biennium in **Operating Expenses** to help cover inflationary increases primarily caused by higher fuel cost. Due to transporting students to and from home each weekend from all over the state, higher fuel cost has a severe impact on operating funds. In addition, operating a fleet of vehicles/buses for daily activities of a residential facility also results in increased operating cost due to higher fuel cost. Unfortunately, higher prices are being charged by vendors, who, by necessity, pass increased costs, primarily due to higher fuel cost, along to the customers. Additional operating funds are needed to help cover the increase in services and rates of Interpreters. As Interpreters can receive upwards of \$35.00 per hour freelancing, it is impossible to employ an Interpreter with the salary (Grade 17, Level IV, \$23.28/hour) offered by the State. This forces ASD to contract for services and pay these rates from our operating funds. As a school serving deaf students, the need for Interpreters is great and seems to be increasing because of the lack of availability of certified teachers with signing skills.

Restoration of **Special Maintenance** to Authorized Level is requested for each year of the biennium to permit ASD to continue the ever ending battle of preventative maintenance on 20 buildings, of which one is relatively new, two are in the 30 years of age range, most are in the 40 to 50 years of age range, and a few are in the 70 years of age range. Restoration of **Capital Outlay** to Authorized Level is requested for each year of the biennium to permit the purchase of new or replacement items beyond repair, obsolete, or too expensive to maintain. Finally, restoration of **Miscellaneous Activities** to Authorized Level is requested for each year of the biennium to help cover the cost of summer school, shift differential pay,

and extra curricular pay. Also, a change to special language is being requested to add the cost of interpreting services to this activity.

Change Level requests for Federal Programs and Cash Funded Programs consist of restoration of **Capital Outlay** to Authorized Levels each year of the biennium.

Changes to Special Language:

- Section 10 of Act 328 of 2007: Changes requested would permit ASD to hire teachers from Public Schools at the salary they would be making effective upon their hire date at ASD. This would enable teachers to start at salary levels paid by Public Schools in order to compete for the hiring of tenured teachers in subject areas such as math and science where the availability of applicants are limited.
- Section 12 of Act 328 of 2007: Changes requested would permit ASD to compensate interpreting services from the Miscellaneous Activities line items. Hourly wages for Interpreters range between \$32.00 per hour to \$37.50 per hour and exceed maximum hourly amounts permitted on the state pay scale. Therefore, ASD is forced to contract for these services.
- Section 16 of Act 328 of 2007: Changes requested reflect the Certified Bachelor's Teacher, Certified Masters Teacher, School Speech Pathologist, and School Principal classifications as staff eligible for salary adjustments to maintain equity with comparable positions in the Central Arkansas Public School System.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF EDUCATION
 ARKANSAS SCHOOL FOR THE DEAF
 FOR THE YEAR ENDED JUNE 30, 2007

| Findings | Recommendations |
|----------|-----------------|
| None | None |

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 23 | 73 | 96 | 67 % |
| Black Employees | 15 | 31 | 46 | 32 % |
| Other Racial Minorities | 0 | 2 | 2 | 1 % |
| Total Minorities | | | 48 | 33 % |
| Total Employees | | | 144 | 100 % |

Cash Fund Balance Description as of June 30, 2008

| | | | |
|--------------|-----------|----------|------------------------------|
| Fund Account | Balance | Type | Location |
| 1370000 | \$320,998 | Checking | Twin City Bank - Little Rock |

Statutory/Other Restrictions on use:

Arkansas Code 19-4-801 establishes that the agency can use these funds for operating expenses.

Statutory Provisions for Fees, Fines, Penalties:

NONE

Revenue Receipts Cycle:

National School Lunch and Breakfast Reimbursements are collected throughout the year as well as meal ticket sales, some royalties, interests, rental income, and donations.

Fund Balance Utilization:

Funds are collected on an irregular basis throughout the year. Since collections cannot be accurately projected, these funds are not used for on-going expenses. They are used as needed for food and other miscellaneous items.

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 |
| 056 School for the Deaf-State Operations | 9,410,193 | 155 | 10,282,313 | 166 | 10,461,252 | 171 | 10,781,346 | 166 | 11,127,143 | 166 | 11,102,143 | 166 | 10,928,929 | 166 | 11,274,726 | 166 | 11,249,726 | 166 |
| 058 School for the Deaf-Federal Operations | 754,365 | 10 | 1,323,370 | 10 | 1,503,242 | 12 | 1,216,116 | 10 | 1,345,616 | 10 | 1,345,616 | 10 | 1,227,610 | 10 | 1,357,110 | 10 | 1,357,110 | 10 |
| A10 School for the Deaf-Cash Operations | 99,654 | 0 | 442,136 | 0 | 442,136 | 0 | 367,136 | 0 | 442,136 | 0 | 442,136 | 0 | 367,136 | 0 | 442,136 | 0 | 442,136 | 0 |
| Total | 10,264,212 | 165 | 12,047,819 | 176 | 12,406,630 | 183 | 12,364,598 | 176 | 12,914,895 | 176 | 12,889,895 | 176 | 12,523,675 | 176 | 13,073,972 | 176 | 13,048,972 | 176 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | | % |
|---------------------------------------|-------------------|--------------|-------------------|--------------|--|---|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| Fund Balance 4000005 | 297,609 | 2.8 | 320,998 | 2.6 | | | 320,998 | 2.5 | 320,998 | 2.4 | 320,998 | 2.5 | 323,862 | 2.5 | 323,862 | 2.4 | 323,862 | 2.5 |
| General Revenue 4000010 | 9,374,131 | 88.6 | 10,088,186 | 81.6 | | | 10,781,346 | 85.0 | 11,127,143 | 84.0 | 10,881,346 | 83.7 | 10,928,929 | 85.0 | 11,274,726 | 84.1 | 11,028,929 | 83.8 |
| Federal Revenue 4000020 | 754,365 | 7.1 | 1,323,370 | 10.7 | | | 1,216,116 | 9.6 | 1,345,616 | 10.2 | 1,345,616 | 10.4 | 1,227,610 | 9.5 | 1,357,110 | 10.1 | 1,357,110 | 10.3 |
| Cash Fund 4000045 | 123,043 | 1.2 | 442,136 | 3.6 | | | 370,000 | 2.9 | 445,000 | 3.4 | 445,000 | 3.4 | 380,000 | 3.0 | 455,000 | 3.4 | 455,000 | 3.5 |
| Merit Adjustment Fund 4000055 | 0 | 0.0 | 67,029 | 0.5 | | | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Daycare Lease Payments 4000183 | 0 | 0.0 | 20,980 | 0.2 | | | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| DFA Motor Vehicle Acquisition 4000184 | 36,062 | 0.3 | 0 | 0.0 | | | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Inter-agency Fund Transfer 4000316 | 0 | 0.0 | 106,118 | 0.9 | | | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Funds | 10,585,210 | 100.0 | 12,368,817 | 100.0 | | | 12,688,460 | 100.0 | 13,238,757 | 100.0 | 12,992,960 | 100.0 | 12,860,401 | 100.0 | 13,410,698 | 100.0 | 13,164,901 | 100.0 |
| Excess Appropriation/(Funding) | (320,998) | | (320,998) | | | | (323,862) | | (323,862) | | (103,065) | | (336,726) | | (336,726) | | (115,929) | |
| Grand Total | 10,264,212 | | 12,047,819 | | | | 12,364,598 | | 12,914,895 | | 12,889,895 | | 12,523,675 | | 13,073,972 | | 13,048,972 | |

Inter-Agency transfer reflects receipt of fund transfer from the Arkansas School for the Blind (ASB) & represents ASB's share of costs associated with the legislatively authorized paying account provided for in Section 14 of Act 328 of 2007. Funding support for the paying account is calculated based on student population ratio at each school. The difference between the ending fund balance for FY2010 and the beginning fund balance for FY2011 in the Executive Recommendation columns is \$220,797 and represents unfunded appropriation recommended for the State Operations appropriation (App. 056).

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 | | | Total | Total | Total | Total | | | Total | | | | |
| 192 | 149 | 34 | 183 | 9 | 22.40 % | 183 | 159 | 24 | 183 | 0 | 13.11 % | 183 | 144 | 35 | 179 | 4 | 21.31 % |

Analysis of Budget Request

Appropriation: 056 - School for the Deaf-State Operations

Funding Sources: EVA - State Operations - School for the Deaf

The Arkansas School for the Deaf (ASD) provides a variety of educational programs for the deaf and hard of hearing students through the age of 21 years. The State Operations appropriation is used to provide for all security, transportation, and administrative needs of both the Schools for the Deaf and Blind. The security needs of both schools include patrolling a campus of 92 acres and 35 buildings. Maintenance work is necessary for these buildings. Daily transportation is provided through local school districts for non-residential students. Transportation involves bussing all residential students home each weekend and returning them to school on Sunday afternoon. Joint services for such administrative functions as business, accounting, personnel, etc. are provided to both schools through the use of a Board approved paying account permitting the pooling of funds from each agency based on student ratio population at each school. Legislation approved by the General Assembly provides for the use of the shared services arrangement. The primary source of funding for this appropriation is general revenue.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and one unclassified position reflects similar line item salary adjustments in accordance with 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 may include board member Stipend payments and 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.

Base Level for ASD totals \$10,781,346 for FY2010 and \$10,928,929 for FY2011. Change Level requests for ASD total \$345,797 in appropriation and funding each year of the 2009-2011 biennium and are as follows:

- Change Levels of \$30,429 each year are requested for Extra Help and associated matching costs. According to ASD, this request is made to help support program services due to expanded enrollment in the Early Intervention Program serving birth to kindergarten children. According to ASD, research suggests that early intervention services are critical in the development of communication, language, social, and cognitive skills as a foundation for subsequent educational growth.
- For Operating Expenses, \$150,000 each year is requested as follows:
 - In the area of technology and consistent with the Agency's technology plan, \$20,000 in Change Levels is requested each year for Operating Expenses to support additional costs associated with the replacement of computers, smart-boards, printers, cameras, projectors, computer software, etc. used as educational tools in teaching deaf and hearing impaired students.
 - Due to increases in the costs of fuel, \$90,000 is requested each year to cover the rising costs of utilities, security service expenses, and increased contracted costs of transporting ASB and ASD students to and from home each weekend as well as running a daily fleet of vehicles for both schools. This request would also support costs related to staff whose duties require regularly scheduled weekly home visits to deaf/hearing impaired students all over the State.
 - Increased operating funds and appropriation in the amount of \$40,000 each year are requested to support contracting costs of Interpreters. According to ASD, lack of availability of certified teachers with signing skills has increased the need for these services.

- A total of \$65,000 each year is requested for Capital Outlay to restore the FY09 Authorized Level and enable the Agency to purchase equipment in service delivery areas such as vocational education, food service, library holdings, and maintenance and janitorial services.
- For Special Maintenance, a Change Level of \$25,368 each year is requested to meet anticipated costs associated with upkeep and maintenance of aging campus buildings. The goal is to improve functionality of buildings for students and staff.
- An increase of \$25,000 each year is requested for Professional Fees to support the need for increased services and rates for occupational and physical therapy, physician services, and contracted services for staff in-service training.
- For the Miscellaneous Activities line item, a Change Level of \$50,000 each year is requested to restore the FY09 Authorized Level and support costs related to summer school, shift differential pay, and extracurricular pay for eligible employees. In addition, ASD is requesting a revision to special language which would permit the use of Miscellaneous Activities for payment of Interpreter service fees.

The Executive Recommendation provides for Agency Request in appropriation only each year with the exception of Professional Fees, which is recommended at Base Level each year.

In addition, new general revenue funding of \$100,000 each year above Base Level is recommended for each year of the 2009-2011 biennium.

Appropriation Summary

Appropriation: 056 - School for the Deaf-State Operations
Funding Sources: EVA - State Operations - School for the Deaf

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 | 4,947,868 | 5,661,004 | 5,638,245 | 5,907,566 | 5,907,566 | 5,907,566 | 6,028,822 | 6,028,822 | 6,028,822 |
| #Positions | | 155 | 166 | 171 | 166 | 166 | 166 | 166 | 166 | 166 |
| Extra Help | 5010001 | 74,832 | 75,000 | 75,000 | 75,000 | 100,000 | 100,000 | 75,000 | 100,000 | 100,000 |
| #Extra Help | | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| Personal Services Matching | 5010003 | 1,751,851 | 1,872,872 | 1,959,202 | 2,150,343 | 2,155,772 | 2,155,772 | 2,176,670 | 2,182,099 | 2,182,099 |
| Overtime | 5010006 | 7,083 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Operating Expenses | 5020002 | 1,647,727 | 1,651,305 | 1,651,305 | 1,651,305 | 1,801,305 | 1,801,305 | 1,651,305 | 1,801,305 | 1,801,305 |
| Conference & Travel Expenses | 5050009 | 24,342 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Professional Fees | 5060010 | 75,356 | 100,000 | 100,000 | 100,000 | 125,000 | 100,000 | 100,000 | 125,000 | 100,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 100,514 | 25,000 | 65,000 | 0 | 65,000 | 65,000 | 0 | 65,000 | 65,000 |
| Special Maintenance | 5120032 | 447,851 | 424,632 | 450,000 | 424,632 | 450,000 | 450,000 | 424,632 | 450,000 | 450,000 |
| Vocational Workstudy | 5900046 | 1,746 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| SCPI/ASL | 5900047 | 255,207 | 265,000 | 265,000 | 265,000 | 265,000 | 265,000 | 265,000 | 265,000 | 265,000 |
| Miscellaneous Activities | 5900048 | 75,816 | 150,000 | 200,000 | 150,000 | 200,000 | 200,000 | 150,000 | 200,000 | 200,000 |
| Total | | 9,410,193 | 10,282,313 | 10,461,252 | 10,781,346 | 11,127,143 | 11,102,143 | 10,928,929 | 11,274,726 | 11,249,726 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 9,374,131 | 10,088,186 | | 10,781,346 | 11,127,143 | 10,881,346 | 10,928,929 | 11,274,726 | 11,028,929 |
| Merit Adjustment Fund | 4000055 | 0 | 67,029 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Daycare Lease Payments | 4000183 | 0 | 20,980 | | 0 | 0 | 0 | 0 | 0 | 0 |
| DFA Motor Vehicle Acquisition | 4000184 | 36,062 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Inter-agency Fund Transfer | 4000316 | 0 | 106,118 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | | 9,410,193 | 10,282,313 | | 10,781,346 | 11,127,143 | 10,881,346 | 10,928,929 | 11,274,726 | 11,028,929 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 220,797 | 0 | 0 | 220,797 |
| Grand Total | | 9,410,193 | 10,282,313 | | 10,781,346 | 11,127,143 | 11,102,143 | 10,928,929 | 11,274,726 | 11,249,726 |

Inter-agency transfer reflects receipt of fund transfer from the Arkansas School for the Blind (ASB) and represents ASB's share of costs associated with the legislatively authorized paying account provided for in Section 14 of Act 328 of 2007. Funding support for the paying account is calculated based on student population ratio at each school.

Capital Outlay expenditures for FY08 exceed Authorized Level due to transfers from the Motor Vehicle Acquisition Fund.

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

Change Level by Appropriation

Appropriation: 056 - School for the Deaf-State Operations
Funding Sources: EVA - State Operations - School for the Deaf

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 10,781,346 | 166 | 10,781,346 | 100.0 | 10,928,929 | 166 | 10,928,929 | 100.0 |
| C01 | Existing Program | 325,797 | 0 | 11,107,143 | 103.0 | 325,797 | 0 | 11,254,726 | 103.0 |
| C08 | Technology | 20,000 | 0 | 11,127,143 | 103.2 | 20,000 | 0 | 11,274,726 | 103.2 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 10,781,346 | 166 | 10,781,346 | 100.0 | 10,928,929 | 166 | 10,928,929 | 100.0 |
| C01 | Existing Program | 300,797 | 0 | 11,082,143 | 102.8 | 300,797 | 0 | 11,229,726 | 102.8 |
| C08 | Technology | 20,000 | 0 | 11,102,143 | 103.0 | 20,000 | 0 | 11,249,726 | 102.9 |

Justification

| | |
|-----|---|
| C01 | Additional authority and funding are needed in Extra Help and Match to help cover increased enrollment in the Early Intervention Program serving birth to kindergarten age children. Research has shown that early intervention holds the key to success for children/students who are deaf/hard of hearing and the development of communication, language, social/emotional, and cognitive skills at the earliest possible age is fundamental to subsequent educational growth. Regularly scheduled weekly home visits are made by trained professional staff to deaf/hearing impaired children/students all over the state. Additional authority and funding are needed in Operating Expenses to help cover inflationary increases caused primarily by higher fuel cost. Not only does higher fuel cost have a direct impact on contract transportation services, fleet fuel cost, security services, and travel reimbursement costs, but it also causes price increases from all our vendors. Additional authority and funding in Professional Fees are needed to help cover increased rates and services for Occupational and Physical Therapy and contracted services for providing in-service training to staff. Restoration of Capital Outlay to current authorized level is requested for each year of the biennium to permit us to purchase equipment beyond repair, obsolete, or too expensive to maintain in areas such as: food services, library holdings, vocational, maintenance, and academics. Restoration of authority and funding in Special Maintenance is needed to help maintain a never ending battle of preventative maintenance on 20 buildings, one building is relatively new, two are in the 30 years of age range, most are in the 40 to 50 years of age range, and a few are in the 70 years of age. Restoration of authority and funding are needed in Miscellaneous Activity to help cover the cost of summer school, shift differential pay, and extra curricular pay. ASD is also requesting a change to Special Language to permit paying for interpreting cost from the Miscellaneous Activity Account. |
| C08 | Additional authority and funding are needed in Maintenance and Operation for each year of the biennium to help cover the increased purchases of new and replacement technology materials, supplies, and equipment such as: computers, smartboards, LCD projectors, message boards, video phones, software, digital cameras, projectors, PDA's, used as educational tools in teaching the deaf and hard of hearing students. These items are located in the Hardware & Software/License categories of the IT Support Section of the IT Plan for the School for the Deaf. |

Analysis of Budget Request

Appropriation: 058 - School for the Deaf-Federal Operations

Funding Sources: FEB - Federal Operations - School for the Deaf

This appropriation represents the primary federal operations support for the Arkansas School for the Deaf (ASD). Essential funding for this appropriation is received from the State Department of Education Area Services, a Carl Perkins Vocational Grant from the Department of Workforce Education, and Chapter VI-B Pass-Through. Medicaid reimbursements are also received and are used to assist in providing for the administrative needs of the Agency.

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 may include board member Stipend payments and 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.

Base Level totals \$1,216,116 for FY2010 and \$1,227,610 for FY2011.

ASD is requesting Change Levels totaling \$129,500 each year for restoration of the FY09 Authorized Level for Capital Outlay to provide authority for the replacement of items that are beyond repair, obsolete, or too expensive to maintain.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 058 - School for the Deaf-Federal Operations
Funding Sources: FEB - Federal Operations - School for the Deaf

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 | 408,576 | 422,515 | 559,772 | 433,171 | 433,171 | 433,171 | 442,613 | 442,613 | 442,613 |
| #Positions | | 10 | 10 | 12 | 10 | 10 | 10 | 10 | 10 | 10 |
| Extra Help | 5010001 | 24,204 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| #Extra Help | | 8 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 |
| Personal Services Matching | 5010003 | 134,111 | 142,135 | 184,750 | 153,725 | 153,725 | 153,725 | 155,777 | 155,777 | 155,777 |
| Operating Expenses | 5020002 | 85,958 | 240,909 | 240,909 | 240,909 | 240,909 | 240,909 | 240,909 | 240,909 | 240,909 |
| Conference & Travel Expenses | 5050009 | 35,407 | 62,111 | 62,111 | 62,111 | 62,111 | 62,111 | 62,111 | 62,111 | 62,111 |
| Professional Fees | 5060010 | 66,109 | 286,200 | 286,200 | 286,200 | 286,200 | 286,200 | 286,200 | 286,200 | 286,200 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 129,500 | 129,500 | 0 | 129,500 | 129,500 | 0 | 129,500 | 129,500 |
| Total | | 754,365 | 1,323,370 | 1,503,242 | 1,216,116 | 1,345,616 | 1,345,616 | 1,227,610 | 1,357,110 | 1,357,110 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 754,365 | 1,323,370 | | 1,216,116 | 1,345,616 | 1,345,616 | 1,227,610 | 1,357,110 | 1,357,110 |
| Total Funding | | 754,365 | 1,323,370 | | 1,216,116 | 1,345,616 | 1,345,616 | 1,227,610 | 1,357,110 | 1,357,110 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 754,365 | 1,323,370 | | 1,216,116 | 1,345,616 | 1,345,616 | 1,227,610 | 1,357,110 | 1,357,110 |

Change Level by Appropriation

Appropriation: 058 - School for the Deaf-Federal Operations
Funding Sources: FEB - Federal Operations - School for the Deaf

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 1,216,116 | 10 | 1,216,116 | 100.0 | 1,227,610 | 10 | 1,227,610 | 100.0 |
| C01 | Existing Program | 129,500 | 0 | 1,345,616 | 110.6 | 129,500 | 0 | 1,357,110 | 110.5 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 1,216,116 | 10 | 1,216,116 | 100.0 | 1,227,610 | 10 | 1,227,610 | 100.0 |
| C01 | Existing Program | 129,500 | 0 | 1,345,616 | 110.6 | 129,500 | 0 | 1,357,110 | 110.5 |

Justification

| | |
|-----|--|
| C01 | Restoration of Capital Outlay to Authorized Level is requested for each year of the biennium to permit purchase of new or replacement equipment of items that are beyond repair, obsolete, or too expensive to maintain. |
|-----|--|

Analysis of Budget Request

Appropriation: A10 - School for the Deaf-Cash Operations

Funding Sources: 137 - Cash Operations - School for the Deaf

The Arkansas School for the Deaf (ASD) uses their cash appropriation to meet needs associated with the cafeteria as well as any other institutional services deemed necessary for the students. Cash funds are primarily received from USDA Breakfast and School Lunch reimbursements, interest on cash investments, and legacy donations.

In addition to Base Level, Change Levels totaling \$75,000 each year of the 2009-2011 biennium are requested to restore the FY09 Authorized Level for Capital Outlay and will be used to provide authority for the purchase of replacement equipment items, primarily in food service and maintenance areas, that are beyond repair, obsolete, or too expensive to maintain.

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

Appropriation Summary

Appropriation: A10 - School for the Deaf-Cash Operations
Funding Sources: 137 - Cash Operations - School for the Deaf

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 |
| Operating Expenses | 5020002 | 80,221 | 147,136 | 147,136 | 147,136 | 147,136 | 147,136 | 147,136 | 147,136 | 147,136 |
| Conference & Travel Expenses | 5050009 | 3,482 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Professional Fees | 5060010 | 0 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 75,000 | 75,000 | 0 | 75,000 | 75,000 | 0 | 75,000 | 75,000 |
| Special Maintenance | 5120032 | 15,951 | 145,000 | 145,000 | 145,000 | 145,000 | 145,000 | 145,000 | 145,000 | 145,000 |
| Total | | 99,654 | 442,136 | 442,136 | 367,136 | 442,136 | 442,136 | 367,136 | 442,136 | 442,136 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 297,609 | 320,998 | | 320,998 | 320,998 | 320,998 | 323,862 | 323,862 | 323,862 |
| Cash Fund | 4000045 | 123,043 | 442,136 | | 370,000 | 445,000 | 445,000 | 380,000 | 455,000 | 455,000 |
| Total Funding | | 420,652 | 763,134 | | 690,998 | 765,998 | 765,998 | 703,862 | 778,862 | 778,862 |
| Excess Appropriation/(Funding) | | (320,998) | (320,998) | | (323,862) | (323,862) | (323,862) | (336,726) | (336,726) | (336,726) |
| Grand Total | | 99,654 | 442,136 | | 367,136 | 442,136 | 442,136 | 367,136 | 442,136 | 442,136 |

Change Level by Appropriation

Appropriation: A10 - School for the Deaf-Cash Operations
Funding Sources: 137 - Cash Operations - School for the Deaf

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 367,136 | 0 | 367,136 | 100.0 | 367,136 | 0 | 367,136 | 100.0 |
| C01 | Existing Program | 75,000 | 0 | 442,136 | 120.4 | 75,000 | 0 | 442,136 | 120.4 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 367,136 | 0 | 367,136 | 100.0 | 367,136 | 0 | 367,136 | 100.0 |
| C01 | Existing Program | 75,000 | 0 | 442,136 | 120.4 | 75,000 | 0 | 442,136 | 120.4 |

Justification

| | |
|-----|---|
| C01 | Restoration of Capital Outlay to current authorized level is requested for each year of the biennium. Purchases are primarily in the Food Service Department and in the Maintenance/Janitorial Department for equipment which is beyond repair, obsolete, or too expensive to maintain. |
|-----|---|

Department Appropriation Summary - All DHS Divisions

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 |
| 147 Special Olympics | 179,666 | 0 | 179,666 | 0 | 179,666 | 0 | 179,666 | 0 | 179,666 | 0 | 179,666 | 0 | 179,666 | 0 | 179,666 | 0 | 179,666 | 0 |
| 193 State Operations | 18,580,578 | 0 | 18,658,915 | 0 | 20,280,675 | 0 | 18,658,915 | 0 | 19,509,415 | 0 | 19,509,415 | 0 | 18,658,915 | 0 | 19,509,415 | 0 | 19,509,415 | 0 |
| 196 Community Mental Health Centers | 8,777,564 | 0 | 8,780,603 | 0 | 8,780,603 | 0 | 8,780,603 | 0 | 8,780,603 | 0 | 8,780,603 | 0 | 8,780,603 | 0 | 8,780,603 | 0 | 8,780,603 | 0 |
| 1DE Various Building Construction | 2,816,963 | 0 | 7,685,200 | 0 | 9,821,826 | 0 | 7,685,200 | 0 | 8,185,200 | 0 | 8,185,200 | 0 | 7,685,200 | 0 | 8,185,200 | 0 | 8,185,200 | 0 |
| 1DK Cty-Shelter Plus Care Program | 1,475,736 | 0 | 1,716,957 | 0 | 3,000,000 | 0 | 1,716,957 | 0 | 1,768,466 | 0 | 1,768,466 | 0 | 1,716,957 | 0 | 1,819,974 | 0 | 1,819,974 | 0 |
| 1EN Community Alcohol Safety | 3,027,460 | 2 | 3,547,696 | 2 | 3,537,639 | 2 | 3,552,796 | 2 | 3,552,796 | 2 | 3,552,796 | 2 | 3,554,907 | 2 | 3,554,907 | 2 | 3,554,907 | 2 |
| 1ET Alcohol & Drug Abuse Prevention | 17,500,968 | 0 | 21,324,072 | 0 | 21,324,072 | 0 | 21,324,072 | 0 | 21,324,072 | 0 | 21,324,072 | 0 | 21,324,072 | 0 | 21,324,072 | 0 | 21,324,072 | 0 |
| 2MN Mental Health Block Grant | 6,351,441 | 0 | 6,068,799 | 0 | 6,068,799 | 0 | 6,068,799 | 0 | 6,068,799 | 0 | 6,068,799 | 0 | 6,068,799 | 0 | 6,068,799 | 0 | 6,068,799 | 0 |
| 2QZ Community Based Sanctions | 2,322,738 | 0 | 2,500,000 | 0 | 2,500,000 | 0 | 2,500,000 | 0 | 2,500,000 | 0 | 2,500,000 | 0 | 2,500,000 | 0 | 2,500,000 | 0 | 2,500,000 | 0 |
| 2RA Juvenile Account Incentive Block Grant | 978,074 | 0 | 1,688,456 | 0 | 2,104,284 | 0 | 1,688,456 | 0 | 2,188,456 | 0 | 2,188,456 | 0 | 1,688,456 | 0 | 2,188,456 | 0 | 2,188,456 | 0 |
| 2RB Community Services | 11,068,700 | 0 | 12,024,809 | 0 | 12,024,809 | 0 | 12,024,809 | 0 | 20,750,113 | 0 | 20,750,113 | 0 | 12,024,809 | 0 | 21,083,708 | 0 | 21,083,708 | 0 |
| 2RC Federal Child & Youth Service Grants | 4,914,601 | 0 | 5,760,348 | 0 | 9,611,623 | 0 | 5,760,348 | 0 | 6,260,348 | 0 | 6,260,348 | 0 | 5,760,348 | 0 | 6,260,348 | 0 | 6,260,348 | 0 |
| 2YH Residential Services | 28,113,368 | 0 | 24,990,803 | 0 | 24,990,803 | 0 | 24,990,803 | 0 | 33,381,132 | 0 | 33,381,132 | 0 | 24,990,803 | 0 | 35,402,401 | 0 | 35,402,401 | 0 |
| 320 Child Care Development-Discretionary | 32,843,828 | 0 | 18,469,372 | 0 | 35,741,878 | 0 | 18,469,372 | 0 | 29,769,372 | 0 | 18,469,372 | 0 | 18,469,372 | 0 | 29,769,372 | 0 | 18,469,372 | 0 |
| 35M Ms. Senior Pageant | 20,000 | 0 | 20,000 | 0 | 20,000 | 0 | 20,000 | 0 | 20,000 | 0 | 20,000 | 0 | 20,000 | 0 | 20,000 | 0 | 20,000 | 0 |
| 35Y Child Abuse/Neglect Program | 0 | 0 | 1,244,382 | 0 | 1,750,000 | 0 | 1,244,382 | 0 | 1,244,382 | 0 | 1,244,382 | 0 | 1,244,382 | 0 | 1,244,382 | 0 | 1,244,382 | 0 |
| 36E DMS-Alcohol Drug Prevention Waiver | 0 | 0 | 0 | 0 | 1,250,000 | 0 | 0 | 0 | 20,000,000 | 0 | 0 | 0 | 0 | 0 | 30,000,000 | 0 | 0 | 0 |
| 396 Cty-Aid To Aged, Blind, Disabled | 0 | 0 | 4,000 | 0 | 4,000 | 0 | 4,000 | 0 | 4,000 | 0 | 4,000 | 0 | 4,000 | 0 | 4,000 | 0 | 4,000 | 0 |
| 397 Children's Medical Services | 1,689,054 | 0 | 1,729,279 | 0 | 1,729,279 | 0 | 1,729,279 | 0 | 1,729,279 | 0 | 1,729,279 | 0 | 1,729,279 | 0 | 1,729,279 | 0 | 1,729,279 | 0 |
| 408 Children's Medical Services-Federal | 570,540 | 0 | 1,377,338 | 0 | 1,377,338 | 0 | 1,377,338 | 0 | 1,377,338 | 0 | 1,377,338 | 0 | 1,377,338 | 0 | 1,377,338 | 0 | 1,377,338 | 0 |
| 409 Cty-Weatherization Program | 3,982,906 | 0 | 3,783,180 | 0 | 5,820,000 | 0 | 3,783,180 | 0 | 4,000,000 | 0 | 4,000,000 | 0 | 3,783,180 | 0 | 4,000,000 | 0 | 4,000,000 | 0 |
| 410 Cty-Emergency Food Program | 481,062 | 0 | 656,336 | 0 | 680,000 | 0 | 656,336 | 0 | 672,377 | 0 | 672,377 | 0 | 656,336 | 0 | 672,377 | 0 | 672,377 | 0 |
| 411 Cty-Low Income Energy Assistance Prgm | 14,987,490 | 0 | 13,487,743 | 0 | 22,419,034 | 0 | 13,487,743 | 0 | 14,487,743 | 0 | 14,487,743 | 0 | 13,487,743 | 0 | 15,487,743 | 0 | 15,487,743 | 0 |
| 412 Cty-Refugee Resettlement Program | 162 | 0 | 12,000 | 0 | 12,000 | 0 | 12,000 | 0 | 12,000 | 0 | 12,000 | 0 | 12,000 | 0 | 12,000 | 0 | 12,000 | 0 |
| 414 Consolidated Cost | 737,460 | 0 | 671,500 | 0 | 671,500 | 0 | 671,500 | 0 | 821,500 | 0 | 821,500 | 0 | 671,500 | 0 | 821,500 | 0 | 821,500 | 0 |
| 418 Meals on Wheels | 3,022,500 | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 |
| 426 Cty-Homeless Assistance Grant | 1,095,462 | 0 | 1,351,246 | 0 | 2,400,100 | 0 | 1,351,246 | 0 | 1,851,246 | 0 | 1,851,246 | 0 | 1,351,246 | 0 | 1,851,246 | 0 | 1,851,246 | 0 |
| 4KS Nursing Home Quality | 289,491 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 |
| 642 DHS Medicaid Expansion Program | 833,134 | 20 | 2,839,202 | 61 | 2,897,081 | 61 | 3,142,327 | 61 | 2,742,327 | 61 | 2,742,327 | 61 | 3,158,121 | 61 | 2,758,121 | 61 | 2,758,121 | 61 |
| 642 DHS Medicaid Expansion Program | 103,955 | 2 | 117,264 | 2 | 103,342 | 2 | 122,793 | 2 | 122,793 | 2 | 122,793 | 2 | 125,069 | 2 | 125,069 | 2 | 125,069 | 2 |
| 648 Medicaid Exp-Prescription Drugs | 2,725,825 | 0 | 2,845,491 | 0 | 6,080,000 | 0 | 2,845,491 | 0 | 6,541,937 | 0 | 6,541,937 | 0 | 2,845,491 | 0 | 27,471,014 | 0 | 12,845,491 | 0 |
| 648 Medicaid Exp-Hospital & Medical Services | 20,686,379 | 0 | 31,164,332 | 0 | 60,556,174 | 0 | 31,164,332 | 0 | 74,479,346 | 0 | 74,479,346 | 0 | 31,164,332 | 0 | 211,238,137 | 0 | 131,164,332 | 0 |
| 653 DDS-State Operations | 4,266,143 | 0 | 7,402,223 | 0 | 7,933,023 | 0 | 7,402,223 | 0 | 7,109,431 | 0 | 7,109,431 | 0 | 7,402,223 | 0 | 7,109,431 | 0 | 7,109,431 | 0 |

Department Appropriation Summary - All DHS Divisions

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 |
| 655 Acute Mental Health Services-Per Capita | 5,750,000 | 0 | 5,750,000 | 0 | 5,750,000 | 0 | 5,750,000 | 0 | 5,750,000 | 0 | 5,750,000 | 0 | 5,750,000 | 0 | 5,750,000 | 0 | 5,750,000 | 0 |
| 657 Community Programs | 8,650 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 |
| 658 Grants to Community Providers | 15,660,490 | 0 | 15,909,753 | 0 | 15,909,753 | 0 | 15,909,753 | 0 | 15,909,753 | 0 | 15,909,753 | 0 | 15,909,753 | 0 | 15,909,753 | 0 | 15,909,753 | 0 |
| 876 Nursing Home Closure Costs | 0 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 |
| 878 Long Term Care Facility Receivership | 0 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 |
| 882 State Residential Treatment | 1,337,992 | 0 | 1,080,000 | 0 | 1,080,000 | 0 | 1,080,000 | 0 | 2,080,000 | 0 | 1,330,000 | 0 | 1,080,000 | 0 | 2,380,000 | 0 | 1,330,000 | 0 |
| 883 Foster Care | 14,414,893 | 0 | 16,567,014 | 0 | 16,567,014 | 0 | 16,567,014 | 0 | 17,564,706 | 0 | 17,296,516 | 0 | 16,567,014 | 0 | 18,191,846 | 0 | 17,617,628 | 0 |
| 890 Food Program | 39,897,397 | 0 | 39,291,250 | 0 | 39,291,250 | 0 | 39,291,250 | 0 | 44,291,250 | 0 | 44,291,250 | 0 | 39,291,250 | 0 | 46,791,250 | 0 | 46,791,250 | 0 |
| 896 Director's Office | 1,277,676 | 13 | 1,426,294 | 13 | 1,426,294 | 13 | 1,473,887 | 13 | 1,666,447 | 13 | 1,666,447 | 13 | 1,498,445 | 13 | 1,691,005 | 13 | 1,691,005 | 13 |
| 896 Office of Chief Counsel | 9,262,804 | 161 | 10,316,755 | 171 | 10,332,783 | 172 | 11,008,061 | 171 | 11,576,693 | 177 | 11,385,095 | 175 | 11,196,028 | 171 | 11,793,168 | 177 | 11,590,824 | 175 |
| 896 Division of Aging & Adult Services | 11,025,017 | 195 | 13,342,829 | 195 | 14,653,713 | 203 | 13,961,357 | 195 | 15,410,748 | 203 | 15,410,748 | 203 | 14,186,974 | 195 | 15,643,857 | 203 | 15,643,857 | 203 |
| 896 Division of Children & Family Services | 63,964,374 | 1,093 | 64,290,991 | 1,031 | 66,551,188 | 1,135 | 67,494,010 | 1,031 | 82,381,489 | 1,183 | 75,100,923 | 1,144 | 68,429,896 | 1,031 | 91,669,520 | 1,284 | 81,001,671 | 1,194 |
| 896 Division of Child Care/Early Childhood | 13,823,050 | 170 | 15,975,484 | 171 | 16,182,073 | 171 | 16,496,119 | 171 | 16,516,119 | 171 | 16,496,119 | 171 | 16,659,476 | 171 | 16,679,476 | 171 | 16,659,476 | 171 |
| 896 Division of Behavioral Health Services | 77,996,874 | 1,106 | 80,526,273 | 954 | 98,468,665 | 1,163 | 83,357,329 | 954 | 101,565,977 | 1,167 | 99,607,817 | 1,165 | 84,248,656 | 954 | 101,813,649 | 1,167 | 100,787,161 | 1,165 |
| 896 Division of Medical Services | 19,678,852 | 284 | 21,821,300 | 300 | 21,576,581 | 302 | 22,653,854 | 300 | 25,298,205 | 334 | 24,169,088 | 320 | 22,985,808 | 300 | 25,979,826 | 334 | 24,521,810 | 320 |
| 896 Division of County Operations | 101,054,063 | 1,874 | 108,846,877 | 1,772 | 113,677,323 | 1,884 | 116,820,110 | 1,772 | 128,043,309 | 1,882 | 128,043,309 | 1,882 | 118,411,046 | 1,772 | 129,191,398 | 1,882 | 129,191,398 | 1,882 |
| 896 Division of Administrative Services | 27,697,550 | 336 | 30,106,950 | 340 | 30,548,597 | 362 | 31,327,516 | 340 | 32,055,805 | 359 | 32,055,805 | 359 | 31,640,217 | 340 | 32,381,578 | 359 | 32,381,578 | 359 |
| 896 Division of Developmental Disabilities Svcs | 114,337,423 | 2,550 | 121,512,272 | 2,420 | 126,659,760 | 2,598 | 128,370,289 | 2,509 | 146,062,725 | 2,747 | 145,070,982 | 2,726 | 130,297,188 | 2,509 | 148,334,170 | 2,747 | 147,321,971 | 2,726 |
| 896 Division of Services for the Blind | 3,812,072 | 63 | 4,510,638 | 73 | 4,260,125 | 74 | 4,679,027 | 73 | 4,972,236 | 75 | 4,965,686 | 75 | 4,738,556 | 73 | 5,035,029 | 75 | 5,027,679 | 75 |
| 896 Division of Volunteerism | 1,287,468 | 23 | 1,349,117 | 23 | 1,373,563 | 23 | 1,415,602 | 23 | 1,528,446 | 24 | 1,528,446 | 24 | 1,439,252 | 23 | 1,553,456 | 24 | 1,553,456 | 24 |
| 896 Division of Youth Services | 6,969,589 | 90 | 7,912,258 | 93 | 10,640,234 | 160 | 8,052,942 | 93 | 11,497,952 | 159 | 11,497,952 | 159 | 8,131,990 | 93 | 11,466,710 | 159 | 11,466,710 | 159 |
| 897 ARKIDS B Program | 95,236,267 | 0 | 111,561,360 | 0 | 116,703,139 | 0 | 111,561,360 | 0 | 137,495,216 | 0 | 137,495,216 | 0 | 111,561,360 | 0 | 157,738,482 | 0 | 157,738,482 | 0 |
| 897 Hospital & Medical Services | 2,408,153,725 | 0 | 2,634,264,168 | 0 | 2,897,206,587 | 0 | 2,634,264,168 | 0 | 2,999,642,523 | 0 | 2,999,642,523 | 0 | 2,634,264,168 | 0 | 3,224,177,831 | 0 | 3,224,177,831 | 0 |
| 897 Prescription Drugs | 340,641,183 | 0 | 385,263,250 | 0 | 440,746,167 | 0 | 385,263,250 | 0 | 439,819,588 | 0 | 439,819,588 | 0 | 385,263,250 | 0 | 475,423,172 | 0 | 475,423,172 | 0 |
| 897 Private Nursing Home Care | 534,359,123 | 0 | 548,872,748 | 0 | 627,094,449 | 0 | 548,872,748 | 0 | 592,888,856 | 0 | 592,888,856 | 0 | 548,872,748 | 0 | 618,038,129 | 0 | 618,038,129 | 0 |
| 897 TANF Block Grant | 18,299,948 | 0 | 22,280,000 | 0 | 41,284,650 | 0 | 22,280,000 | 0 | 29,640,650 | 0 | 29,640,650 | 0 | 22,280,000 | 0 | 33,640,650 | 0 | 33,640,650 | 0 |
| 898 Child & Family Life Inst | 0 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 2,100,000 | 0 |
| 898 Child Care Grant/Aids | 29,524,798 | 0 | 26,725,422 | 0 | 30,884,892 | 0 | 26,725,422 | 0 | 29,588,845 | 0 | 26,725,422 | 0 | 26,725,422 | 0 | 29,588,845 | 0 | 26,725,422 | 0 |
| 898 Community Based Care | 0 | 0 | 0 | 0 | 116,552 | 0 | 0 | 0 | 90,000 | 0 | 90,000 | 0 | 0 | 0 | 90,000 | 0 | 90,000 | 0 |
| 898 Community Svcs. Block Grant | 9,053,479 | 0 | 10,920,321 | 0 | 11,031,604 | 0 | 10,920,321 | 0 | 10,920,321 | 0 | 10,920,321 | 0 | 10,920,321 | 0 | 10,920,321 | 0 | 10,920,321 | 0 |
| 898 Delta Service Corps Grants | 2,337,003 | 0 | 2,564,077 | 0 | 3,037,311 | 0 | 2,564,077 | 0 | 2,564,077 | 0 | 2,564,077 | 0 | 2,564,077 | 0 | 2,564,077 | 0 | 2,564,077 | 0 |
| 898 Infant Infirmary | 19,544,582 | 0 | 19,971,685 | 0 | 21,338,175 | 0 | 19,971,685 | 0 | 22,130,751 | 0 | 22,130,751 | 0 | 19,971,685 | 0 | 22,931,565 | 0 | 22,931,565 | 0 |
| 898 Nursing Home Care Alternatives | 5,446,166 | 0 | 5,475,679 | 0 | 5,965,039 | 0 | 5,475,679 | 0 | 6,656,003 | 0 | 6,656,003 | 0 | 5,475,679 | 0 | 6,656,003 | 0 | 6,656,003 | 0 |

Department Appropriation Summary - All Divisions

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 |
| 898 Nutrition Program | 8,103,016 | 0 | 10,343,402 | 0 | 10,422,230 | 0 | 10,343,402 | 0 | 11,343,402 | 0 | 11,343,402 | 0 | 10,343,402 | 0 | 11,343,402 | 0 | 11,343,402 | 0 |
| 898 Older Worker Program Grants | 1,132,005 | 0 | 1,090,411 | 0 | 1,132,006 | 0 | 1,090,411 | 0 | 1,132,005 | 0 | 1,132,005 | 0 | 1,090,411 | 0 | 1,132,005 | 0 | 1,132,005 | 0 |
| 898 Project Grants | 10,084,967 | 0 | 11,960,559 | 0 | 14,251,245 | 0 | 11,960,559 | 0 | 13,960,559 | 0 | 13,960,559 | 0 | 11,960,559 | 0 | 13,960,559 | 0 | 13,960,559 | 0 |
| 898 Public Nursing Home Care | 162,058,661 | 0 | 166,564,251 | 0 | 170,497,211 | 0 | 166,564,251 | 0 | 184,273,474 | 0 | 184,273,474 | 0 | 166,564,251 | 0 | 193,145,084 | 0 | 193,145,084 | 0 |
| 898 Purchase of Services | 2,495,375 | 0 | 2,573,558 | 0 | 2,373,558 | 0 | 2,373,558 | 0 | 2,573,558 | 0 | 2,573,558 | 0 | 2,373,558 | 0 | 2,573,558 | 0 | 2,573,558 | 0 |
| 898 Retired & Sr Volunteer Program | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 |
| 898 Social Svcs Blk Grant-Fed | 100,257 | 0 | 139,733 | 0 | 259,047 | 0 | 139,733 | 0 | 139,733 | 0 | 139,733 | 0 | 139,733 | 0 | 139,733 | 0 | 139,733 | 0 |
| 898 Sr Citizen Centers | 5,000,000 | 0 | 4,600,000 | 0 | 5,000,000 | 0 | 4,600,000 | 0 | 5,000,000 | 0 | 5,000,000 | 0 | 4,600,000 | 0 | 5,000,000 | 0 | 5,000,000 | 0 |
| 898 TANF/Foster Care | 33,553,540 | 0 | 38,116,963 | 0 | 40,876,682 | 0 | 38,116,963 | 0 | 42,476,551 | 0 | 39,703,936 | 0 | 38,116,963 | 0 | 45,859,147 | 0 | 40,291,976 | 0 |
| 929 Child Care-Treasury Paying | 0 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 200,000 | 0 | 200,000 | 0 | 100,000 | 0 | 200,000 | 0 | 200,000 | 0 |
| 930 Cty-Commodity Distrib & Salvage Container | 49,709 | 0 | 260,156 | 0 | 276,000 | 0 | 260,156 | 0 | 297,916 | 0 | 297,916 | 0 | 260,156 | 0 | 274,086 | 0 | 274,086 | 0 |
| 935 Volunteerism - Cash in Treasury | 722 | 0 | 8,593 | 0 | 8,593 | 0 | 8,593 | 0 | 12,000 | 0 | 12,000 | 0 | 8,593 | 0 | 12,000 | 0 | 12,000 | 0 |
| 937 Canteen - Cash in Treasury | 153,364 | 0 | 174,048 | 0 | 174,048 | 0 | 174,048 | 0 | 174,048 | 0 | 174,048 | 0 | 174,048 | 0 | 174,048 | 0 | 174,048 | 0 |
| 938 Patient Benefits-Cash in Treasury | 32,762 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 |
| 978 Senior Olympics | 70,000 | 0 | 70,000 | 0 | 70,000 | 0 | 70,000 | 0 | 70,000 | 0 | 70,000 | 0 | 70,000 | 0 | 70,000 | 0 | 70,000 | 0 |
| 982 Inter-Divisional Programs | 115,124 | 0 | 109,190 | 0 | 441,469 | 0 | 109,190 | 0 | 109,190 | 0 | 109,190 | 0 | 109,190 | 0 | 109,190 | 0 | 109,190 | 0 |
| C99 Client Specific Emergency Services-Cash | 0 | 0 | 120,000 | 0 | 120,000 | 0 | 120,000 | 0 | 120,000 | 0 | 120,000 | 0 | 120,000 | 0 | 120,000 | 0 | 120,000 | 0 |
| NOT REQUESTED FOR THE BIENNIUM | | | | | | | | | | | | | | | | | | |
| 1RD Drug Court Program St Assist | 0 | 0 | 0 | 0 | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35P Prevention Treatment Services | 0 | 0 | 0 | 0 | 17,250,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35W Weatherization Services | 0 | 0 | 0 | 0 | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36B DBHS-Specialized Women Services | 0 | 0 | 0 | 0 | 5,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36C DCFS-Maltreated Children | 0 | 0 | 0 | 0 | 150,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36D DAS-DHHS Decouple Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 4,409,320,258 | 7,982 | 4,774,216,841 | 7,621 | 5,344,879,118 | 8,325 | 4,799,502,660 | 7,710 | 5,506,375,263 | 8,559 | 5,456,843,301 | 8,481 | 4,806,276,270 | 7,710 | 6,018,136,136 | 8,660 | 5,857,687,750 | 8,531 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | | % |
|-----------------|---------|---------------|------|---------------|------|---|---------------|------|---------------|------|---------------|------|---------------|------|---------------|------|---------------|------|
| Fund Balance | 4000005 | 7,239,953 | 0.2 | 7,014,968 | 0.1 | | 36,572 | 0.0 | 36,572 | 0.0 | 36,572 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| General Revenue | 4000010 | 986,803,844 | 22.3 | 1,024,731,510 | 21.5 | | 1,032,793,394 | 21.5 | 1,184,257,627 | 22.8 | 1,103,690,581 | 21.8 | 1,034,976,607 | 21.5 | 1,306,555,749 | 23.5 | 1,222,315,877 | 22.8 |
| Federal Revenue | 4000020 | 2,978,770,549 | 67.4 | 3,185,440,095 | 66.7 | | 3,194,263,267 | 66.6 | 3,468,315,491 | 66.7 | 3,356,982,712 | 66.3 | 3,196,523,189 | 66.5 | 3,719,638,604 | 67.0 | 3,563,482,872 | 66.6 |
| Special Revenue | 4000030 | 1,064,405 | 0.0 | 50,000 | 0.0 | | 50,000 | 0.0 | 50,000 | 0.0 | 50,000 | 0.0 | 50,000 | 0.0 | 50,000 | 0.0 | 50,000 | 0.0 |
| Cash Fund | 4000045 | 236,557 | 0.0 | 737,797 | 0.0 | | 737,797 | 0.0 | 878,964 | 0.0 | 878,964 | 0.0 | 737,797 | 0.0 | 855,134 | 0.0 | 855,134 | 0.0 |
| Trust Fund | 4000050 | 70,447,198 | 1.6 | 159,057,256 | 3.3 | | 159,057,256 | 3.3 | 113,466,245 | 2.2 | 131,328,038 | 2.6 | 159,057,256 | 3.3 | 51,938,456 | 0.9 | 51,938,456 | 1.0 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | |
|--------------------------------|---------|---------------|-------|---------------|-------|---------------|-------|---------------|-------|---------------|-------|---------------|-------|---------------|-------|
| Cigarette Tax | 4000140 | 3,022,500 | 0.1 | 3,500,000 | 0.1 | 3,500,000 | 0.1 | 3,500,000 | 0.1 | 3,500,000 | 0.1 | 3,500,000 | 0.1 | 3,500,000 | 0.1 |
| Drug Rebates | 4000200 | 29,765,477 | 0.7 | 27,160,000 | 0.6 | 27,160,000 | 0.6 | 29,512,056 | 0.6 | 27,160,000 | 0.6 | 27,160,000 | 0.5 | 31,937,947 | 0.6 |
| Insurance Premium Tax | 4000298 | 6,923,958 | 0.2 | 0 | 0.0 | 5,124,419 | 0.1 | 5,124,419 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Miscellaneous Transfers | 4000355 | 115,000 | 0.0 | 115,000 | 0.0 | 115,000 | 0.0 | 115,000 | 0.0 | 115,000 | 0.0 | 115,000 | 0.0 | 115,000 | 0.0 |
| Quality Assurance Fee | 4000395 | 64,756,303 | 1.5 | 56,544,651 | 1.2 | 60,589,214 | 1.2 | 60,589,214 | 1.2 | 56,544,651 | 1.2 | 62,947,653 | 1.1 | 62,947,653 | 1.2 |
| Refunds | 4000415 | 1,436,422 | 0.0 | 1,875,000 | 0.0 | 1,875,000 | 0.0 | 1,875,000 | 0.0 | 1,875,000 | 0.0 | 1,875,000 | 0.0 | 1,875,000 | 0.0 |
| Reimbursement | 4000425 | 2,471,978 | 0.1 | 806,804 | 0.0 | 7,748,628 | 0.2 | 8,248,628 | 0.2 | 7,785,200 | 0.2 | 8,285,200 | 0.1 | 8,285,200 | 0.2 |
| Robert Woods Johnson Grant | 4000440 | 2,332 | 0.0 | 101,940 | 0.0 | 101,940 | 0.0 | 101,940 | 0.0 | 101,940 | 0.0 | 101,940 | 0.0 | 101,940 | 0.0 |
| Tobacco Settlement | 4000495 | 8,441,737 | 0.2 | 11,911,208 | 0.2 | 12,065,534 | 0.3 | 20,587,890 | 0.4 | 20,587,890 | 0.4 | 12,074,569 | 0.3 | 62,307,036 | 1.1 |
| Transfer From DWS | 4000527 | 2,000,200 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Transfer from General Revenue | 4000542 | 120,000 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Transfer to Ar Pub Defender | 4000603 | (240,000) | 0.0 | (240,000) | 0.0 | (240,000) | 0.0 | (240,000) | 0.0 | (240,000) | 0.0 | (240,000) | 0.0 | (240,000) | 0.0 |
| Transfer to DFA Disbursing | 4000610 | (400,000) | 0.0 | (400,000) | 0.0 | (400,000) | 0.0 | (400,000) | 0.0 | (400,000) | 0.0 | (400,000) | 0.0 | (400,000) | 0.0 |
| Transfer to Medicaid Match | 4000660 | (12,871,927) | (0.3) | (13,318,457) | (0.3) | (13,318,457) | (0.3) | (20,082,602) | (0.4) | (13,318,457) | (0.3) | (13,318,457) | (0.3) | (22,594,901) | (0.4) |
| Transfer to State Police | 4000675 | (1,344,875) | 0.0 | (1,371,772) | 0.0 | (1,371,772) | 0.0 | (1,371,772) | 0.0 | (1,371,772) | 0.0 | (1,371,772) | 0.0 | (1,371,772) | 0.0 |
| Various Program Support | 4000730 | 267,573,615 | 6.1 | 310,537,413 | 6.5 | 318,783,850 | 6.6 | 330,796,521 | 6.4 | 353,334,637 | 7.0 | 321,105,290 | 6.7 | 334,617,136 | 6.0 |
| Total Funds | | 4,416,335,226 | 100.0 | 4,774,253,413 | 100.0 | 4,799,502,660 | 100.0 | 5,203,009,137 | 100.0 | 5,060,625,422 | 100.0 | 4,806,276,270 | 100.0 | 5,555,340,235 | 100.0 |
| Excess Appropriation/(Funding) | | (7,014,968) | | (36,572) | | 0 | | 303,366,126 | | 396,217,879 | | 0 | | 462,795,901 | |
| Grand Total | | 4,409,320,258 | | 4,774,216,841 | | 4,799,502,660 | | 5,506,375,263 | | 5,456,843,301 | | 4,806,276,270 | | 6,018,136,136 | |

DHS - DIRECTOR'S OFFICE/OFFICE OF CHIEF COUNSEL

Enabling Laws

Act 1279 of 2007
Act 384 of 2007
A.C.A. §25-10-101
A.C.A. §25-10-102
A.C.A. §25-10-106
A.C.A. §25-10-108
A.C.A. §25-10-111
A.C.A. §25-10-113

History and Organization

The Department of Human Services operates under an integrated service delivery system provided by thirteen (13) divisions/offices. Each Division is under the direction, control and supervision of the Director of the Department of Human Services. The Director has the authority to transfer or assign duties or programs whether existing or new to offices, sections or units as deemed necessary for efficient and necessary operation of the department.

Act 1954 of 2005 merged the Department of Health into the Department of Human Services and renamed the agency the Department of Health and Human Services. In 2007, the 86th General Assembly enacted what became Act 384 and authorized the Governor to create two separate agencies within the Department. Governor Beebe signed Executive Order EO 07-05 on May 2, 2007 creating a separate Department of Health and a separate Department of Human Services with the change effective July 1, 2007.

Ark Code Ann. § 25-10-102(b)(1)(A) delegated administrative authority for the Department to the Director. The Director is responsible for establishing Departmental policy to carry out Executive Directives, federal and state legislative mandates and coordination of services across Division lines when individuals and families are provided services by multiple programs. The Director is also responsible for receiving from each of the divisions/offices and submitting a Department budget for review and approve by the Governor and General Assembly. The state institutions and operation of institutions remain under the jurisdiction of the State Institutional Systems Board and the Board of Developmental Disabilities Services. Both Boards work in concert with the DHS Director on issues that impact services for which each is responsible.

The Mission of the Department is "Together we improve the quality of all Arkansans by protecting the vulnerable, fostering independence, and promoting better health."

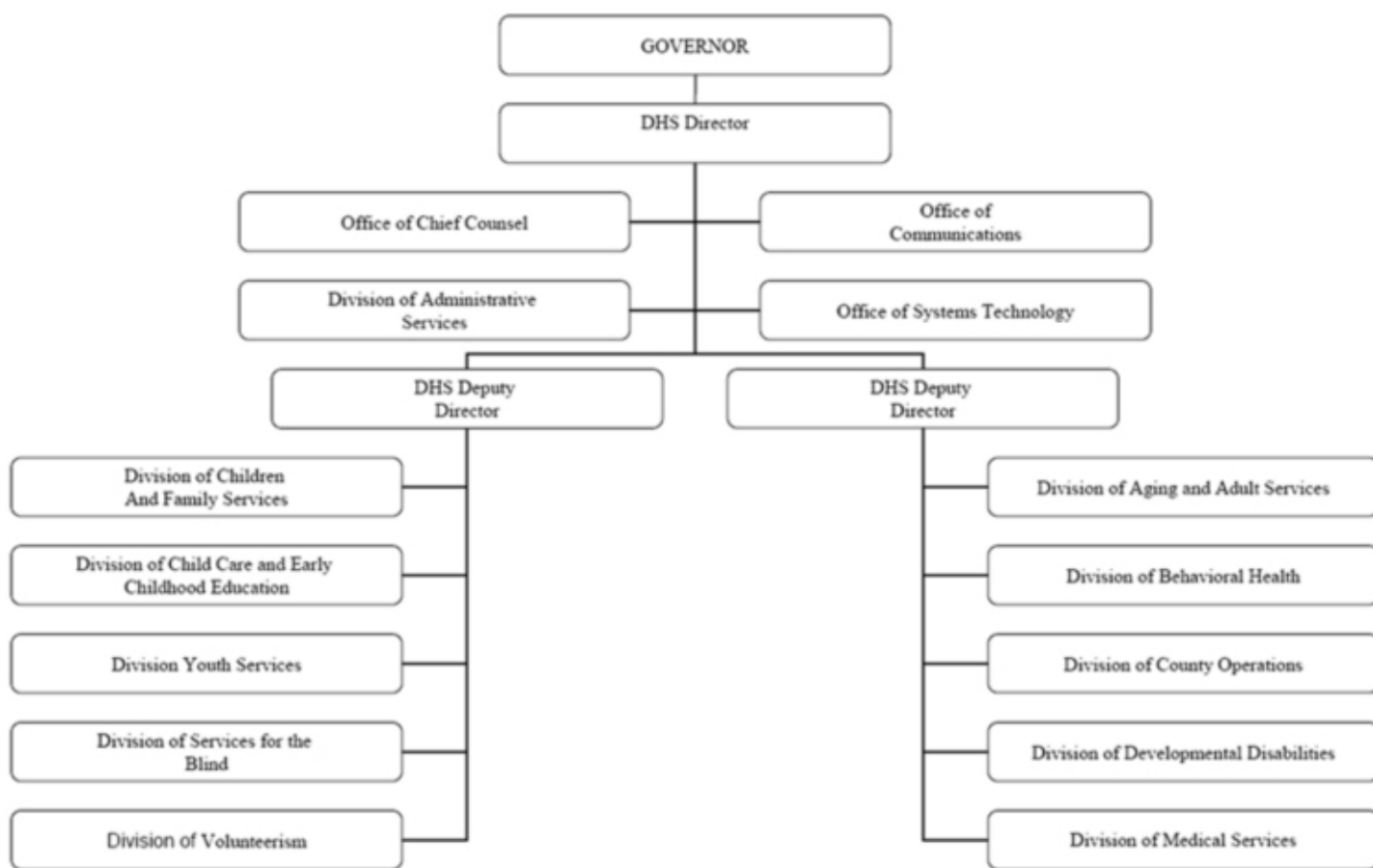
The Office of Chief Counsel provides legal and administrative hearing services to the various divisions and offices within the Department. Specific areas of responsibility within the Office of Chief Counsel include:

- General Counsel Section provides legal assistance on administrative, litigation pertaining to delivery of services, program administration, personnel, civil rights and overpayment collections.

- Child and Adult Protection Section provides legal support in all counties and provides assistance primarily in areas of child welfare and adult protective services. Attorneys also provide assistance in Family In Need of Services (FINS) cases when the children are placed in foster care and assisting the Division of Youth Services in transitioning youth from their facilities when they can not return home.
- Appeals and Hearings administers the appeal process on adverse actions which include those related to all categories of Medicaid, TANF, Child Maltreatment.

Office of Quality Assurance includes the following:

- Audit Section conducts performance, compliance and some financial related audits, and consults on operational and program issues. It coordinates the development of audit requirements and guidelines and monitors program resolution.
- Fraud Investigations is responsible for investigating and referring for prosecution allegations of recipient fraud or IPV in the public assistance programs administered by the Department of Human Services. These include Transitional Employment Assistance, Food Stamps, Medicaid, Child Care, and Special Nutrition. The unit also conducts investigations of suspected Food Stamp trafficking by both recipients and retailers, and/or program divisions with investigations involving service providers who contract with the agency to perform services for a defined recipient population. The Internal Affairs section of the unit conducts investigations involving allegations of internal misconduct.



Agency Commentary

DHS Director's Office

The DHS Director's Office requests five (5) new Extra Help positions to create a DHS Fellows Program. The purpose of this program is to attract outstanding men and women from a variety of academic disciplines and career paths to DHS. These qualified candidates will work both individually and collectively through a 12 - 18 month intensive training and work experience program to learn about and create significant value for the DHS organization. The minimum qualifications include the formal education of a Bachelor's degree in public administration, health administration, social work, sociology, psychology, counseling, business administration or a related field. After completing the program it is our hope that they will become future professionals or leaders in our organization. General Revenue is requested.

General Revenue each year of the biennium is requested to replace funds that are no longer available through the cost allocation process. Revisions in the DHS cost allocation plan, methodologies and recovery of indirect costs has resulted in reduced available funding for administrative supports.

DHS Office of Chief Counsel

The Office of Chief Counsel requests:

- 1) One new attorney specialist/General Counsel position, to analyze state and federal laws and regulations for writing opinions and managing federally mandated legal requirements in such areas as Medicaid, Estate Recovery; Personnel Litigation and Olmstead. General Revenue is requested.
- 2) One new attorney specialist/Administrative Law Judge position, to ensure the increased caseloads of Child Maltreatment hearing requests are started and completed within the state and federal mandatory timeframes. General Revenue is requested.
- 3) Additional Maintenance and Operations funds are requested due to increases to travel expense for our attorneys, 1/3 replacement of computer and information technology equipment each fiscal year, rent, and network services. Current funding levels are not sufficient to meet the needs of the Office and provide legal services needed/necessary to protect the children across the state. Moderate inflationary increases should allow the office to maintain the current service levels. General Revenue is requested.
- 4) Additional Conference Fees and Travel to be used for mandatory continuing education credits necessary to maintain professional license and credentials. General Revenue is requested.
- 5) Transfer one DHS Program Specialist from the Division of Youth Services to the Office of Chief Counsel as better utilization of positions within the department. This position manages the Appeals and Hearings Database and supervises all support staff. Transfer of General Revenue and appropriation is requested.
- 6) Transfer one Administrative Specialist III from the Division of Administrative Services to the Office of Chief Counsel as better utilization of positions within the department, this position audits OCC Child and Adult Protection cases for Federal Audit Reviews throughout each county where OCC staff is housed.

Transfer of General Revenue and appropriation is requested.

7) Transfer one Administrative Review Officer from the Division of County Operations to the Office of Chief Counsel as better utilization of positions within the department. This position hears all appeals concerning Food Stamp Fraud and Transitional Employment Assistance (TEA). Transfer of General Revenue and appropriation is requested.

8) Transfer one Administrative Specialist I from the Division of Medical Services to the Office of Chief Counsel as better utilization of positions within the department. This position performs all receptionists' duties for the OCC Appeals and Hearings Section. Transfer of General Revenue and appropriation is requested.

9) Transfer one position from the Division of Behavioral Health to the Office of Chief Counsel to be used as an Attorney as part of the enhancement of the Third Party Liability (TPL) Unit. Transfer of Appropriation is requested.

10) Transfer two Senior Auditors from the Office of Chief Counsel to the Division of Medical Services as part of the Medicaid Oversight Unit. This request includes the transfer of Appropriation.

11) General Revenue funding is requested to replace funds that are no longer available through the cost allocation process. Revisions in the DHS cost allocation plan, methodologies and recovery of indirect costs along with the exhaustion or absence of indirect costs through various grants to the department has resulted in reduced available funding for services provided by OCC.

12) The Office of Chief Counsel requests the restoration of one Senior Auditor position to help enable the Audit Unit to meet the Department's audit requests as well as assist in the Risk Assessment analysis of the department to help determine areas that have needs for assistance and minimize the risks that could occur in an operation as large as DHS.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

DEPARTMENT OF HEALTH AND HUMAN SERVICES (Audit done while merged with Health Dept)

FOR THE YEAR ENDED JUNE 30, 2006

Findings

The **Division of Health Vital Records** unit failed to properly safeguard receipts collected in this unit. An investigation by the internal audit section revealed collections for three (3) separate days totaling \$28,330 had not been deposited. This matter is currently under investigation by the Arkansas State Police.

The Office of Financial Management again had internal control deficiencies related to the Foster Care Trust Fund. At June 30, 2006, reconciliations performed by the Agency on the Foster Care Trust Fund identified two hundred thirty-five (235) reconciling items dating back to July 31, 2002 totaling \$578,048. Agency accounting records contain numerous errors each month relating to this account, however, no adjustments are made to the accounting

Recommendations

Establish and implement adequate internal controls regarding the collection and deposit of monies received.

Establish and implement adequate internal controls regarding the reconciliation procedures relating to the Foster Care Trust Fund accounts.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Audit done while merged with Health Dept)

FOR THE YEAR ENDED JUNE 30, 2006

Findings

records for errors identified. Additionally, Foster Care Trust Fund assets were \$144,239 less than Foster Care Trust Fund equity balances at June 30, 2006. The ability to properly safeguard and account for these assets has been jeopardized as a result of inadequate controls.

The **Office of Financial Management** failed to maintain adequate accounting records for petty cash funds. The Agency could not determine the actual number, location and amounts of all petty cash funds owned by the Agency. These conditions resulted in inaccurate accounting records and financial reporting and could lead to the misuse of Agency assets.

Review of Agency receipting and deposit procedures revealed that **Central Receipting, Division of Medical Services, and Division of Children and Family Services (DCFS) Foster Care and Eligibility Units** had inadequate management oversight and internal controls related to cash receipts which contributed to the following deficiencies:

- One (1) check for \$500 was not deposited but was returned to the vendor by Central Receipting;
- Five (5) checks totaling \$138,128 were not deposited but were returned to the vendors by the Institutional Reimbursement Unit of the Division of Medical Services;
- Three (3) checks totaling \$1,102 were not deposited but were returned to the vendors by DCFS Foster Care Unit; and
- One (1) check for \$858 was not deposited but was returned to the vendor by DCFS Eligibility Unit.

The Department of Health and Human Services (DHHS) Administrative Procedures Manual, Chapter 201, states that if it is determined that a cash receipt item is not owed to DHHS, a refund shall be made to the person or entity making the payment. No cash funds shall be returned to a client without first being deposited.

Review of capital assets revealed that the **Office of Financial Management** had inadequate management oversight and internal controls over capital assets which contributed to the following deficiencies:

- Eighteen (18) capital equipment items valued at \$155,217 out of a sample of two hundred ninety-one (291) capital equipment items valued at \$732,993 could not be located for observation;
- Out of thirty (30) capital equipment purchases reviewed, five (5) did not have freight charges capitalized totaling \$2,385 and six (6) did not have sales tax capitalized totaling \$5,752;

Recommendations

Obtain balances and locations of all petty cash funds and establish adequate internal controls regarding the reconciliation and safekeeping procedures relating to the Agency's petty cash funds.

Review and follow the required receipting procedures.

Strengthen internal controls and management oversight of capital assets to ensure proper accountability of these items.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF HEALTH AND HUMAN SERVICES (Audit done while merged with Health Dept)

FOR THE YEAR ENDED JUNE 30, 2006

Findings

- Test of capital equipment retirements revealed a computer system valued at \$1,976,565 had been retired when in fact it was still in use;
- Review of Agency AASIS roles revealed ninety-seven (97) employees had the role of "Agency Asset Management Specialist" and were able to make changes to capital asset records;
- At June 30, 2006, two hundred thirty (230) items totaling \$326,077 had been sent to marketing and redistribution but had not been removed from Agency records; and
- As of May 1, 2007, the Division of Health had one thousand four hundred eighty-six (1,486) items totaling \$6,471,889 that are unaccounted for. According to Agency personnel, these items have yet to be located during an inventory currently being conducted. After an extensive search is done, the Agency has plans to request approval from the Chief Fiscal Officer of the State to remove all items that cannot be located. The following chart is a summary of the unaccounted for Division of Health capital assets:

| <u>Year Capitalized</u> | <u>Number of Items</u> | <u>Original Cost</u> |
|-------------------------|------------------------|----------------------|
| 1963-1980 | 77 | \$ 122,350 |
| 1981-1990 | 292 | 921,780 |
| 1991-2000 | 855 | 3,503,423 |
| 2001-2006 | <u>262</u> | <u>1,924,336</u> |
| Total | <u>1,486</u> | <u>\$6,471,889</u> |

Recommendations

Establish internal control procedures to ensure the SSN in ANSWER and MMIS databases agree and pseudo numbers are updated.

The **Division of County Operations** did not reconcile and resolve social security number (SSN) discrepancies between the Arkansas Networked System for Welfare Eligibility and Reporting (ANSWER), which is the Agency's database used to maintain recipient information, and the Medicaid Management Information System (MMIS). According to 42 CFR 435.910, the Agency is required to verify the SSN of each Medicaid recipient. To be eligible for Medicaid assistance, recipients are required to have a valid SSN and provide their SSN to the District County Office (DOC), where recipient information is entered into ANSWER. In the absence of a valid SSN, the DOC assigns a pseudo number to recipients. We noted 7,893 recipient records on file in the MMIS where the SSN did not match the SSN in ANSWER. Of these 7,893 discrepancies, approximately 5,100 were pseudo numbers which had not been updated in MMIS.

The Agency has established a process to verify SSNs electronically with the Social Security Administration (SSA) but is not adequately monitoring the process to resolve those instances when SSNs do not match SSA records.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ALEXANDER HUMAN DEVELOPMENT CENTER -
DEPARTMENT OF HUMAN SERVICES

FOR THE YEAR ENDED JUNE 30, 2008

Findings

This report is issued pursuant to a request by the Director of Audits of Department of Human Services (Agency) and Arkansas State Police to conduct a review of cash fund accounts maintained for residents at the Alexander Human Development Center (AHDC).

Agency personnel expressed concern regarding AHDC Resident Personal Funds bank account (Resident Account) because the account had been overdrawn. During the period December 2006 through 2007, \$21,500 was transferred to the Resident Account from two other Agency bank accounts. In January 2008, a Resident Personal Funds certificate of deposit of \$40,000 was also cashed and deposited to the Resident Account.

While conducting an internal review, Agency auditors discovered resident cash account balances were inaccurate and noted a lack of financial records and supporting documentation for Resident Account withdrawals. Most resident accounts financial information on the computer hard drive was also missing.

Resident subsidiary ledger balances at June 30, 2008 totaled \$78,222 which exceeded reconciled Resident Account bank balances and petty cash by \$25,051, as illustrated in Exhibit I on page 5. Further, if adjustments of \$13,718 proposed by Agency auditors were posted, resident subsidiary ledger balances would total \$91,940 resulting in the Resident Account being due a total of \$38,769, as shown in Exhibit I.

This report has been forwarded to the Sixth Judicial District Prosecuting Attorney and Arkansas State Police (ASP). As of report date, ASP has an ongoing investigation to determine if criminal charges are warranted relating to AHDC cash deficits.

Recommendations

The Agency exercise proper fiscal oversight, segregate cash transaction duties to the extent possible, and ensure proper accounting records are prepared, reconciled, and retained. Specifically, the Agency should:

- Consult with legal counsel to resolve the Resident Account deficit balance;
- Determine a petty cash amount sufficient to support residents' needs and ensure the petty cash fund is maintained on an imprest system;
- Delegate someone independent of cash transaction duties to reconcile the Resident Account to resident subsidiary ledgers;
- Require signatures of applicable staff for cash transfers to establish custodial responsibility;
- Periodically confirm resident subsidiary ledger balances with parent/guardian;
- Discontinue practice of posting/allowing negative balances in resident subsidiary ledgers; and
- Establish procedures to ensure/monitor AHDC compliance with Agency's policies and procedures.

Performance Audit Findings

TANF Vehicle Assistance Program – Arkansas Department of Health and Human Services
(July 1, 2003 – June 30, 2004) - Issued 10-13-2006 (Audit done while merged with Health Dept)

Findings and Conclusions:

- Of the 78 case files selected for review, 2 were improperly coded and should not have been in the population of case files and 1 case file could not be located.
- High interest rates were charged by an out of state dealership in Texarkana, Texas. Additionally, the dealership added to client loans costs that were not reasonable for the type of vehicle purchased and the amount of the loans.

Recommendations:

- The Department of Health and Human Services evaluate controls concerning the transfer and location of files to ensure the retention of all supporting documentation.

- Revise the Temporary Employment Assistance (TEA) Policy Manual to limit the interest rate that can be paid by clients.
- Case managers review all loan contracts entered into by clients to ensure the client is not paying additional unnecessary costs.

Administration of the Federal Aging Programs Cluster –
 Arkansas Department of Human Services (DHS)
 (July 1, 2006 – June 30, 2007) - Issued 12-14-2007

Findings and Conclusions:

- The State Funding Formula could place greater consideration on senior citizens with the greatest social need. Although the current State Funding Formula provides 10% of the funding to low income minorities, it makes no consideration of seniors living in rural areas or for whom English is a second language.
- The ability of DHS to assess if seniors with the greatest economic and social need are receiving a proportional amount of services is limited by the data collection process.
- Current funding methods used by Area Agencies on Aging (AAAs) results in contract providers placing more emphasis on the number of seniors served rather than focusing their efforts to serve the most disadvantaged in their region.
- DHS has failed to define "rural" thereby allowing AAAs to define their entire region as rural.

Recommendations:

- Reevaluate the current State Funding Formula to ensure funding is provided for those in the greatest social need as required by the federal Aging Cluster grant.
- DHS, working with the AAAs, strengthen its ability to obtain complete and accurate data from participating seniors to ensure services are reaching those with the greatest need.
- Restructure reimbursement rates to emphasize services to those with the greatest need. Additionally, require AAAs and their providers to institute goals for seniors with the greatest need, document the progress in achieving those goals, and develop an incentive funding plan for providers that achieve their goal.
- Develop a definition of "rural" for use in funding distributions.

Employment Summary - All DHS Divisions

| | Male | Female | Total | % |
|-------------------------|------|------------------|-------|-------|
| White Employees | 961 | 3480 | 4441 | 61 % |
| Black Employees | 481 | 2254 | 2735 | 38 % |
| Other Racial Minorities | 23 | 71 | 94 | 1 % |
| | | Total Minorities | 2,829 | 39 % |
| | | Total Employees | 7,270 | 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 |
| 896 Director's Office | 1,277,676 | 13 | 1,426,294 | 13 | 1,426,294 | 13 | 1,473,887 | 13 | 1,666,447 | 13 | 1,666,447 | 13 | 1,498,445 | 13 | 1,691,005 | 13 | 1,691,005 | 13 |
| 896 Office of Chief Counsel | 9,262,804 | 161 | 10,316,755 | 171 | 10,332,783 | 172 | 11,008,061 | 171 | 11,576,693 | 177 | 11,385,095 | 175 | 11,196,028 | 171 | 11,793,168 | 177 | 11,590,824 | 175 |
| Total | 10,540,480 | 174 | 11,743,049 | 184 | 11,759,077 | 185 | 12,481,948 | 184 | 13,243,140 | 190 | 13,051,542 | 188 | 12,694,473 | 184 | 13,484,173 | 190 | 13,281,829 | 188 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | | |
|---------------------------------|-------------------|--------------|-------------------|--------------|--|---|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| General Revenue 4000010 | 3,988,377 | 37.8 | 3,931,515 | 33.5 | | | 4,184,747 | 33.5 | 6,256,336 | 47.3 | 4,387,381 | 35.2 | 4,256,074 | 33.5 | 6,411,768 | 47.7 | 4,460,329 | 35.2 |
| Federal Revenue 4000020 | 5,054,986 | 48.0 | 4,586,748 | 39.1 | | | 4,878,306 | 39.1 | 5,203,411 | 39.4 | 5,083,813 | 40.8 | 4,961,404 | 39.1 | 5,298,898 | 39.4 | 5,168,382 | 40.8 |
| Various Program Support 4000730 | 1,497,117 | 14.2 | 3,224,786 | 27.5 | | | 3,418,895 | 27.4 | 1,756,226 | 13.3 | 2,995,616 | 24.0 | 3,476,995 | 27.4 | 1,743,836 | 13.0 | 3,053,882 | 24.1 |
| Total Funds | 10,540,480 | 100.0 | 11,743,049 | 100.0 | | | 12,481,948 | 100.0 | 13,215,973 | 100.0 | 12,466,810 | 100.0 | 12,694,473 | 100.0 | 13,454,502 | 100.0 | 12,682,593 | 100.0 |
| Excess Appropriation/(Funding) | 0 | | 0 | | | | 0 | | 27,167 | | 584,732 | | 0 | | 29,671 | | 599,236 | |
| Grand Total | 10,540,480 | | 11,743,049 | | | | 12,481,948 | | 13,243,140 | | 13,051,542 | | 12,694,473 | | 13,484,173 | | 13,281,829 | |

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 | |
| 167 | 154 | 12 | 166 | 1 | 7.78 % | 185 | 165 | 14 | 179 | 6 | 10.81 % | 185 | 166 | 18 | 184 | 1 | 10.27 % |

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 1279 of 2007 section 18(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-214(5)(A)).

Analysis of Budget Request

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Arkansas Code Annotated §25-10-106 delegated administrative authority for the entire Department of Human Services to the Office of the Director. According to Arkansas Code Annotated §25-10-102, the Department operates under an integrated service delivery system provided by eleven divisions, in addition to the Director's Office that includes the Office of Chief Counsel. Both the Director and Chief Counsel operate from the same appropriation but are given separate paying funds. The DHS Director is responsible for establishing Departmental policy to carry out executive directives, federal and state legislative mandates and coordination of services across Division lines when individuals and families are provided services by multiple programs. Arkansas Code Annotated §20-76-201 delineates the powers and duties of the Department of Human Services.

The Arkansas Department of Human Services (DHS) is the largest state agency with more than 7,200 employees working in all 75 counties. Every county has at least one local office where citizens can apply for any of the services the department offers. Some counties, depending on their size, have more than one office. DHS employees come into direct contact with thousands of people daily and offer the "safety net" Arkansas families turn to when they are facing difficult times. DHS takes care of Arkansans of all ages ranging from infants to senior citizens.

DHS staff oversees the regulation of nursing home and childcare facilities. DHS is also responsible for finding adoptive families for foster children, protecting abused and neglected children, funding the home-delivery of meals for the elderly and operating the juvenile justice system. DHS oversees services to blind Arkansans and helps develop volunteer programs, which have a profound impact at the community level. The department also protects elderly Arkansans from abuse and neglect and operates human development centers across the state, which serves the developmentally disabled. DHS also provides mental health services through its system of community mental health care centers.

The Mission of the Department is "Together we improve the quality of life of all Arkansans by protecting the vulnerable, fostering independence, and promoting better health."

The Office of Chief Counsel consists of various sections which provide extensive legal, investigative, audit and hearing services to the Department of Human Services' (DHS) Divisions. The sections and their areas of responsibility within OCC are as follows:

- Appeals and Hearing - provides administrative hearing for the appeal of adverse agency actions. Appeals may concern child maltreatment, TEA, Medicaid, food stamps, intentional program violations, estate recovery, and a variety of other areas.
- County Legal Operations - provides statewide legal representation to the Department of Human Services in the areas of child welfare and adult protective services.
- Employee Relations/Equal Opportunity - processes employee grievances and conducts mediations and fact-finding conferences related to employee grievances and complaints. This office also ensures compliance with federal and state civil rights/anti-discrimination laws, regulations, executive orders, etc., and investigates client complaints of rude and discourteous treatment.

- General Counsel - represents the Department, in administrative matters and state and federal litigation related to Medicaid, Long Term Care, guardianship, employee garnishments and recovery of money owed DHS from a variety of sources. Litigation involving collection issues are in such areas as food stamp overpayments, AFDC overpayments, grants, fees for services at mental health and developmental disabilities institutions, and Estate Recovery.
- Management Assistance - is the DHS primary point of contact for Freedom of Information Act requests, monitors agency promulgation of rules, provides fiscal planning and monitoring, logistics support, and conducts special projects.
- Audit - conducts performance, compliance and some financial related audits, and consults on operational and program issues. It coordinates the development of audit requirements and guidelines and monitors program resolution.
- Fraud Investigation - responsible for investigating and referring for prosecution allegations of recipient fraud or Intentional Program Violation in the public assistance programs administered by the Department of Human Services. These include Transitional Employment Assistance, Food Stamps, Medicaid, Child Care, and Special Nutrition.

The Director's Office/Office of Chief Counsel is funded from a mix of sources that include general revenue (DAS - Department of Human Services Administration Fund Account), federal, and other funds. Federal and other funding is determined by the Department cost allocation plan. Other funding which is indicated as various program support can also include sources such as federal awards, fees, third party reimbursements and maximization of federal claiming. These other funds are considered to be non-federal and technically can be expended for any program or service within the Department.

Base level positions were changed from unclassified to Professional and Executive Pay Plan to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly except for the DHS Director position and the two (2) Deputy Director positions. 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 may include board member Stipend payments and 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 for this appropriation is \$12,481,948 in FY2010 and \$12,694,473 in FY2011 with 184 budgeted base level positions.

The Agency Change Level request for this appropriation is \$761,192 in FY2010 and \$789,700 in FY2011 with a general revenue request of \$2,071,589 in FY2010 and \$2,155,694 in FY2011. The general revenue request consists of the following components:

- \$1,986,723 in FY2010 and \$2,069,207 in FY2011 in new general revenue;
- \$20,479 in FY2010 and \$20,880 in FY2011 requested to be transferred from the Youth Services Fund Account which is associated with a request to transfer 1 position from Division of Youth Services;
- \$21,608 in FY2010 and \$21,975 in FY2011 requested to be reallocated within the DHS Administration Fund Account to the Director's Office/Office of Chief Counsel from the Division of Administrative Services which is associated with a request to transfer 1 position from the Division of Administrative Services;
- \$28,978 in FY2010 and \$29,574 in FY2011 requested to be transferred from the County Operations Fund Account which is associated with a request to transfer 1 position from the Division of County Operations;
- \$13,801 in FY2010 and \$14,058 in FY2011 requested to be transferred from the Medical Services

Fund Account which is associated with a request to transfer 1 position from Division of Medical Services.

The following delineates the Agency Request:

- Transfer 1 position from the Division of Youth Services with appropriation and general revenue (noted above) to manage the appeals and hearings database.
- Transfer 1 position from the Division of Administrative Services with appropriation and general revenue (noted above) to assist in auditing the child and adult protection cases.
- Transfer 1 position from the Division of County Operations with appropriation and general revenue (noted above) to assist with appeals concerning food stamp fraud and transitional employment assistance.
- Transfer 1 position from the Division of Medical Services with appropriation and general revenue (noted above) to perform receptionist duties for the appeals and hearings section.
- Transfer 1 position from the Division of Behavioral Health Services with appropriation to be utilized as an attorney as part of the enhancement of the third party liability unit.
- Transfer 2 positions to the Division of Medical Services with appropriation to assist with the Medicaid oversight unit.
- Restoration of 1 position that is authorized but not budgeted with salary and matching appropriation to assist the audit unit.
- 5 new Extra Help positions with extra help appropriation and matching appropriation and general revenue funding. The five (5) extra help positions are requested to create a DHS Fellows Program to attract outstanding men and women from a variety of academic disciplines and career paths to DHS with the hope that they will become future professionals or leaders in the DHS organization.
- 2 new Attorney Specialist positions with salary and matching appropriation and general revenue funding. The two (2) attorney specialist will assist with analyzing state and federal laws and regulations, writing opinions, legal requirements and increased caseloads of child maltreatment hearing requests.
- \$188,000 in FY2010 and \$200,000 in FY2011 is requested for the Operating Expenses line item for telecommunications wireless, network services, rent, mileage, fuel, office supplies, data processing supplies and software/licenses.
- \$62,000 in FY2010 and \$70,000 in FY2011 is requested for the Travel line item for continuing education credits.

The Executive Recommendation provides for Agency Request except for no new regular positions and no increase in the Travel line item. New general revenue has been provided for in the amount of \$117,768 each year of the biennium. The Executive Recommendation has provided for continued use of the DHS Federal Reimbursement/Other Holding Fund revenues which are indicated as various program support in the amount of \$1,254,340 in FY2010 and \$1,326,360 in FY2011 which are derived from many sources including federal awards, fees, third party reimbursements and maximization of federal claiming.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$57,768 in new general revenue each year of the biennium associated with the five (5) new Extra Help positions for the DHS Fellows Program;
- \$60,000 in new general revenue each year of the biennium associated with the Operating Expenses line item for increased operational costs;
- \$20,479 in FY2010 and \$20,880 in FY2011 requested to be transferred from the Youth Services

Fund Account which is associated with a request to transfer 1 position from Division of Youth Services;

- \$21,608 in FY2010 and \$21,975 in FY2011 requested to be reallocated within the DHS Administration Fund Account to the Director's Office/Office of Chief Counsel from the Division of Administrative Services which is associated with a request to transfer 1 position from the Division of Administrative Services;
- \$28,978 in FY2010 and \$29,574 in FY2011 requested to be transferred from the County Operations Fund Account which is associated with a request to transfer 1 position from the Division of County Operations;
- \$13,801 in FY2010 and \$14,058 in FY2011 requested to be transferred from the Medical Services Fund Account which is associated with a request to transfer 1 position from Division of Medical Services.

The above general revenue transfers that the Executive Recommendation has provided for are from existing allocations of general revenue from the Division of Youth Services, Division of Administrative Services, Division of County Operations and the Division of Medical Services.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

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 Base Level | 2009-2010 Agency | 2009-2010 Executive | 2010-2011 Base Level | 2010-2011 Agency | 2010-2011 Executive |
| Regular Salaries | 5010000 | 7,222,226 | 8,286,286 | 8,109,805 | 8,731,849 | 8,973,225 | 8,873,167 | 8,909,561 | 9,158,066 | 9,055,708 |
| #Positions | | 174 | 184 | 185 | 184 | 190 | 188 | 184 | 190 | 188 |
| Extra Help | 5010001 | 17,397 | 22,578 | 22,578 | 22,578 | 200,348 | 200,348 | 22,578 | 200,348 | 200,348 |
| #Extra Help | | 3 | 5 | 5 | 5 | 10 | 10 | 5 | 10 | 10 |
| Personal Services Matching | 5010003 | 2,177,064 | 2,330,301 | 2,522,810 | 2,623,637 | 2,715,683 | 2,686,143 | 2,658,450 | 2,751,875 | 2,721,889 |
| Operating Expenses | 5020002 | 1,107,907 | 1,048,112 | 1,048,112 | 1,048,112 | 1,236,112 | 1,236,112 | 1,048,112 | 1,248,112 | 1,248,112 |
| Conference & Travel Expenses | 5050009 | 15,263 | 32,472 | 32,472 | 32,472 | 94,472 | 32,472 | 32,472 | 102,472 | 32,472 |
| Professional Fees | 5060010 | 623 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Services | 5900044 | 0 | 12,300 | 12,300 | 12,300 | 12,300 | 12,300 | 12,300 | 12,300 | 12,300 |
| Total | | 10,540,480 | 11,743,049 | 11,759,077 | 12,481,948 | 13,243,140 | 13,051,542 | 12,694,473 | 13,484,173 | 13,281,829 |

| Funding Sources | | | | | | | | | | |
|--------------------------------|---------|-------------------|-------------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Revenue | 4000010 | 3,988,377 | 3,931,515 | | 4,184,747 | 6,256,336 | 4,387,381 | 4,256,074 | 6,411,768 | 4,460,329 |
| Federal Revenue | 4000020 | 5,054,986 | 4,586,748 | | 4,878,306 | 5,203,411 | 5,083,813 | 4,961,404 | 5,298,898 | 5,168,382 |
| Various Program Support | 4000730 | 1,497,117 | 3,224,786 | | 3,418,895 | 1,756,226 | 2,995,616 | 3,476,995 | 1,743,836 | 3,053,882 |
| Total Funding | | 10,540,480 | 11,743,049 | | 12,481,948 | 13,215,973 | 12,466,810 | 12,694,473 | 13,454,502 | 12,682,593 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 27,167 | 584,732 | 0 | 29,671 | 599,236 |
| Grand Total | | 10,540,480 | 11,743,049 | | 12,481,948 | 13,243,140 | 13,051,542 | 12,694,473 | 13,484,173 | 13,281,829 |

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

The FY08 and FY09 funding includes a General Revenue funding transfer from the DHS-Division of Children and Family Services by Authority of Reallocation of Resources.

Change Level by Appropriation

Appropriation: 896 - DHS—Admin Paying Account

Funding Sources: PWP - Administration Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 12,481,948 | 184 | 12,481,948 | 100.0 | 12,694,473 | 184 | 12,694,473 | 100.0 |
| C01 | Existing Program | 379,598 | 2 | 12,861,546 | 103.0 | 402,344 | 2 | 13,096,817 | 103.2 |
| C02 | New Program | 192,560 | 0 | 13,054,106 | 104.6 | 192,560 | 0 | 13,289,377 | 104.7 |
| C05 | Unfunded Appropriation | 47,528 | 1 | 13,101,634 | 105.0 | 48,501 | 1 | 13,337,878 | 105.1 |
| C07 | Agency Transfer | 141,506 | 3 | 13,243,140 | 106.1 | 146,295 | 3 | 13,484,173 | 106.2 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 12,481,948 | 184 | 12,481,948 | 100.0 | 12,694,473 | 184 | 12,694,473 | 100.0 |
| C01 | Existing Program | 188,000 | 0 | 12,669,948 | 101.5 | 200,000 | 0 | 12,894,473 | 101.6 |
| C02 | New Program | 192,560 | 0 | 12,862,508 | 103.0 | 192,560 | 0 | 13,087,033 | 103.1 |
| C05 | Unfunded Appropriation | 47,528 | 1 | 12,910,036 | 103.4 | 48,501 | 1 | 13,135,534 | 103.5 |
| C07 | Agency Transfer | 141,506 | 3 | 13,051,542 | 104.6 | 146,295 | 3 | 13,281,829 | 104.6 |

Justification

| | |
|-----|---|
| C01 | The Office of Chief Counsel requests one (1) new attorney specialist/General Counsel position, to analyze state and federal laws and regulations for writing opinions and managing federally mandated legal requirements in such areas as Medicaid, Estate Recovery; Personnel Litigation and Olmstead. General Revenue is requested. One (1) new attorney specialist/Administrative Law Judge position, to ensure the increased caseloads of Child Maltreatment hearing requests are started and completed within the state and federal mandatory timeframes. General Revenue is requested. Operating Expenses – Due to increases in travel expense for our attorneys, 1/3 replacement of computer and information technology equipment each fiscal year, rent and network services. Current funding levels are not sufficient to meet the needs of the Office and provide legal services needed/necessary to protect the children across the state within DHS. Moderate inflationary increases should allow the office to maintain the current service levels. State General Revenue is requested. Additional Conference Fees and Travel to be used for mandatory continuing education credits necessary to maintain professional license and credentials. General Revenue is requested. |
| C02 | The DHS Director's Office requests five (5) new Extra Help positions to create a DHS Fellows Program. The purpose of this program is to attract outstanding men and women from a variety of academic disciplines and career paths to DHS. These qualified candidates will work both individually and collectively through a 12 - 18 month intensive training and work experience program to learn about and create significant value for the DHS organization. The minimum qualifications include the formal education of a Bachelor's degree in public administration, health administration, social work, sociology, psychology, counseling, business administration or a related field. After completing the program it is our hope that they will become future professionals or leaders in our organization. General Revenue is requested. |
| C05 | One (1) Senior Auditor, position # 22102107, cost center 416733. The Office of Chief Counsel requests the restoration of this unbudgeted position to help enable the Audit Unit to meet the Department's audit requests as well as assist in the Risk Assessment analysis of the department to help determine areas that have needs for assistance and minimize the risks that could occur in an operation as large as DHS. |
| C07 | One (1) MPA I, (Cost Center 420057; Position # 22111814) from the Division of Youth Services to the Office of Chief Counsel (Cost Center: 416740) to manage the Appeals and Hearings Database and supervise all support staff. Transfer of General Revenue and appropriation is requested. One (1) MPA I, (Cost Center 419060; Position # 22112093) from the Division of Administrative Services to the Office of Chief Counsel (Cost Center: 416800) to audit OCC Child and Adult Protection cases for Federal Audit Reviews. Transfer of General Revenue and appropriation is requested. One (1) MPA I, (Cost Center 420541; Position # 22098657) from the Division of County Operations to the Office of Chief Counsel (Cost Center 416742) to hear all appeals concerning Food Stamp Fraud and Transitional Employment Assistance. Transfer of General Revenue and appropriation is requested. One (1) Doc. Examiner II, (Cost Center 418309; Position # 22101503) from the Division of Medical Services to the Office of Chief Counsel (Cost Center 416740) to perform all receptionist's duties for the OCC Appeals and Hearings Section. Transfer of General Revenue and appropriation is requested. One (1) Attorney, (Cost Center 417903; Position # 22110997) from the Division of Behavioral Health Services to the Office of Chief Counsel (Cost Center 416710) as part of the enhancement of the TPL Unit. Transfer of Appropriation is requested. Two (2) Senior Auditors, (Cost Center 416732; Position # 22101402 and Cost Center 416734; Position # 22097316 from Office of Chief Counsel to Division of Medical Services as part of Medicaid Oversight Unit, Cost Center 418200. This request includes the transfer of Appropriation Only |

DHS - ADMINISTRATIVE SERVICES

Enabling Laws

Act 1279 of 2007
A.C.A. §25-10-102

History and Organization

The Division of Administrative Services was originally created in Act 348 of 1985 when the Department went through reorganization. The Divisions of Management and Finance have subsequently merged into one division and is known as the Division of Administrative Services. The consolidation resulted in reduced administrative costs, alignment and streamlining of associated administrative functions and more significantly, strengthened internal controls for more efficient operations of not only the Division but the Department. The current configuration of the Division provides program divisions with a central point of contact for administrative, personnel, contracts, grants, purchasing, budgeting, funds management, accounts payable and receivable functions as well as departmental information technology. There are 340 positions budgeted in FY2009.

Act 1954 of 2005 merged the Department of Health with the Department of Human Services and changed the name to the Arkansas Department of Health and Human Services and renamed the Department of Health to the Division of Health.

The 86th General Assembly enacted what became Act 384 of 2007 which authorized the Governor to separate Health and Human Services back to two distinct departments. On May 2, 2007, Governor Beebe signed Executive Order 07-05 and created a separate Department of Human Services and a separate Department of Health effective July 1, 2007.

The Division of Administrative Services has two distinct areas of responsibility: All administrative functions of finance, accounting, personnel and contracting are assigned to the DHS Chief Administrative and Fiscal Officer and the area is known as the Office of Finance and Administration. All information technology functions are assigned to the Chief Information Officer and the area is known as the Office of Systems and Technology.

The Office of Finance and Administration is responsible for the following functions:

The CAFR Section directs and oversees the proper accounting of all DHS transactions. This newly formed section performs oversight and routine functions in three primary areas: financial accounting, contract/grant monitoring, and asset management. It is comprised of accounting staff including 5 CPAs, grants/contract specialists, and administrative support staff. Located in the CFOs office, this section secondarily serves as a data and special project resource for the department on financial matters.

The Accounting Unit conducts monthly reviews of the trial balance including 200 funds, makes all necessary adjusting entries, is responsible for all year end financial reporting to DFA-CAFR Section, performs bank reconciliations for over 90 commercial bank accounts and journals the activity from these accounts in AASIS, and serves as technical assistant and compiler for the DHS

Risk Assessment annually. Routine monitoring by this unit includes not only revenue and expense accounts but also liability accounts used by the AASIS system in posting routine accounting transactions and asset purchase transactions.

The Asset Manager provides oversight and serves as the central point of contact for all DHS asset deactivations and asset audit inquiries. Additionally, the Asset Manager provides technical assistance to all DHS division asset managers and serves as liaison to DFA/AASIS personnel. Annual certifications of fixed asset inventories from DHS divisions are maintained by the Asset Manager.

The Grants/Contract Unit provides technical assistance, purchase Order creation, good receipting, and general monitoring for grants and contracts for DHS program divisions. Routinely this unit works with division personnel to correct open items in the liability account utilized in purchase order processing in AASIS. This unit compiles, prepares and submits the Social Services Block Grant (SSBG) Statistical Report annually. Additionally, the administrative function of issuing and tracking DHS Central Office parking permits and all DHS employee picture ID badges is performed in this unit.

The General Operations Section directs the processing of travel reimbursements, payments of invoices for general operating expenses of the department, vendors, clients and providers and coordinates the distribution of various information pertaining to the employee's Business Travel Cards. These functions are performed within Administration, Payables, Purchase Order and Payroll Units of the Sections.

The Payables Unit processes and disburses approximately 400,000 payments totaling more than one billion dollars yearly. These payments include approximately 163,000 travel reimbursements, provider payments, general expenses and credit card payments. The Unit processes payments to DHS clients who participate in the TEA Diversion and Transportation Programs which provide assistance to economically needy families, Foster Care Trust Program that manages the funds of over eight hundred (800) children who are in the Foster Care Program. In addition, the Unit processes approximately twenty five hundred (2,500) deposits and electronic fund transfers per month; processes cash disbursements to vendors and clients for thirty-five DHS checking accounts. It also reviews and disburses funds for payments made to vendors, providers, clients, and employees; issues telephone cards based on applications from the DHS divisions; processes warrant cancellations, and reissue requests, certifies prior year payments, processes Business Travel Card Applications and cancellations, distributes Business Travel Card reports to divisions/offices, monitors Business Travel Card reports for non-utilized accounts and personal expenditures for 192 cards.

The Purchase Order Unit processes approximately 185,000 invoices within a fiscal year. These payments include utilities, rent for office space, postage, petty cash funds, janitorial services, medical services, judicial awards, nursing home fees, professional service fees, vendor and client information. The Unit also assists in the preparation and submission of the weekly and monthly reports for Sales and Use Tax Rebates requests for county and local taxes, coordinates responses on 1099 information for DFA, submits vendor information to update the AASIS vendor file, coordinates the resolution of various items that create delays in the processing of invoices.

The Payroll Unit directs the centralized management and processing of the department's payroll and benefits functions for 7,653 employees. It also manages and coordinates the annual

insurance enrollment process, transactions related to employees' retirement, sick and annual leave, overtime compensation and responds to an estimated 3,800 inquiries for technical assistance.

To enhance the current business process, the Section has begun the implementation process of an on-line data base that can be utilized to communicate problems related to the payment of invoices. It is currently working with the Office of System's and Technology personnel to develop and implement an on-line electronic travel reimbursement system that will reduce the length of time currently required to reimburse employees for out-of-pocket travel costs and is now in test phase and as well as a tracking system for receipt of payable documents to accurately account for submissions and monitor movement through the payable system.

The Managerial Account Section directs the comprehensive management of budgeting/banking, cost allocation, funds and grants management, and accounts receivable functions within the department.

The Budget Unit compiles and coordinates the Annual Operations Plan as well as the Departmental Biennial Budget totaling over \$4.5B. The banking area is responsible for proper accounting and depositing of all cash funds received in the department, processing all requests for grant refunds to expenditure and coordinating the activities with DFA and the State Treasury for accurate posting and account activities.

The Cost Allocation/Research & Statistics Unit is responsible for the Daily functions and maintenance of the department's Cost Allocation Plan (CAP) and guiding principles whereby the department can claim federal financial participation (FFP) on the allowable administrative costs associated the each grant administered by the agency. The CAP must be approved by the federal office of Cost Allocation, U. S. Department of Health and Human Services, Dallas Regional Office anytime there is a change. Changes can include items such as adding, changing or deleting cost coding information in a division or office, any reorganization or creation of new areas of operation. CAP amendments must be submitted to the Division of Cost Allocation and receive approval prior to implementation or the department faces the potential loss of claimable federal cost allocation funding during the period in question. Resulting repayments can take the form of 100% General Revenue thereby decreasing the department's ability to fully utilize General Revenue to draw federal matching funds. The Cost Allocation Unit, working with the Office of Systems and Technology has fully automated the cost allocation process eliminating manual data transfers, fully automating all reporting aspects, and automating worksheet percentage calculations from staff time study input. The Time Study information for both 100% input and Random Moment time studies are automated for all divisions that have time studies. The automation of the worksheets is the most recent automation activity having been completed within the past two months. The area currently undergoing automation is Grants and Funds Management. Process flow charts for all functions are being developed currently for determination of functional needs within the system. Development of a electronic grants data base is underway whereby automatic update of available funding and appropriation is created when fund draws and expenses are accounted for in the system. This process will account for Letters of Credit by the funding agency and will link and reconcile to the daily draws of funds and AASIS.

Grants and Funds Management Unit is responsible for the management and proper accounting of all grant funds received by the divisions within the department as well as ensuring funds are in the proper account to process payments through the AASIS system. In the last biennium, OFA was privileged to receive additional positions that require CPA license or are CPA eligible. There are

three (3) of the five positions received in Managerial Accounting filled currently and the personnel in these positions have been very instrumental in developing processes, procedures and requirements for daily draws of funds for direct and indirect expenditures. The newly established process not only tracks daily draws and proper posting of such but provides a constant total of draws with sufficient detail that quarterly reporting to the cognizant federal agency is more timely and more accurate. This process also provides detail that monitoring for positive fund balance/funds in transit allows staff to know the status of funds in the cash edit and can alert DFA to issues of mutual interest. This new process will ultimately provide the kind of detail needed for the DHS to properly and timely report to DFA at year end the federal grant data for CAFR reporting with the required supporting documentation. Additionally, the DHS portion of the State's CMIA has been updated with the assistance of these additional personnel, allows the daily draw of funds and maintains compliance with the State's Treasury Agreement. This unit also directs the preparation of the Social Services Block Grant (SSBG) Comprehensive Services Program Plan, updates the SSBG Program Manual and reviews the Federal Register to ensure compliance with federal SSBG guidelines. It coordinates the \$18M funds awarded the department under the SSBG grant.

Accounts Receivable Unit is responsible for the collection process and receipt of overpayments within the department, repository for Receipts due to fraud and initiation of the State Tax Intercept for those monies not collectable by other means. The automated Overpayment System tracks responsible household members who have received an overpayment of Food Stamps, TEA, Medicaid, and to collect those over payments through recoupment of benefits. This system provides the ability to systematically load these debts to Treasury and DFA Income Tax Offset for collection, automatically generates reports for new claims established, payment history, claims paid, claims pending prosecution, automatically creates claim files for the Fraud Unit when a claim is suspected to have occurred as a result of fraudulent reporting or activity and automatically produces notices when prompted. This unit is responsible for collecting all debts owed the department and the State until and unless sufficient evidence is presented that clearly shows the claim is uncollectable, not allowable by law (Forensics unit) or legal process has cleared the debt. All supporting documentation is submitted along with a request to the Chief Fiscal Office of the State asking for abatement of the claim. The Chief Fiscal Officer of the State must provide written approval for the department to clear the DHS books of a debt owed.

Human Resources provides administrative services that support the Department.

The Recruitment and Placements Unit's primary role is to market the Arkansas Department of Human Services as a great place to work and its belief is that every applicant should get a fair change to be considered for employment at DHS. In 2007, the staff attended 99 job fairs in State of Arkansas and four border states in a concerted effort to attract candidates to come work for DHS. In addition to recruitment activities, additional responsibilities include application processing, and minimum qualification screening. Last year 78,000 job applications were processed, an increase of 11,000 from 2006 and requests were received to fill 3,560 positions an increase of 960. The Recruitment and Placement section is responsible for AASIS security for all of DHS, and it is also where the agency's main call center is housed, which logged 64,829 calls in 2007.

Staff Development is also in this area and is responsible for the Education and training of DHS employees. Staff Development has provided leadership development training of over 1,100 employees, DHS and OPM policies and procedures mandated training to over 400 managers and

supervisors last year, basic management skills in time management, effective communication, conflict resolution and EEO/Affirmative Action for front line employees, new managers training and personal computer utilization and professional skills. Additionally, over 500 managers received training confronting non-performance. Staff Development provides training statewide and customized Solutions to meet each division's needs.

Classification and Compensation is responsible for coordinating the personnel activities to ensure uniform application of federal and state personnel laws, and policies regarding classified and unclassified salaries for over 7,500 employees. This section acts as the liaison between the State Office of Personnel Management and DHS. Personnel requests such as Labor Market Rates/Exceptionally Well Qualified, Concurrent Employment, Fair Labor Standard Exceptions, Salary Surveys and the Nurse Grid are processed in this area. This area also processes all Hiring Freeze Requests for the agency totaling approximately two hundred and fifty (250) vacancies per month and maintains data regarding data regarding the Nurse Grid and a data base to track all nurse compensation and movement.

Personnel Processing is responsible for processing personnel transactions bi-weekly, which includes hires, terminations, promotions, retirements, cross grades and personnel changes. The Processing Unit is responsible for daily maintenance of approximately 7,500 employee manual and electronic records. Due to the increased volume of paper documents and limited space, an automated imaging system has been established to scan all files for a paperless filing system. This Unit processes approximately 1,500-2,000 actions monthly for the department.

Policy and Administrative Program Management is also contained within Human Resources and communicates managerial and administrative policies to all employees, develops for approval and disseminates procedures and is responsible for the management of administrative programs such as the Catastrophic Leave, Drug Screenings, Family Medical Leave, Criminal Background Checks, and Americans with Disabilities Act.

The Contract Support Section (CCS) directs procurement, purchasing, contracting, facility management, and sub-granting functions throughout DHS as well as providing direct logistical support to all agency elements for warehousing, printing/copying services, mailroom services, telecommunication services and installation, and vehicle fleet management activities with a staff of specialists in ten field units statewide. On an annual basis CSS coordinates approximately 2,300 legal agreements to fulfill the entire spectrum of DHS primary mission, including more than 513 professional service contracts valued at approximately \$620 million; over 180 sub-grants valued at approximately \$78 million; and approximately 1,100 day care voucher agreements. Field and Little Rock contracts officers work intensively with all ten program divisions to develop professional service contracts in a timely and accurate manner to provide program continuity and full administrative compliance despite a changing operational/regulatory environment and challenging budget constraints. CSS coordinates presentation of contracts and sub-grants for legislative review, in compliance with state procurement statutes and Act 1032 of 1999. Field and Little Rock staff performs on-site monitoring of contracts to insure administrative compliance with stringent provisions of Social Service Block Grant in regard to eligibility of clients, comprehensive documentation of service delivery by demographic categories; and verification of program integrity through service-to-billing audits. CSS provides centralized procurement of all technical services and commodities over \$25,000 for the agency, under special delegation order from the DFA Office of State Procurement, and performs the resulting creation of over 10,000 purchase orders valued at approximately \$20 million.

Central Support Unit (CSU) directs facility construction projects valued at \$48 million through planning, approval, legislative review, execution, and payment phases for all DHS institutions and program divisions. Related activities include leasing functions and facility management assistance for more than 112 DHS facilities statewide, including central headquarters complexes at Donaghey Plaza and Markham campus in Little Rock and county offices statewide.

In addition, CSU directs fleet management of 434 vehicles statewide, including periodic maintenance tracking; and coordination of vehicle reporting and replacement through the Department of Finance and Administration. CSS provides technical assistance and field support for all DHS program divisions statewide for materiel storage and distribution, mail and shipping services, copying/printing, and telecommunication/data installation.

The Office of Systems and Technology's stated mission is to provide, coordinate, and manage information technology solutions in a manner that best supports DHS strategic objectives, and to embrace a technological vision that makes us integral partners in the delivery of human services to Arkansas citizens. To accomplish this mission, the 39 positions in this office are dedicated to ensuring that the program divisions and other support divisions of the department have the application software and the technology infrastructure needed to efficiently and effectively perform their duties. This section also upholds the public trust that all information contained on the DHS networks is reliable and protected from disclosure except to those who have a need to know. To accomplish these goals, the office is organized into the following sections:

The Administration section, in addition to taking care of clerical tasks for the entire office, provides centralized purchasing for all information technology procurements within the entire department. Standards are established and maintained for equipment and software to provide the department with better pricing due to volume purchases and with reduced maintenance costs and time spent since our technical support personnel have a defined inventory of equipment to service. Any purchase that is for non-standard equipment or software must be approved by the Chief Information Officer. All purchases are also checked to make sure they were included in the state's biennial IT plan. The purchasing group is responsible for purchasing over 2,500 desktops/laptops each fiscal year and all servers and software required to operate a network of 108 locations, 7,500 workstations, and 130 servers.

In addition to centralized and coordinated purchasing, the administrative section is also responsible for negotiating, executing, and monitoring of the department's information systems support contract. This multi-year contract provides quality assurance, project management, application maintenance, application development, network engineering and network administration for the department. Any new program developments with a scope of effort in excess of 6 months are handled through this contract as well as the maintenance of most of the department's 103 applications.

A position of Information Technology Security Officer was added to the office during state fiscal year 2007. In the past, the CIO had taken care of security in his spare time but we all know that security is a full time job in and of itself. This new position is responsible for making certain our network is protected from outside intrusions and develops and monitors security policies and security training for the employees of the department.

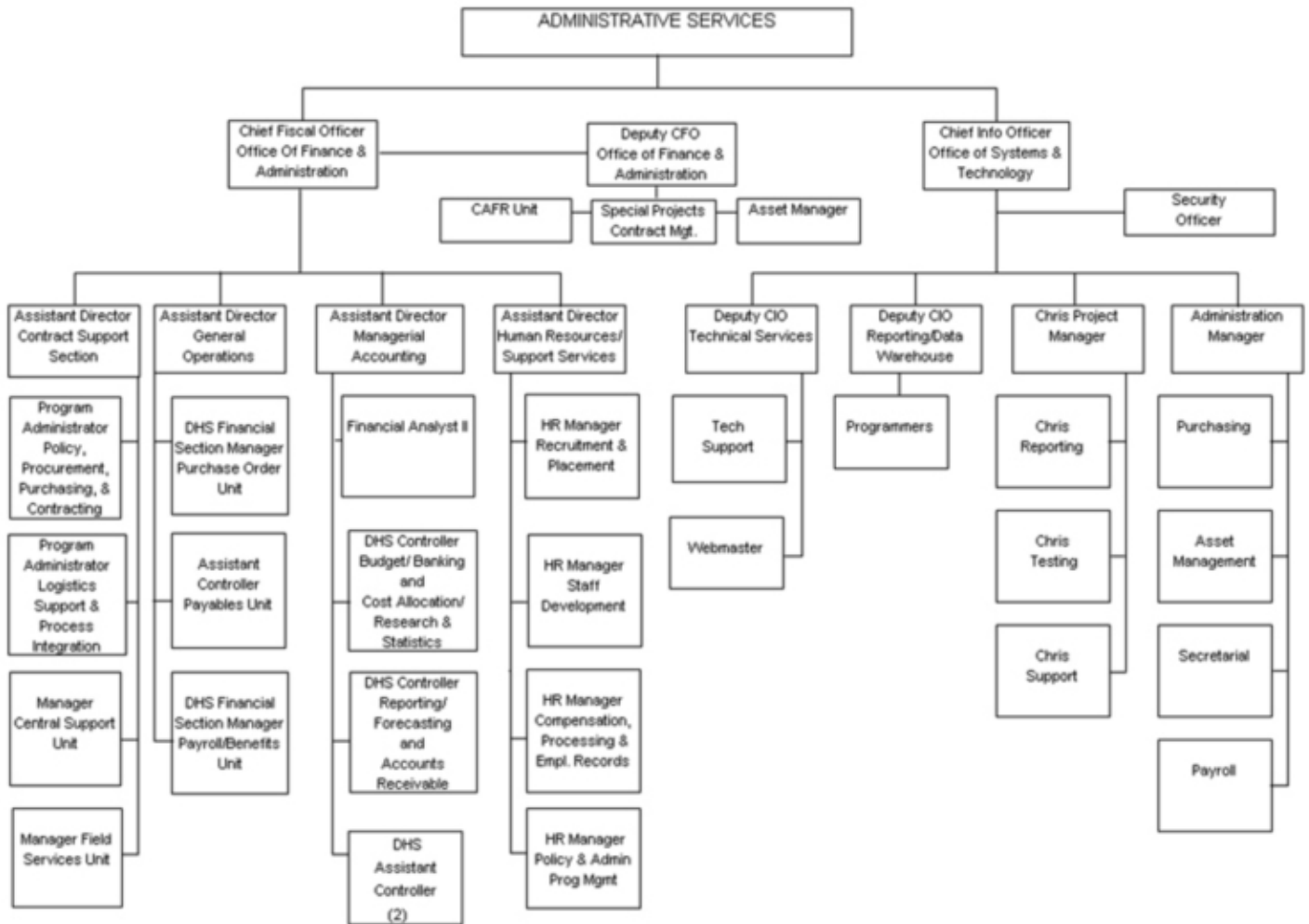
The Chief Information Officer also serves as technical advisor for the program divisions and support offices. Whenever they have a need, problem, or question, this is the person to ask.

The Technical Support section is primarily responsible for keeping the equipment in our facilities outside of Pulaski County updated and operating properly. This small group of technical support specialists maintains almost 6,000 workstations in addition to the servers supporting these facilities. They not only make sure the equipment in their regions are running smoothly but also answer technical questions our employees might have while they are on site.

This section is also responsible for maintenance of the content of the Department's internet and intranet web sites as well as assisting in the setup of new employee network and email accounts. The office has developed a daily monitoring of employee movements/hiring/terminations using extracts from the state personnel files to ensure that network access is quickly removed for employees leaving the department and is quickly created for our new employees.

The CHRIS Project Management Team, created during the development of the Children's Reporting and Information System (CHRIS) application, continues the overall Management of the CHRIS reporting system. This application was developed to comply with the requirements of the federal DHHS/Administration of Children and Families State Automated Child Welfare Information System project (SACWIS). It was a multi-year project, completed in the fall of 2006. Arkansas is one of the states that have met the rigorous requirements of this application.

Reporting and Programming: The final section of OST is the one that supports any reporting assistance needed by any division in extracting meaningful reports from the information contained in their application databases. In addition, this group does program development for applications that are smaller in scope and do not require utilization of our contractor.



Agency Commentary

The Division's request for the 2009-2011 Biennium consists of a request for restoration of 22 positions not budgeted in fiscal year 2009. We request restoration of these positions due to our internal needs but also to assist the program divisions when/if there is a need for a position. There have been instances when we provided a position through the Reallocation of Resources provision of our appropriation act which allowed a program division to provide a direct service in the community. Without the transfer (and transfer authority), services would have been less or non-existent. Additionally, we need to be able to provide needed assistance for the myriad functions of this division. Federal financial reporting responsibilities, on-going requirement of reconciliation of funds, reconciliation of expenses to cost allocation, requesting funds from granting agencies, development, implementation and monitoring of contracts and processing invoices for payments, monitoring and balancing checking accounts, processing travel documents for employees as well as various board members, processing payroll every two weeks, managing the financial aspects of the Foster Care Trust Fund, make it incumbent upon us to have the positions available to complete the work responsibilities at the division. We must also be able to continue to provide the support for the infrastructure necessary for technology operations. The department has

invested a great deal of effort to automation activities for efficiencies and effective operations and without adequate personnel to support these activities we will continue to operate manual systems, more slowly and inadequately respond to requests and fail to meet federal requirements for automated systems.

We request the transfer of two positions to the Division of Services for the Blind. These positions will be utilized as Rehabilitation Teachers in Harrison and El Dorado and will further enhance the division's mission to provide training to as many visually impaired individuals in local communities as possible. We are also requesting the transfer of one position to the Office of Chief Counsel for the purpose of conducting hearings for all appeals regarding Food Stamp Fraud and Transitional Employment Assistance (TEA).

We are also requesting an additional \$25,000 in General Revenue funding and the associated appropriation wherein federal matching funds can be utilized and supported by Other (indirect costs) funding as well. This funding and appropriation is specifically tied to the extensive recruitment activities the Human Resources Office has devoted to the program divisions. The recruitment activities are directed to nurses, pharmacists, psychiatrists, speech pathologists, and family support workers. This funding and appropriation will enable DHS to recruit for these high turnover and hard-to-fill positions primarily through recruitment activities at various colleges and education institutions and promoting DHS job opportunities at Job and Career Fairs.

We are requesting an additional \$150,000 in Appropriation 414-Consolidated Costs. This appropriation is for the centralized purchasing of postage, forms printing and warehouse storage for the Department. Purchases are paid by the respective Divisions to the Consolidated Cost Revolving Fund and the revenues transferred are based on the Cost Allocation derived from the program code to which the funds are assigned and are a mix of State, Federal and Other funds. This request will support the printing function performed by the print shop.

Additionally, we are requesting additional funded appropriation for the Various Building Construction Appropriation account. The Division of Developmental Disabilities Services Human Development Centers, Division of Youth Services and their respective facilities along with Division of Behavioral Health Services Arkansas State Hospital and Arkansas Health Center utilize this appropriation through the Budget System. This additional funded appropriation is requested for the Division of Behavioral Health and will be for unanticipated repairs and purchases. This would be primarily related to the Arkansas Health Center. Due to the age of the facility and recent weather events, it is prudent management to ensure sufficient appropriation is available for emergencies and allow the division to provide for the health and safety of the individuals who reside at the Health Center.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR THE YEAR ENDED JUNE 30, 2006

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------------------|--------|-------|-------|
| White Employees | 61 | 101 | 162 | 54 % |
| Black Employees | 27 | 101 | 128 | 43 % |
| Other Racial Minorities | 3 | 6 | 9 | 3 % |
| | Total Minorities | | 137 | 46 % |
| | Total Employees | | 299 | 100 % |

Cash Fund Balance Description as of June 30, 2008

| Fund Account | Balance | Type | Location |
|--------------|---------|----------|-----------------|
| 1200100 | \$0 | Checking | Not Established |

Statutory/Other Restrictions on use:

Purchase of Service-Immediate care, short-term, or emergency services to eligible clients.

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Utilized on an emergency basis

Fund Balance Utilization:

None

Publications

A.C.A. 25-1-204

| Name | Statutory Authorization | Required for | | # of Copies | Reason(s) for Continued Publication and Distribution |
|--|-----------------------------|--------------|------------------|-------------|---|
| | | Governor | General Assembly | | |
| Arkansas Department of Human Services (SFY) Statistical Report | Act 414, Section 24 of 1961 | Y | Y | 15 | Law requires. Distribution has decreased from 200 to 15 published copies. Outside requestors will be informed to access the web. Data is used for trending analysis, research and/or studies. |

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 |
| 1DE Various Building Construction | 2,816,963 | 0 | 7,685,200 | 0 | 9,821,826 | 0 | 7,685,200 | 0 | 8,185,200 | 0 | 8,185,200 | 0 | 7,685,200 | 0 | 8,185,200 | 0 | 8,185,200 | 0 |
| 414 Consolidated Cost | 737,460 | 0 | 671,500 | 0 | 671,500 | 0 | 671,500 | 0 | 821,500 | 0 | 821,500 | 0 | 671,500 | 0 | 821,500 | 0 | 821,500 | 0 |
| 896 Division of Administrative Services | 27,697,550 | 336 | 30,106,950 | 340 | 30,548,597 | 362 | 31,327,516 | 340 | 32,055,805 | 359 | 32,055,805 | 359 | 31,640,217 | 340 | 32,381,578 | 359 | 32,381,578 | 359 |
| 898 Social Srvs Blk Grant-Fed | 100,257 | 0 | 139,733 | 0 | 259,047 | 0 | 139,733 | 0 | 139,733 | 0 | 139,733 | 0 | 139,733 | 0 | 139,733 | 0 | 139,733 | 0 |
| C99 Client Specific Emergency Services-Cash | 0 | 0 | 120,000 | 0 | 120,000 | 0 | 120,000 | 0 | 120,000 | 0 | 120,000 | 0 | 120,000 | 0 | 120,000 | 0 | 120,000 | 0 |
| NOT REQUESTED FOR THE BIENNIUM | | | | | | | | | | | | | | | | | | |
| 36D DAS-DHHS Decouple Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 31,352,230 | 336 | 38,723,383 | 340 | 41,420,970 | 362 | 39,943,949 | 340 | 41,322,238 | 359 | 41,322,238 | 359 | 40,256,650 | 340 | 41,648,011 | 359 | 41,648,011 | 359 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % |
|--------------------------------|---------|-------------------|--------------|-------------------|--------------|---|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| Fund Balance | 4000005 | 7,239,953 | 18.9 | 7,014,968 | 18.1 | | 36,572 | 0.1 | 36,572 | 0.1 | 36,572 | 0.1 | 0 | 0.0 | 0 | 0.0 |
| General Revenue | 4000010 | 10,847,505 | 28.3 | 11,042,561 | 28.5 | | 11,490,237 | 28.8 | 11,493,629 | 28.3 | 11,468,629 | 28.3 | 11,604,928 | 28.8 | 11,607,953 | 28.4 |
| Federal Revenue | 4000020 | 15,285,619 | 39.8 | 10,164,338 | 26.2 | | 10,570,746 | 26.5 | 10,574,899 | 26.0 | 10,543,799 | 26.0 | 10,674,866 | 26.5 | 10,678,403 | 26.1 |
| Cash Fund | 4000045 | 0 | 0.0 | 120,000 | 0.3 | | 120,000 | 0.3 | 120,000 | 0.3 | 120,000 | 0.3 | 120,000 | 0.3 | 120,000 | 0.3 |
| Reimbursement | 4000425 | 2,471,978 | 6.4 | 706,804 | 1.8 | | 7,648,628 | 19.1 | 8,148,628 | 20.1 | 8,148,628 | 20.1 | 7,685,200 | 19.1 | 8,185,200 | 20.0 |
| Transfer from General Revenue | 4000542 | 120,000 | 0.3 | 0 | 0.0 | | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Various Program Support | 4000730 | 2,402,143 | 6.3 | 9,711,284 | 25.1 | | 10,077,766 | 25.2 | 10,228,939 | 25.2 | 10,220,490 | 25.2 | 10,171,656 | 25.3 | 10,322,663 | 25.2 |
| Total Funds | | 38,367,198 | 100.0 | 38,759,955 | 100.0 | | 39,943,949 | 100.0 | 40,602,667 | 100.0 | 40,538,118 | 100.0 | 40,256,650 | 100.0 | 40,914,219 | 100.0 |
| Excess Appropriation/(Funding) | | (7,014,968) | | (36,572) | | | 0 | | 719,571 | | 784,120 | | 0 | | 733,792 | |
| Grand Total | | 31,352,230 | | 38,723,383 | | | 39,943,949 | | 41,322,238 | | 41,322,238 | | 40,256,650 | | 41,648,011 | |

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 | |
| 395 | 304 | 38 | 342 | 53 | 23.04 % | 357 | 311 | 43 | 354 | 3 | 12.89 % | 357 | 299 | 41 | 340 | 17 | 16.25 % |

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 1279 of 2007 section 18(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-214(5)(A)).

Analysis of Budget Request

Appropriation: 1DE - Various Building Construction

Funding Sources: DHR - Human Services Renovation Fund

The Various Building Construction appropriation is for the purpose of construction, acquisition, renovation, maintenance, repair and equipping facilities of the Department of Human Services and for paying disallowances cited by the federal government. Facilities are those operated by the Divisions of Developmental Disabilities-Human Development Centers; Behavioral Health-Arkansas State Hospital and Arkansas Health Center; and Youth Services-Youth Services Centers and Wilderness Camps.

Funding for this appropriation is from the Human Services Renovation Fund and is derived from three sources. Federal reimbursement received by the Department. General revenue transferred from these three (3) Divisions with an annual maximum of five million dollars. Other funds may be utilized as determined to be available. At the request of the Director of the Department of Human Services and upon certification of the availability of such funds, the Chief Fiscal Officer of the State shall initiate the necessary transfer documents to reflect the transfer on the books of record of the Treasurer of State, the Auditor of State, the Chief Fiscal Officer of the State and the Department. Arkansas Code Annotated §19-5-1020 was amended by Act 1537 of 1999 to require that transfers into the Renovation Fund must be submitted to and receive approval from the Chief Fiscal Officer of the State, the Governor and the Legislative Council prior to the effective date of the transfer. This appropriation is centralized within the DHS Director's purview in order that the needs of the Department can be prioritized, however, maintained by the Division of Administrative Services. Expenditures for this appropriation are contingent upon available funding provided from within the Department.

The Agency Base Level request for this appropriation is \$7,685,200 each year of the biennium.

The Agency Change Level request for this appropriation is as follows:

- \$500,000 each year of the biennium for the Division of Behavioral Health Services for unanticipated projects that might occur in the next biennium associated with the Division of Behavioral Health Services facilities.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1DE - Various Building Construction
Funding Sources: DHR - Human Services Renovation 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 |
| Construction | 5090005 | 2,816,963 | 7,685,200 | 9,821,826 | 7,685,200 | 8,185,200 | 8,185,200 | 7,685,200 | 8,185,200 | 8,185,200 |
| Total | | 2,816,963 | 7,685,200 | 9,821,826 | 7,685,200 | 8,185,200 | 8,185,200 | 7,685,200 | 8,185,200 | 8,185,200 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 7,239,953 | 7,014,968 | | 36,572 | 36,572 | 36,572 | 0 | 0 | 0 |
| Reimbursement | 4000425 | 2,471,978 | 706,804 | | 7,648,628 | 8,148,628 | 8,148,628 | 7,685,200 | 8,185,200 | 8,185,200 |
| Transfer from General Revenue | 4000542 | 120,000 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | | 9,831,931 | 7,721,772 | | 7,685,200 | 8,185,200 | 8,185,200 | 7,685,200 | 8,185,200 | 8,185,200 |
| Excess Appropriation/(Funding) | | (7,014,968) | (36,572) | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 2,816,963 | 7,685,200 | | 7,685,200 | 8,185,200 | 8,185,200 | 7,685,200 | 8,185,200 | 8,185,200 |

Reimbursements are from Other funds that may be utilized as determined to be available.

Change Level by Appropriation

Appropriation: 1DE - Various Building Construction
Funding Sources: DHR - Human Services Renovation Fund

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 7,685,200 | 0 | 7,685,200 | 100.0 | 7,685,200 | 0 | 7,685,200 | 100.0 |
| C01 | Existing Program | 500,000 | 0 | 8,185,200 | 106.5 | 500,000 | 0 | 8,185,200 | 106.5 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 7,685,200 | 0 | 7,685,200 | 100.0 | 7,685,200 | 0 | 7,685,200 | 100.0 |
| C01 | Existing Program | 500,000 | 0 | 8,185,200 | 106.5 | 500,000 | 0 | 8,185,200 | 106.5 |

Justification

| | |
|-----|---|
| C01 | This appropriation is for the DHS Divisions that have state owned facilities and is therefore located in the Administration Appropriation Act. This request specifically applies to the Division of Behavioral Health Services to help ensure that if emergency repairs or emergency purchase of equipment is necessary during the course of the biennium the Division will have sufficient appropriation with which to incur expenses. With aging facilities such as are the buildings at the Arkansas Health Center, events can occur that must be resolved immediately when the services provided are in a 24 hour operating facility. Recent events in the state with regard to the weather has brought attention to the fact that emergencies can occur and this additional appropriation will allow repairs/purchases to occur rapidly. Funding to be used will be categorized as "Other" which represents reimbursement received by the Division |
|-----|---|

Analysis of Budget Request

Appropriation: 414 - Consolidated Cost

Funding Sources: MCC - Consolidated Cost Revolving Fund

The Division of Administrative Services is responsible for the centralized purchasing of postage, forms printing, and warehouse storage for the Department. Purchases are made through this appropriation with funding transferred from the respective Divisions to the Consolidated Cost Revolving Fund.

Funding for this appropriation as indicated as various program support is revenue transferred based on cost allocation derived from the program code to which funds are assigned and can be a mix of funding sources such as general revenue, federal revenue, other revenue and/or a combination of each.

The Agency Base Level request for this appropriation is \$671,500 each year of the biennium.

The Agency Change Level request for this appropriation is \$150,000 each year of the biennium to allow for increased costs for printing/copying jobs for outside agencies.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 414 - Consolidated Cost
Funding Sources: MCC - Consolidated Cost 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 |
| Operating Expenses 5020002 | 737,460 | 671,500 | 671,500 | 671,500 | 821,500 | 821,500 | 671,500 | 821,500 | 821,500 |
| 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 |
| Total | 737,460 | 671,500 | 671,500 | 671,500 | 821,500 | 821,500 | 671,500 | 821,500 | 821,500 |
| Funding Sources | | | | | | | | | |
| Various Program Support 4000730 | 737,460 | 671,500 | | 671,500 | 821,500 | 821,500 | 671,500 | 821,500 | 821,500 |
| Total Funding | 737,460 | 671,500 | | 671,500 | 821,500 | 821,500 | 671,500 | 821,500 | 821,500 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 737,460 | 671,500 | | 671,500 | 821,500 | 821,500 | 671,500 | 821,500 | 821,500 |

Actual exceeds Authorized Appropriation by authority of Reallocation of Resources.

Revenue transferred based on Cost Allocation derived from the program code to which funds are assigned and can be a mix of funding sources such as General Revenue, Federal Revenue, Other Revenue and/or a combination of each.

Change Level by Appropriation

Appropriation: 414 - Consolidated Cost
Funding Sources: MCC - Consolidated Cost Revolving Fund

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 671,500 | 0 | 671,500 | 100.0 | 671,500 | 0 | 671,500 | 100.0 |
| C01 | Existing Program | 150,000 | 0 | 821,500 | 122.3 | 150,000 | 0 | 821,500 | 122.3 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 671,500 | 0 | 671,500 | 100.0 | 671,500 | 0 | 671,500 | 100.0 |
| C01 | Existing Program | 150,000 | 0 | 821,500 | 122.3 | 150,000 | 0 | 821,500 | 122.3 |

Justification

| | |
|-----|---|
| C01 | Addition is needed to cover increased costs for printing/copying jobs for outside agencies. |
|-----|---|

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

The Division of Administrative Services was created by the combining of the Division of Management Services and the Division of Finance in the spring of 1994. The DHS Director merged the two Divisions for the purpose of streamlining administrative functions, reducing the administrative costs, aligning associated functions operating independently and strengthening internal controls. This configuration has provided the program divisions a central point of contact regarding administrative issues. The goal of the merger was improved communications, cooperation and coordination between administrative functions and decreased positions in the Division.

The Division of Administrative Services has two (2) distinct areas of designation: Finance and Administration and Office Systems and Technology from which support services are provided to the other DHS Division staff, consumers and providers.

Office of Finance and Administration

Responsibilities include employee recruitment, applicant testing, classification and compensation, personnel file maintenance and personnel policy development and interpretation. Staff development is provided through this office and offers professional and personal growth and development courses available to all employees. Financial support services encompasses grant development, purchase of services, maintenance and monitoring of contract and grant obligated funds, management of state owned/leased property, construction and maintenance, payroll, accounts payable, budget/banking, cost accounting/research and statistics, reporting and forecasting and accounts receivable.

Office of Systems and Technology

Technical services, program applications, support services and administrative services related to information/data systems is provided through staff and a contractual arrangement.

Funding for this appropriation includes general revenues (DAS - Department of Human Services Administration Fund Account), federal and other funds. The federal funds are derived from support services allocated through cost allocation and social service block grant federal funds. Other funding which is indicated as various program support is derived through cost allocation and can also include M&R proceeds.

Base level positions were changed from unclassified to Professional and Executive Pay Plan to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. 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 may include board member Stipend payments and 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 for this appropriation is \$31,327,516 for FY2010 and \$31,640,217 for FY2011 with 340 budgeted base level positions.

The Agency Change Level request for this appropriation is \$728,289 for FY2010 and \$741,361 for FY2011

with a general revenue request of \$3,392 for FY2010 and \$3,025 for FY2011. The general revenue request consists of the following components:

- \$25,000 each year of the biennium in new general revenue;
- (\$21,608) in FY2010 and (\$21,975) in FY2011 requested to be reallocated within the DHS Administration Fund Account from the Division of Administrative Services to the Director's Office/Office of Chief Counsel which is associated with a request to transfer 1 position to the Office of Chief Counsel.

The following delineates the Agency Request:

- Restoration of twenty-two (22) positions that are authorized but not budgeted with salary and matching appropriation to allow for continuation of filling positions and to maintain the daily operations of the Division.
- Transfer 1 position to the Office of Chief Counsel with salary and matching appropriation and general revenue funding (noted above) to assist in auditing the child and adult protection cases.
- Transfer 2 positions to the Division of Services for the Blind with salary and matching appropriation to be utilized as rehabilitation teachers in Harrison and El Dorado field offices so that services can be provided in the local communities.
- \$64,549 each year of the biennium is requested for the Operating Expenses line item for recruitment activities.

The Executive Recommendation provides for the Agency Request with no new general revenue.

The above reallocated General Revenue transfer that the Executive Recommendation has provided for is from the Division of Administrative Services existing allocation of General Revenue to the Director's Office/Office of Chief Counsel.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

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 Base Level | 2009-2010 Agency | 2009-2010 Executive | 2010-2011 Base Level | 2010-2011 Agency | 2010-2011 Executive |
| Regular Salaries | 5010000 | 10,859,524 | 12,534,435 | 12,551,919 | 13,176,081 | 13,651,100 | 13,651,100 | 13,438,125 | 13,924,098 | 13,924,098 |
| #Positions | | 336 | 340 | 362 | 340 | 359 | 359 | 340 | 359 | 359 |
| Extra Help | 5010001 | 3,947 | 64,480 | 64,480 | 64,480 | 64,480 | 64,480 | 64,480 | 64,480 | 64,480 |
| #Extra Help | | 2 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Personal Services Matching | 5010003 | 3,585,211 | 3,709,365 | 4,133,528 | 4,288,285 | 4,477,006 | 4,477,006 | 4,338,942 | 4,529,781 | 4,529,781 |
| Overtime | 5010006 | 83 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Operating Expenses | 5020002 | 2,791,810 | 2,725,278 | 2,725,278 | 2,725,278 | 2,789,827 | 2,789,827 | 2,725,278 | 2,789,827 | 2,789,827 |
| Conference & Travel Expenses | 5050009 | 28,711 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Professional Fees | 5060010 | 8,464,617 | 9,075,792 | 9,075,792 | 9,075,792 | 9,075,792 | 9,075,792 | 9,075,792 | 9,075,792 | 9,075,792 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 47,738 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Services | 5900044 | 1,915,909 | 1,967,600 | 1,967,600 | 1,967,600 | 1,967,600 | 1,967,600 | 1,967,600 | 1,967,600 | 1,967,600 |
| Total | | 27,697,550 | 30,106,950 | 30,548,597 | 31,327,516 | 32,055,805 | 32,055,805 | 31,640,217 | 32,381,578 | 32,381,578 |

| Funding Sources | | | | | | | | | | |
|--------------------------------|---------|-------------------|-------------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Revenue | 4000010 | 10,847,505 | 11,042,561 | | 11,490,237 | 11,493,629 | 11,468,629 | 11,604,928 | 11,607,953 | 11,582,953 |
| Federal Revenue | 4000020 | 15,185,362 | 10,024,605 | | 10,431,013 | 10,435,166 | 10,404,066 | 10,535,133 | 10,538,670 | 10,507,570 |
| Various Program Support | 4000730 | 1,664,683 | 9,039,784 | | 9,406,266 | 9,407,439 | 9,398,990 | 9,500,156 | 9,501,163 | 9,492,714 |
| Total Funding | | 27,697,550 | 30,106,950 | | 31,327,516 | 31,336,234 | 31,271,685 | 31,640,217 | 31,647,786 | 31,583,237 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 719,571 | 784,120 | 0 | 733,792 | 798,341 |
| Grand Total | | 27,697,550 | 30,106,950 | | 31,327,516 | 32,055,805 | 32,055,805 | 31,640,217 | 32,381,578 | 32,381,578 |

Actual exceeds Authorized Appropriation by authority of Reallocation of Resources.

Actual Capital Outlay exceeds Authorized Appropriation due to appropriation received from DFA for Agency funded Motor Vehicle Purchases.

Change Level by Appropriation

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 31,327,516 | 340 | 31,327,516 | 100.0 | 31,640,217 | 340 | 31,640,217 | 100.0 |
| C01 | Existing Program | 64,549 | 0 | 31,392,065 | 100.2 | 64,549 | 0 | 31,704,766 | 100.2 |
| C05 | Unfunded Appropriation | 829,280 | 22 | 32,221,345 | 102.9 | 845,764 | 22 | 32,550,530 | 102.9 |
| C07 | Agency Transfer | (165,540) | (3) | 32,055,805 | 102.3 | (168,952) | (3) | 32,381,578 | 102.3 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 31,327,516 | 340 | 31,327,516 | 100.0 | 31,640,217 | 340 | 31,640,217 | 100.0 |
| C01 | Existing Program | 64,549 | 0 | 31,392,065 | 100.2 | 64,549 | 0 | 31,704,766 | 100.2 |
| C05 | Unfunded Appropriation | 829,280 | 22 | 32,221,345 | 102.9 | 845,764 | 22 | 32,550,530 | 102.9 |
| C07 | Agency Transfer | (165,540) | (3) | 32,055,805 | 102.3 | (168,952) | (3) | 32,381,578 | 102.3 |

Justification

| | |
|-----|---|
| C01 | This request is for General Revenue of \$25,000 and associated appropriation that will allow for additional Recruitment of mission-critical vacant positions including Nurses, LPNs, Pharmacists, Psychiatrists, Speech Pathologist, Family Service Worker Trainees, Family Support Specialists and others. These funds will enable DHS to actively recruit for these high turnover and hard-to-fill positions primarily through recruitment activities at various colleges and educational institutions and promoting DHS job opportunities at Job/Career Fairs. |
| C05 | Restoration of positions will allow for the continuation of filling positions to insure the maintenance of a sufficient staffing level that is required to adequately meet the demands of the department functions in the areas of payroll, payables, grants and funds management, cost allocation, accounts receivable, state mandated training, professional development & computer skills, contract development & monitoring, general services, computer equipment installation, maintenance and technical assistance and well as completion and maintenance of departmental wide projects to enhance all automation activities. We are requesting unfunded appropriation. |
| C07 | The transfer of the positions to DSB will allow placement of a Rehab Teacher in Harrison and El Dorado Field Offices so that services can be provided in the local communities. The transfer of the position to OCC will allow audits of OCC Child and Adult protection cases for Federal Audit Reviews throughout each county where OCC is located. |

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The Division of Administrative Services administers the social services block grant (SSBG). The Office of Community Services, Administration for Children and Families, U. S. Department of Health and Human Services is responsible for the administration of the grant program at the federal level with grants made directly to the State. Grant amounts are determined by a statutory formula based on individual state population. Up to 10 percent of block grant funds are allowed to be transferred to other block grant programs for support of health services, health promotion and disease prevention campaigns, and low-income home energy assistance.

Under the provisions of the block grant, each state has the authority to determine the most appropriate social services for the state's citizens. Included are services such as assistance to individuals and families to become more independent relative to financial support and personal care, family maintenance and avoidance of institutional care. These services are rendered through contracts with community programs across the state to provide services to people with developmental disabilities, mental illness, the elderly, and children. The agency has elected to allocate the majority of the SSBG funds to various divisions within the Department and other departments in state government - Workforce Education, Rehabilitation Services and Spinal Cord Commission thus eliminating the need for the majority of this appropriation. Each of the DHS divisions and other departments certify the funds in the respective division/department and budget for utilization of these funds.

Funding for this appropriation is 100% federal funds and is provided under Title XX of the Social Security Act (Omnibus Budget Reconciliation Act of 1981 as amended, P.L. 97-35; Jobs Training Bill, P.L. 98-8; P.L. 98-473; Medicaid and Medicare Patient and Program Act of 1987; Omnibus Budget Reconciliation Act of 1987, P.L. 100-203; Family Support Act of 1988, P.L. 100-485; Omnibus Budget Reconciliation Act of 1993, P.L. 103-66; 42 U.S.C. 1397 et seq.).

The Agency Base Level and total request for this appropriation is \$139,733 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

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 | 100,257 | 139,733 | 259,047 | 139,733 | 139,733 | 139,733 | 139,733 | 139,733 | 139,733 |
| Total | 100,257 | 139,733 | 259,047 | 139,733 | 139,733 | 139,733 | 139,733 | 139,733 | 139,733 |
| Funding Sources | | | | | | | | | |
| Federal Revenue 4000020 | 100,257 | 139,733 | | 139,733 | 139,733 | 139,733 | 139,733 | 139,733 | 139,733 |
| Total Funding | 100,257 | 139,733 | | 139,733 | 139,733 | 139,733 | 139,733 | 139,733 | 139,733 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 100,257 | 139,733 | | 139,733 | 139,733 | 139,733 | 139,733 | 139,733 | 139,733 |

Analysis of Budget Request

Appropriation: C99 - Client Specific Emergency Services–Cash

Funding Sources: 120 - Client Specific Emergency Services-Cash

This appropriation is a contingency for immediate, short term and specific client emergencies such as shelter, food or transportation. Federal social services block grant funds would be utilized should payments be necessary. There were no expenditures made under this appropriation in FY2008 and \$120,000 is budgeted in FY2009.

The Agency Request is for Base Level of \$120,000 each year of the biennium.

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

Appropriation Summary

Appropriation: C99 - Client Specific Emergency Services–Cash

Funding Sources: 120 - Client Specific Emergency Services-Cash

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 |
| Purchase of Services 5900043 | 0 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 |
| Total | 0 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 |
| Funding Sources | | | | | | | | | |
| Cash Fund 4000045 | 0 | 120,000 | | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 |
| Total Funding | 0 | 120,000 | | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 120,000 | | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 |

Appropriation Summary

Appropriation: 36D - DAS-DHHS Decouple Expenses

Funding Sources: DHS Administration Fund Account

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 |
| DHHS Decouple Expenses 5900046 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

APPROPRIATION NOT REQUESTED FOR THE 2009-2011 BIENNIUM

DHS - VOLUNTEERISM

Enabling Laws

Act 1279 of 2007
A.C.A. §25-10-128
A.C.A. §21-13-101 to §21-13-111 (Act 42 of 1981)
A.C.A. §25-10-102
A.C.A. §25-10-128 (Act 1259 of 1997)

History and Organization

The Department of Human Services Division of Volunteerism (DOV) is the oldest statewide office of volunteerism in the nation. DOV promotes and supports national service and volunteering in Arkansas. The vision of the Division of Volunteerism is guided by the principle that volunteerism, community and national service is a right and responsibility of all citizens and that all people will experience an improved quality of life as a result of this service.

The Governor appoints a 16-member Advisory Council to three-year terms to assist the Division of Volunteerism (Act 865 of 1977).

As a state agency, the Division of Volunteerism does not charge for the services it provides to non-profits, local and state governments, volunteer centers, the private sector, faith-based organizations and individuals. DOV also assists all DHS Divisions with training in program and board development and in working with volunteers with disabilities.

Program and Service Descriptions

AMIGOS "Friends Learning Together": This is a program to help English as a Learned Language students (ELL) deal with culture shock and new learning environments. As a result of the program, teachers report that the students in the program have better self-esteem, better participation in class and better attendance. During the 2007-2008 school year, 52 Amigos mentors worked with ELL students in seven schools. The program operates in the following Little Rock schools: Watson, Wakefield, Geyer Springs, Baseline, Washington, Terry and Otter Creek elementary schools.

Volunteer Program Development: This program assists faith-based and community organizations in designing, managing, and evaluating volunteer programs. Additionally DOV is working with local community organizations in developing disaster response volunteer and donation management programs.

Volunteer Centers: DOV provides volunteer center directors with current information from the Points of Light Foundation and other national sources and facilitates networking between volunteer centers. DOV also provides assistance to community leaders in designing new volunteer centers by providing volunteer center start-up manuals, presentations and consultations.

Training and Technical Assistance: This program provides training and technical assistance in volunteering, program planning and development. Assistance is also provided on volunteer recognition,

board training, grant searches, time and stress management and leadership.

Faith and Community Based Outreach Initiative: This program provides training and technical assistance to build long-term capacity in Faith and Community Based programs. DOV provides training on completing the application for recognition of exemption and other steps necessary to form a non-profit organization. The Faith and Community Based programs have a long history of providing essential services to those who are in need. DOV was the original convener of state faith-based support meetings and continues to be the lead agency in Arkansas.

Leadership and Promotion: This program encourages leadership and promotion by providing program development and promotion of volunteerism statewide. DOV is a founding partner of the Certified Volunteer Manager Program (CVM) operated through the Arkansas Public Administration Consortium (APAC: a collaborative effort of U of A Fayetteville, U of A Little Rock and Arkansas State University). DOV continues to provide technical assistance, curriculum development and trainers for this program. The Division is the primary contact agency for the national Points of Light Foundation (POLF). DOV provided the leadership in forming the **Spirit of 110**, a council of state agencies engaging volunteers in service.

Information Sharing: Local, state and national agencies/organizations are provided with information on volunteer and national service related topics. DOV provides resource information via a resource library which includes historical and current printed materials, audio and videotapes. DOV annually publishes the annual **Economic Impact Study of Arkansas Volunteers**, a statewide survey calculating the economic importance of volunteerism in Arkansas. Also, in conjunction with the Governor's Office, DOV distributes volunteer recognition certificates and related items.

Special Events: The Division collaborates with the Governor's Office and KARK-TV to present the Arkansas Community Service Awards to recognize individuals and corporations for outstanding volunteer efforts and with the Governor's Office and the Arkansas Municipal League to present the Volunteer Community of the Year Awards to communities for outstanding volunteer efforts. In addition, DOV in sponsorship with the Arkansas Community Foundation presents an annual statewide conference now known as The Summit: "Where volunteer, philanthropy and nonprofit leaders meet." The Summit is presented in cooperation with the Arkansas Service Commission, Arkansas Volunteer Coordinators Association, Arkansas Coalition for Excellence "Promoting Nonprofit Success" and Arkansas Certified Managers Association.

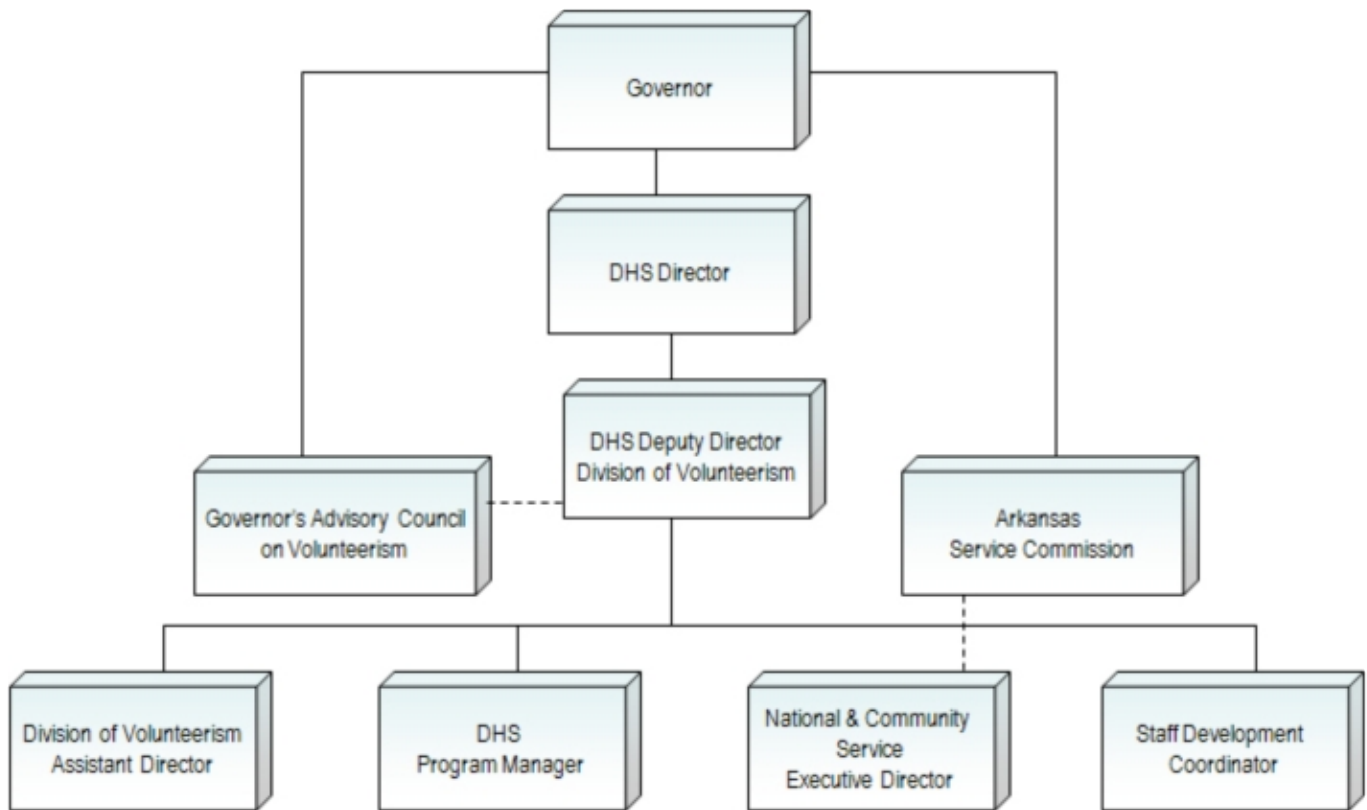
Arkansas Mentors Program: The Arkansas Mentors Program was created in 1991 by the Division of Volunteerism and a steering committee composed of representatives of the DHS Division of County Operations as well as members of the non-profit sector. Its goal is to help people on public assistance become self-sufficient by the involvement of mentors. Mentors are community volunteers who act as positive role models and provide emotional support to individuals and families, many of whom have experienced few positive relationships in their lives. The Arkansas Mentors Program is an integral part of welfare reform. DOV provides training and tracking.

DHS Volunteer Clearinghouse: The Clearinghouse established in 1988 is coordinated from the Division of Volunteerism. It provides technical assistance to DHS divisions who are implementing or expanding volunteer programs. DOV continues to assist the **DHS Volunteer Activities Council** in promoting volunteerism within DHS.

Arkansas Service Commission (ASC): Housed in the DHS Division of Volunteerism, ASC serves as

the conduit for federal AmeriCorps funds to the state from the Corporation for National and Community Service. What this program accomplishes: ASC funds, monitors and provides technical assistance to national service programs. These AmeriCorps programs provide volunteer opportunities for citizens to address educational, environmental, public safety, Homeland Security and other human needs in their own communities. AmeriCorps programs provide a living allowance, health insurance, childcare and a post-service education award for hundreds of full-time volunteer Corps members. Corps members in Arkansas provide tutoring and mentoring in schools and nonprofit agencies. A HIPPY AmeriCorps program helps parents of children ages 3-5 to prepare their children for entry into school. Some Corps members build trails in public educational gardens. Other programs provide adult literacy training and liaisons between schools and the Latino and Marshallese communities in Springdale and Rogers and prescription drug assistance to senior citizens in the Delta. Twelve AmeriCorps Promise Fellows help local communities provide the five fundamental resources for youth: mentors, safe places, a healthy start, marketable skills and the opportunity to give back through service. Currently state AmeriCorps members are serving in 55 counties: Arkansas, Ashley, Baxter, Benton, Bradley, Calhoun, Chicot, Clay, Cleburne, Cleveland, Columbia, Conway, Craighead, Crawford, Crittenden, Cross, Desha, Drew, Faulkner, Franklin, Fulton, Garland, Grant, Greene, Hempstead, Hot Spring, Independence, Jefferson, Lawrence, Lee, Lincoln, Little River, Lonoke, Marion, Miller, Monroe, Nevada, Newton, Ouachita, Perry, Phillips, Polk, Pope, Pulaski, Randolph, Saline, St. Francis, Searcy, Sebastian, Sevier, Sharp, Stone, Van Buren, Washington, White, and Yell. In 2007, AmeriCorps programs brought \$2,573,020 in federal funds to the State of Arkansas. Since 1994, more than 4,100 Arkansas residents have qualified for AmeriCorps education awards totaling more than \$14,500,000.

Homeland Security is supported by DOV partnering with appropriate federal and state agencies to offer board development and volunteer management training to assist in the formation and operation of Citizen Corps Councils, whose task is to bring homeland security to the local and regional level. ASC is working with its programs to help them identify their role in disaster readiness and response plans in their communities. Both DOV and ASC have a representative on the Arkansas State Citizen Corps Council.



Agency Commentary

The cost of data processing has gone up substantially. Email, contract archiving and network charges are now charged to divisions. The formula for calculating DIS charges and the portion allotted to DOV has increased beyond initial appropriation levels and an increase is needed.

The position has been on loan and working for the Division of Volunteerism (DOV) for several years. The job functions performed by the employee in this position are more appropriately conducted in DOV. Transfer from Division of County Operations (DCO) includes funding and appropriation.

In addition to rising fuel cost, mileage and printing expenses need to be increased because of the following program expansions:

Arkansas Mentors Program

DOV staff is working with the junior colleges to implement a mentoring program for TEA and TANF eligible students. The goal is to help raise the self esteem of these students which will increase retention in higher education. Site visits and printed materials are necessary to support the programs.

Non-profit Legal Manual

Arkansas nonprofits are underfunded by private foundations based on a national study. The reason for the lack of funding coming to Arkansas nonprofits is cited as a lack of capacity. The Division of Volunteerism and the Arkansas Service Commission are partnering with the William H. Bowen School of Law at the University of Arkansas at Little Rock to produce a manual for directors of nonprofits and

volunteer programs. The manual will cover legal and liability issues frequently encountered by persons in those positions. The DOV and the Commission polled nonprofit and volunteer organizations to determine which issues to include and has provided proofreading and feedback to assure that the text is understandable to a lay audience. Increased funding for printing is needed for this valuable project.

Disaster Preparedness and Response:

As a mandated part of Emergency Support Function #6, DOV is the lead agency in volunteer and donation management for disaster response. DOV's plan is to work with community groups to build infrastructure for local response. Since disasters begin on a local level and end on a local level it is critical to have trained groups prepared to respond. In Phase one, DOV will identify then train local groups from each county to manage volunteers and donations in the event of a disaster. In Phase two, DOV area reps will conduct regional meetings twice a year within their respective area to strengthen and maintain the infrastructure. Anticipated cost is based on training three people from each of the 75 Arkansas counties (225 people) and follow-up regional meetings. Costs to implement the plan will include increased fuel and printing costs, lodging, meeting space and supplies.

Arkansas Service Commission

The provisions of the Administrative Award to the Arkansas Service Commission require the State Commissions to provide dollar for dollar match for all federal funds awarded to the state for administrative purposes. The proposed federal budget for 2009 will result in a lower administrative grant award. Without an infusion of general revenue the Commission will be hard pressed to adequately monitor its AmeriCorps programs with almost \$2.6 million in federal funds and 434 members.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR THE YEAR ENDED JUNE 30, 2006

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 1 | 9 | 10 | 45 % |
| Black Employees | 2 | 9 | 11 | 50 % |
| Other Racial Minorities | 0 | 1 | 1 | 5 % |
| Total Minorities | | | 12 | 55 % |
| Total Employees | | | 22 | 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 |

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 |
| 896 Division of Volunteerism | 1,287,468 | 23 | 1,349,117 | 23 | 1,373,563 | 23 | 1,415,602 | 23 | 1,528,446 | 24 | 1,528,446 | 24 | 1,439,252 | 23 | 1,553,456 | 24 | 1,553,456 | 24 |
| 898 Delta Service Corps Grants | 2,337,003 | 0 | 2,564,077 | 0 | 3,037,311 | 0 | 2,564,077 | 0 | 2,564,077 | 0 | 2,564,077 | 0 | 2,564,077 | 0 | 2,564,077 | 0 | 2,564,077 | 0 |
| 935 Volunteerism – Cash in Treasury | 722 | 0 | 8,593 | 0 | 8,593 | 0 | 8,593 | 0 | 12,000 | 0 | 12,000 | 0 | 8,593 | 0 | 12,000 | 0 | 12,000 | 0 |
| Total | 3,625,193 | 23 | 3,921,787 | 23 | 4,419,467 | 23 | 3,988,272 | 23 | 4,104,523 | 24 | 4,104,523 | 24 | 4,011,922 | 23 | 4,129,533 | 24 | 4,129,533 | 24 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | | % |
|---------------------------------|------------------|--------------|------------------|--------------|--|---|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| General Revenue 4000010 | 421,563 | 11.6 | 418,832 | 10.7 | | | 439,471 | 11.0 | 514,293 | 12.5 | 472,093 | 11.6 | 446,813 | 11.1 | 522,315 | 12.7 | 480,115 | 11.8 |
| Federal Revenue 4000020 | 3,008,893 | 83.0 | 3,181,928 | 81.1 | | | 3,212,377 | 80.5 | 3,244,999 | 79.2 | 3,244,999 | 80.0 | 3,223,208 | 80.3 | 3,256,510 | 79.0 | 3,256,510 | 79.8 |
| Cash Fund 4000045 | 722 | 0.0 | 8,593 | 0.2 | | | 8,593 | 0.2 | 12,000 | 0.3 | 12,000 | 0.3 | 8,593 | 0.2 | 12,000 | 0.3 | 12,000 | 0.3 |
| Various Program Support 4000730 | 194,015 | 5.4 | 312,434 | 8.0 | | | 327,831 | 8.2 | 327,831 | 8.0 | 327,831 | 8.1 | 333,308 | 8.3 | 333,308 | 8.1 | 333,308 | 8.2 |
| Total Funds | 3,625,193 | 100.0 | 3,921,787 | 100.0 | | | 3,988,272 | 100.0 | 4,099,123 | 100.0 | 4,056,923 | 100.0 | 4,011,922 | 100.0 | 4,124,133 | 100.0 | 4,081,933 | 100.0 |
| Excess Appropriation/(Funding) | 0 | | 0 | | | | 0 | | 5,400 | | 47,600 | | 0 | | 5,400 | | 47,600 | |
| Grand Total | 3,625,193 | | 3,921,787 | | | | 3,988,272 | | 4,104,523 | | 4,104,523 | | 4,011,922 | | 4,129,533 | | 4,129,533 | |

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 | |
| 23 | 19 | 4 | 23 | 0 | 17.39 % | 23 | 21 | 2 | 23 | 0 | 8.70 % | 23 | 22 | 1 | 23 | 0 | 4.35 % |

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 1279 of 2007 section 18(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-214(5)(A)).

Analysis of Budget Request

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

The Arkansas Office of Volunteerism was created in 1974 by order of the Governor to implement and administer a statewide immunization program. In 1977, the Office was established by Act 865 to assess and recognize the needs of communities throughout Arkansas and recruit, train, and coordinate volunteers and volunteer organizations in meeting those needs, assist in special projects to meet community needs and provide greater public awareness and recognition of volunteer efforts. In 1983, the Office of Volunteer Services transferred from the Office of the Governor to the Department of Human Services. Act 186 of 1989 officially made the agency a Division of DHS. The mission of the Division of Volunteerism (DOV) is to promote and support national service and volunteering in Arkansas. This is accomplished through various programs and community service activities.

During each of the past two years, the Arkansas Service Commission at DOV provided federal funds to 11 AmeriCorps programs that brought a total of \$5,440,038 (an increase of \$1,136,000) in federal funds to Arkansas. In addition, the Wal-Mart Foundation gave \$500,000 (an increase of \$202,000) cash match to two of the programs. The combined funds brought opportunities for 779 (increase of 212) Arkansans to serve as tutors or translators in schools, parent educators, adult literacy tutors, environmental stewards or assistants to elders in getting cost-free prescription drugs. The education awards attached to the service positions were valued at \$2,315,250 (up \$272,000).

Each year, the Division of Volunteerism publishes the study of "THE ECONOMIC IMPACT OF ARKANSAS VOLUNTEERS". The results of the most recent study are as follows: Eight hundred and seventy-seven (877) volunteer organizations reported a total of 19,062,664 hours for an estimated total dollar value of \$414,678,410. Had the State of Arkansas paid for the time involved to provide the services donated by volunteers, an additional \$8,264,642,854 in personal income would have been required to generate that sum in general revenues.

Arkansas' Promise program supports efforts for youth to give back to their communities through the placement of 12 AmeriCorps Promise Fellows in various communities. Promise Fellows activities for the program year 2007-2008 are listed below. Numbers for 2005-2006 are significantly higher because of a three month overlap in program years.

| | |
|-----------------------|-------|
| Youth Projects | 202 |
| Youth Participants | 3,521 |
| Youth Volunteer Hours | 7,660 |
| Adult Volunteer Hours | 5,516 |

The Agency is funded through general revenues (DAS - Department of Human Services Administration Fund Account). Federal funding is comprised of funding based on the Department's cost allocation plan as well as federal funding granted from the Department of Health and Human Services-Corporation for National and Community Service. Other revenues which are indicated as various program support also consists of funding distributed based on the Department's cost allocation plan.

Base level positions were changed from unclassified to Professional and Executive Pay Plan to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. 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 may include board member Stipend payments and 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.

896 DHS - Administrative Paying Account:

The Agency Base Level request for the Operations appropriation is \$1,415,602 for FY2010 and \$1,439,252 for FY2011 with 23 budgeted Base Level positions.

898 DHS - Grants Paying Account:

The Agency Base Level request for the Delta Service Corps Grants line item is \$2,564,077 each year of the biennium and is the agency total request for this line item.

The Agency Change Level request for the Operations appropriation is \$112,844 for FY2010 and \$114,204 for FY2011, with a general revenue request of \$74,822 in FY2010 and \$75,502 in FY2011. The general revenue request consists of the following components:

- \$42,200 each year of the biennium in new general revenue;
- \$32,622 in FY2010 and \$33,302 in FY2011 requested to be transferred from the County Operations Fund Account which is associated with a request to transfer 1 position from the Division of County Operations.

The following delineates the Agency Request:

- Transfer 1 position from the Division of County Operations with appropriation and general revenue (noted above) to provide training and technical assistance to community organizations.
- \$42,200 each year of the biennium is requested for the Operating Expenses line item with new general revenue (noted above) for printing, vehicle maintenance, rent, mileage, meals & lodging, association & membership dues, miscellaneous technical services, fuel purchases and office supplies.
- \$5,400 each year of the biennium is requested in unfunded appropriation for the Data Processing Services line item for DIS charges.

The Executive Recommendation provides for the Agency Request in the Operations appropriation with no new general revenue and Agency Request for the Delta Service Corps Grants line item.

The above general revenue transfer that the Executive Recommendation has provided for is from existing allocation of general revenue from the Division of County Operations.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

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 | 752,507 | 793,225 | 786,497 | 841,017 | 891,419 | 891,419 | 860,837 | 912,377 | 912,377 |
| #Positions | | 23 | 23 | 23 | 23 | 24 | 24 | 23 | 24 | 24 |
| Personal Services Matching | 5010003 | 255,247 | 261,373 | 257,724 | 280,066 | 294,908 | 294,908 | 283,896 | 298,960 | 298,960 |
| Overtime | 5010006 | 0 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Operating Expenses | 5020002 | 236,894 | 253,519 | 272,001 | 253,519 | 295,719 | 295,719 | 253,519 | 295,719 | 295,719 |
| Conference & Travel Expenses | 5050009 | 22,898 | 22,000 | 25,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 |
| Professional Fees | 5060010 | 17,127 | 15,000 | 28,341 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Delta Service Corps Grants | 5100004 | 2,337,003 | 2,564,077 | 3,037,311 | 2,564,077 | 2,564,077 | 2,564,077 | 2,564,077 | 2,564,077 | 2,564,077 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Services | 5900044 | 2,795 | 3,000 | 3,000 | 3,000 | 8,400 | 8,400 | 3,000 | 8,400 | 8,400 |
| Total | | 3,624,471 | 3,913,194 | 4,410,874 | 3,979,679 | 4,092,523 | 4,092,523 | 4,003,329 | 4,117,533 | 4,117,533 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 421,563 | 418,832 | | 439,471 | 514,293 | 472,093 | 446,813 | 522,315 | 480,115 |
| Federal Revenue | 4000020 | 3,008,893 | 3,181,928 | | 3,212,377 | 3,244,999 | 3,244,999 | 3,223,208 | 3,256,510 | 3,256,510 |
| Various Program Support | 4000730 | 194,015 | 312,434 | | 327,831 | 327,831 | 327,831 | 333,308 | 333,308 | 333,308 |
| Total Funding | | 3,624,471 | 3,913,194 | | 3,979,679 | 4,087,123 | 4,044,923 | 4,003,329 | 4,112,133 | 4,069,933 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 5,400 | 47,600 | 0 | 5,400 | 47,600 |
| Grand Total | | 3,624,471 | 3,913,194 | | 3,979,679 | 4,092,523 | 4,092,523 | 4,003,329 | 4,117,533 | 4,117,533 |

The FY09 Budget amount in Regular Salaries and Personal Services Matching exceeds the Authorized amount due to salary and matching rate adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 1,415,602 | 23 | 1,415,602 | 100.0 | 1,439,252 | 23 | 1,439,252 | 100.0 |
| C01 | Existing Program | 42,200 | 0 | 1,457,802 | 103.0 | 42,200 | 0 | 1,481,452 | 102.9 |
| C05 | Unfunded Appropriation | 5,400 | 0 | 1,463,202 | 103.4 | 5,400 | 0 | 1,486,852 | 103.3 |
| C07 | Agency Transfer | 65,244 | 1 | 1,528,446 | 108.0 | 66,604 | 1 | 1,553,456 | 107.9 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 1,415,602 | 23 | 1,415,602 | 100.0 | 1,439,252 | 23 | 1,439,252 | 100.0 |
| C01 | Existing Program | 42,200 | 0 | 1,457,802 | 103.0 | 42,200 | 0 | 1,481,452 | 102.9 |
| C05 | Unfunded Appropriation | 5,400 | 0 | 1,463,202 | 103.4 | 5,400 | 0 | 1,486,852 | 103.3 |
| C07 | Agency Transfer | 65,244 | 1 | 1,528,446 | 108.0 | 66,604 | 1 | 1,553,456 | 107.9 |

Justification

| | |
|-----|--|
| C01 | <p>In addition to rising fuel cost, mileage and printing expenses need to be increased because of the following program expansions: The Division of Volunteerism (DOV) and the Arkansas Service Commission are partnering with the William H. Bowen School of Law at the University of Arkansas at Little Rock to produce a manual for directors of nonprofits and volunteer programs. DOV staff is working with the junior colleges to implement a mentoring program for TEA and TANF eligible students.</p> <p>As a mandated part of ESF #6, DOV is the lead in volunteer and donation management for disaster response. DOV's plan is to work with local community groups to build an infrastructure for local response. In Phase one, DOV will identify then train local groups from each county to manage volunteers and donations in the event of a disaster. In Phase two, DOV area reps will conduct regional meetings twice a year within their respective area to strengthen and maintain the infrastructure. Anticipated cost is based on training three people from each of the 75 Arkansas counties (225 people) and follow-up regional meetings. Costs to implement will include increased fuel and printing costs, lodging, meeting space and supplies. The provisions of the Administrative Award to the Arkansas Service Commission require the State Commissions to provide dollar for dollar match for all federal funds awarded to the state for administrative purposes. Currently the Arkansas Service Commission receives \$180,000 in administrative funds, which it matches with in-kind contributions only. Unfortunately, the proposed federal budget for 2009 will result in a lower administrative grant award of \$170,000. Additionally, there is a projected rent increase of three percent and the revised DIS billing formula which will increase operating expenses. Without an infusion of general revenue the Commission will be hard pressed to adequately monitor its AmeriCorps programs with almost \$2.6 million in federal funds and 434 members. The request will help offset the increases and provide cash match to support the federal funding.</p> |
| C05 | <p>The formula for calculating DIS charges has changed and the portion allotted to DOV has increased. Email, contract archiving and network charges are now paid at the division level and expenses have increased from \$150 per month to \$700 per month. This request is for appropriations only.</p> |
| C07 | <p>Position has been on loan and working for the Division of Volunteerism (DOV) for several years. The job functions performed by the employee in this position are more appropriately conducted in DOV. Transfer from DCO includes funding and appropriation. Transfer of fringe benefits for position includes funding and appropriation.</p> |

Change Level by Appropriation

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| BL | Base Level | 2,564,077 | 0 | 2,564,077 | 100.0 | 2,564,077 | 0 | 2,564,077 | 100.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| BL | Base Level | 2,564,077 | 0 | 2,564,077 | 100.0 | 2,564,077 | 0 | 2,564,077 | 100.0 |

Analysis of Budget Request

Appropriation: 935 - Volunteerism – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

This appropriation provides the Division of Volunteerism authority for expenditure of fees and donations relating to various volunteer efforts established around the State. The funds are for volunteer recognition, volunteer management training and special volunteer event expenses. These funds are honoraria from speaking engagements, donations, and volunteer management conference/workshop/seminar registration fees.

The Agency Base Level request for this appropriation is \$8,593 each year of the biennium.

The Agency Change Level request for this appropriation is \$3,407 each year of the biennium for the Operating Expenses line item to support the new initiative of working with the junior colleges to implement a mentoring program for TEA and TANF eligible students.

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

Appropriation Summary

Appropriation: 935 - Volunteerism – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

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 |
| Operating Expenses 5020002 | 288 | 4,296 | 4,296 | 4,296 | 7,703 | 7,703 | 4,296 | 7,703 | 7,703 |
| Conference & Travel Expenses 5050009 | 434 | 2,865 | 2,865 | 2,865 | 2,865 | 2,865 | 2,865 | 2,865 | 2,865 |
| Professional Fees 5060010 | 0 | 1,432 | 1,432 | 1,432 | 1,432 | 1,432 | 1,432 | 1,432 | 1,432 |
| 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 | 722 | 8,593 | 8,593 | 8,593 | 12,000 | 12,000 | 8,593 | 12,000 | 12,000 |
| Funding Sources | | | | | | | | | |
| Cash Fund 4000045 | 722 | 8,593 | | 8,593 | 12,000 | 12,000 | 8,593 | 12,000 | 12,000 |
| Total Funding | 722 | 8,593 | | 8,593 | 12,000 | 12,000 | 8,593 | 12,000 | 12,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 722 | 8,593 | | 8,593 | 12,000 | 12,000 | 8,593 | 12,000 | 12,000 |

Change Level by Appropriation

Appropriation: 935 - Volunteerism – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|--------------|----------|--------------|--------------|--------------|----------|--------------|--------------|
| BL | Base Level | 8,593 | 0 | 8,593 | 100.0 | 8,593 | 0 | 8,593 | 100.0 |
| C01 | Existing Program | 3,407 | 0 | 12,000 | 139.6 | 3,407 | 0 | 12,000 | 139.6 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|--------------|----------|--------------|--------------|--------------|----------|--------------|--------------|
| BL | Base Level | 8,593 | 0 | 8,593 | 100.0 | 8,593 | 0 | 8,593 | 100.0 |
| C01 | Existing Program | 3,407 | 0 | 12,000 | 139.6 | 3,407 | 0 | 12,000 | 139.6 |

Justification

| | |
|-----|--|
| C01 | Request additional appropriations to support the new initiative of working with the junior colleges to implement a mentoring program for TEA and TANF eligible students. Increased training sessions will be supported with an increase in materials provided. |
|-----|--|

DHS - AGING & ADULT SERVICES

Enabling Laws

Act 1278 of 2007
A.C.A. §25-10-102

History and Organization

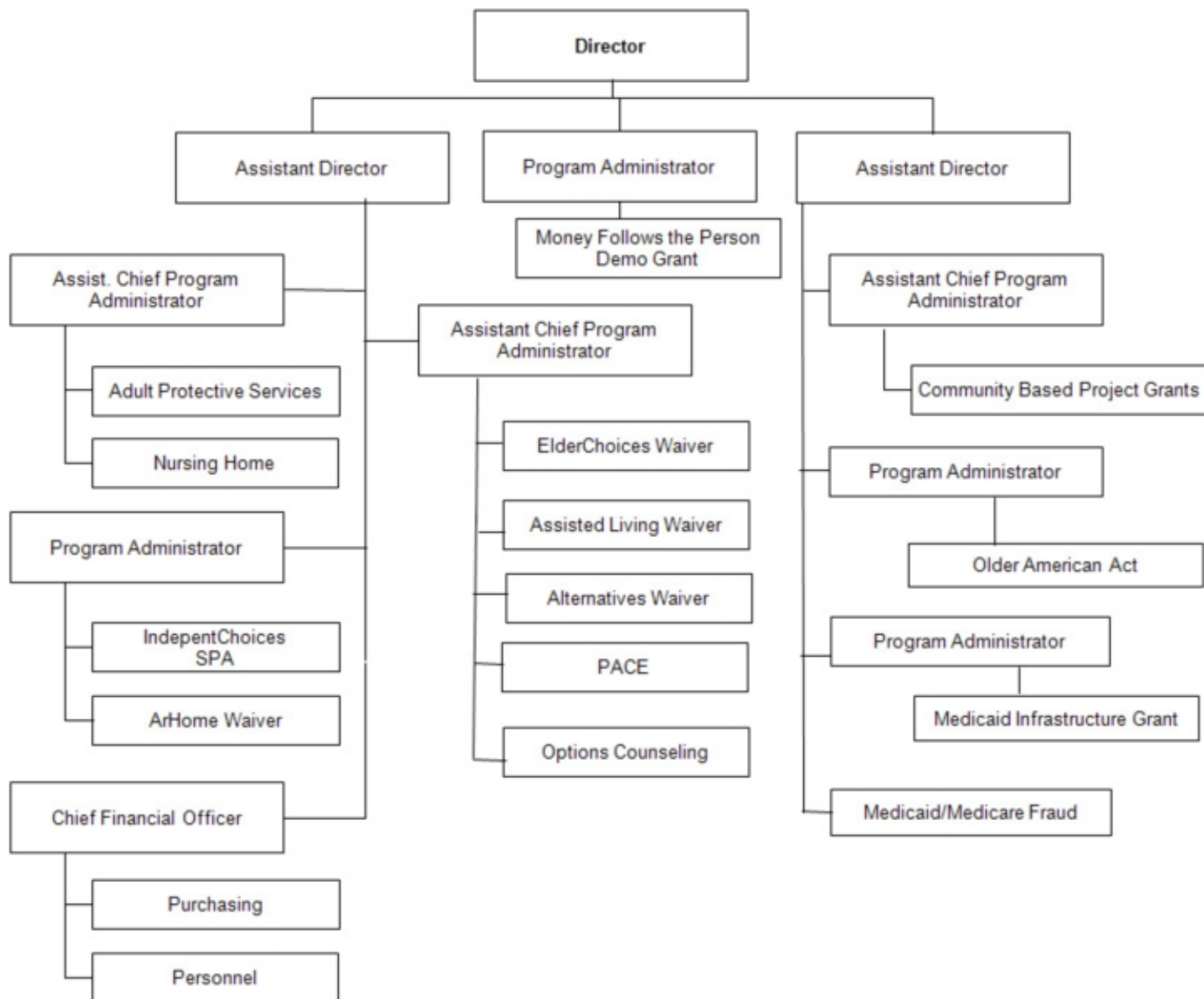
A growing nationwide awareness of the problems of the elderly and the needs for services and assistance on their behalf led to the passage of the Older Americans Act in 1965. This legislation, which created the Administration on Aging at the federal level, also mandated the establishment of a state unit on aging in each state to administer programs under the Act. Accordingly, the Arkansas Office on Aging was established in 1966 by proclamation of Governor Orville Faubus under the auspices of the Governor's Office.

Since 1965, the Older Americans Act has been amended several times, each time expanding the roles of state units on aging. Arkansas legislation has also changed the name of the state unit on aging, the organizational location, and its authority and funding responsibilities. In 1971, the State Unit was placed within the Department of Social and Rehabilitative Services. The responsibility for Adult Services was assumed in 1972.

The agency achieved divisional status through Act 228 of 1977, and the responsibility for adult protective services was transferred by the General Assembly in 1979. As a result of Act 348 of 1985, the Division of Aging and Adult Services (DAAS) was created within the reorganized Arkansas Department of Human Services. In 1997 the Division began providing services to adults with physical disabilities.

The Division of Aging and Adult Services is the agency of state government designated by the governor and the state legislature as the focal point in all matters relating to the needs of older adults in Arkansas. The Division's mission is to promote the health, safety and independence of older Arkansans and adults with physical disabilities by working toward two primary goals: (1) to provide administrative support services for aging Arkansans and adults with physical disabilities; and (2) to enhance the quality of life for aging Arkansans and adults with physical disabilities. The Division is responsible for planning coordinating, funding, and evaluating programs for older adults and adults with physical disabilities that are authorized by both state and federal governments.

The major focus of the Division is keeping elders and adults with physical disabilities as independent members of their communities for as long as possible. The Division's aim is to see that a comprehensive continuum of services is available so that individuals may select from a variety of services options to identify the programs best suited to their needs. Programs and services available include in-home care, transportation, congregate meals, home-delivered meals, legal services, attendant care, adult day service, case management, education, support groups, health and wellness activities, employment, information and referral, and volunteer opportunities. The Division also serves as an advocate for residents of nursing homes and provides protective services for individuals 18 years and older who are suffering from abuse, neglect, and/or exploitation.



Agency Commentary

We live in an aging society where the number of elderly people living in the United States exceeds the entire population of Canada. Over 18% of Arkansas' population is over the age of 60 and Arkansas ranks first nationally in the percent of elderly who live in poverty. During the next twenty years the under 60 population is expected to grow by 12% while the over 60 population will grow by 47%. Currently Arkansas ranks fifth in the United States in proportion of its population age 65 and over.

The Division of Aging and Adult Services' mission is to promote the health, safety, and independence of older Arkansans and adults with physical disabilities. State revenues will match Older Americans Act and

other federal funds that provide in-home and community-based services such as congregate and home delivered meals, transportation, health education, socialization/recreation, advocate services, information and referral, case management, chore and homemaker services to the needy elderly in Arkansas. The typical client served is a female, age 70+ who lives alone.

The following requests support home and community-based care for the adults with disabilities, including the elderly, through programs such as ElderChoices, Alternatives for Adults with Physical Disabilities, and IndependentChoices, a consumer directed personal care program. These programs are home and community-based Medicaid waiver programs designed to provide in-home services to a population at risk of institutionalization and are managed by the Division of Aging and Adult Services. During SFY 2007, over 7,600 persons were provided ElderChoices services and over 1,500 individuals received Alternatives services. The cost of these programs for in-home care is less than one-half of institutionalization. The programs not only save Medicaid dollars, but also enhance the dignity and self-worth of the people served by providing opportunities to live at home in familiar surroundings near family and friends. The Division also administers the Adult Protective Services Program and the Long Term Care Ombudsman Program.

DAAS requests restoration of appropriation and funding to restore eight (8) positions for the Adult Protective Services Unit. After the tragic death of a 71 year old lady, DAAS assembled a diverse group of individuals to examine the Arkansas Adult Protective Services (APS) program and make recommendations for improvement. The work group recommended an increase in APS staffing. Even after adding 42 new workers in the 2007-2009 biennium, Arkansas' APS staff still lags behind other states. For example, if Arkansas had the same ratio of APS workers as Oklahoma, the Arkansas APS staff would total 107 instead of the 59 currently funded positions. If Arkansas used the same ratio as Missouri, staffing would total 120. Eight of the 42 positions were unbudgeted in SFY 2009 because of a decrease in the state general revenue forecast. Increased staffing is necessary to appropriately respond to current referrals as well as increase night and weekend coverage. In both years of the biennium, additional funding and matching appropriation is needed in operations, salaries, and personal services matching to restore the eight unbudgeted positions in order to continue implementing crucial changes.

In the last biennium, the Division of Aging and Adult Services received over \$1,000,000 in newly awarded private and federal grants. These grants were awarded through a competitive process that enabled the state to design and implement innovative programs to serve our population more effectively and efficiently and to help modify systems to assure efficient operations that are responsive to the needs of the clients needing services. In an effort to implement new federal programs without unnecessary delay, DAAS is requesting \$1,000,000 in unfunded appropriation in Operations (PWP2000) for both years of the biennium.

DAAS requests \$41,594 of funding and appropriation be restored to the Older Worker Program (PWE1500) for both years of the biennium. The State Older Worker Program provides part-time employment to low-income Arkansans age 55+. Restored funding would prevent termination of older workers and the loss of services provided through Senior Centers. The overwhelming majority of older workers are placed in the centers as cooks, van drivers, etc.

In preparation for upcoming grant opportunities, DAAS requests unfunded appropriation in the amount of \$2,000,000 in its Project Grants program (PWE2000) for both years of the biennium. No additional funding is requested due to anticipation of 100% federal funding in this category. Again, this appropriation will allow the Division to implement new federal programs without unnecessary delays.

Restoration of \$400,000 in funding and appropriation is needed for the Senior Citizen Centers (PWE2300) for both years of the biennium. Many older Arkansans who attend the centers cannot drive and are transported to the centers. Also, over 2,000,000 home delivered meals are served each year. Centers are being hard hit by rising fuel and food costs. If these funds are not restored, a number of Senior Citizen Centers will close or reduce operation.

DAAS is requesting \$180,324 of funding and appropriation be restored to Nursing Home Alternatives (PWE4700) for both years of the biennium. Restoration will abet in preventing the closing of several Senior Citizen Centers by providing match for multiple community services such as case management, caregiver support services, information and assistance, health promotion, and congregate and home-delivered meals. DAAS also requests \$1,000,000 of unfunded appropriation for upcoming federally funded grants in the category of Nursing Home care Alternatives for both years of the biennium.

DAAS requests \$90,000 of unfunded appropriation for Assistance Grants and Aid in Community Based Care (PWE5100) for both years of the biennium. Historically, DAAS has provided 10% SGR match to the Area Agencies on Aging for its Title V Senior Community Service Employment Program. Because of federal changes to the Title V program, all AAA's have withdrawn from the program. DAAS has had to procure with a national provider to continue offering these services. DAAS does not provide SGR match to the contracted provider; however, in the event any AAA should decide to re-enter the program, DAAS would still need the necessary appropriation to fund the 10% SGR match. No additional funding is requested at this time.

The last change level request for the division is in its Nutrition Program (PWE5200). DAAS is requesting \$1,000,000 of unfunded appropriation to implement nutrition programs for the elderly for both years of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR THE YEAR ENDED JUNE 30, 2006

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 26 | 130 | 156 | 81 % |
| Black Employees | 2 | 33 | 35 | 18 % |
| Other Racial Minorities | 0 | 1 | 1 | 1 % |
| Total Minorities | | | 36 | 19 % |
| Total Employees | | | 192 | 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 |
| 35M Ms. Senior Pageant | 20,000 | 0 | 20,000 | 0 | 20,000 | 0 | 20,000 | 0 | 20,000 | 0 | 20,000 | 0 | 20,000 | 0 | 20,000 | 0 | 20,000 | 0 |
| 418 Meals on Wheels | 3,022,500 | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 |
| 896 Division of Aging & Adult Services | 11,025,017 | 195 | 13,342,829 | 195 | 14,653,713 | 203 | 13,961,357 | 195 | 15,410,748 | 203 | 15,410,748 | 203 | 14,186,974 | 195 | 15,643,857 | 203 | 15,643,857 | 203 |
| 898 Community Based Care | 0 | 0 | 0 | 0 | 116,552 | 0 | 0 | 0 | 90,000 | 0 | 90,000 | 0 | 0 | 0 | 90,000 | 0 | 90,000 | 0 |
| 898 Nursing Home Care Alternatives | 5,446,166 | 0 | 5,475,679 | 0 | 5,965,039 | 0 | 5,475,679 | 0 | 6,656,003 | 0 | 6,656,003 | 0 | 5,475,679 | 0 | 6,656,003 | 0 | 6,656,003 | 0 |
| 898 Nutrition Program | 8,103,016 | 0 | 10,343,402 | 0 | 10,422,230 | 0 | 10,343,402 | 0 | 11,343,402 | 0 | 11,343,402 | 0 | 10,343,402 | 0 | 11,343,402 | 0 | 11,343,402 | 0 |
| 898 Older Worker Program Grants | 1,132,005 | 0 | 1,090,411 | 0 | 1,132,006 | 0 | 1,090,411 | 0 | 1,132,005 | 0 | 1,132,005 | 0 | 1,090,411 | 0 | 1,132,005 | 0 | 1,132,005 | 0 |
| 898 Project Grants | 10,084,967 | 0 | 11,960,559 | 0 | 14,251,245 | 0 | 11,960,559 | 0 | 13,960,559 | 0 | 13,960,559 | 0 | 11,960,559 | 0 | 13,960,559 | 0 | 13,960,559 | 0 |
| 898 Retired & Sr Volunteer Program | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 |
| 898 Sr Citizen Centers | 5,000,000 | 0 | 4,600,000 | 0 | 5,000,000 | 0 | 4,600,000 | 0 | 5,000,000 | 0 | 5,000,000 | 0 | 4,600,000 | 0 | 5,000,000 | 0 | 5,000,000 | 0 |
| 978 Senior Olympics | 70,000 | 0 | 70,000 | 0 | 70,000 | 0 | 70,000 | 0 | 70,000 | 0 | 70,000 | 0 | 70,000 | 0 | 70,000 | 0 | 70,000 | 0 |
| Total | 43,978,671 | 195 | 50,477,880 | 195 | 55,205,785 | 203 | 51,096,408 | 195 | 57,257,717 | 203 | 57,257,717 | 203 | 51,322,025 | 195 | 57,490,826 | 203 | 57,490,826 | 203 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | | % | |
|--------------------------------|---------|-------------|-------|------------|-------|---|--|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|
| General Revenue | 4000010 | 17,300,068 | 39.3 | 16,945,139 | 33.6 | | | 17,207,934 | 33.7 | 18,166,895 | 34.8 | 17,607,934 | 34.1 | 17,303,793 | 33.7 | 18,268,373 | 34.9 | 17,703,793 | 34.2 |
| Federal Revenue | 4000020 | 24,645,495 | 56.0 | 30,278,346 | 60.0 | | | 30,634,079 | 60.0 | 30,746,427 | 58.9 | 30,746,427 | 59.6 | 30,763,837 | 59.9 | 30,878,058 | 58.9 | 30,878,058 | 59.6 |
| Cigarette Tax | 4000140 | 3,022,500 | 6.9 | 3,500,000 | 6.9 | | | 3,500,000 | 6.8 | 3,500,000 | 6.7 | 3,500,000 | 6.8 | 3,500,000 | 6.8 | 3,500,000 | 6.7 | 3,500,000 | 6.8 |
| Robert Woods Johnson Grant | 4000440 | 2,332 | 0.0 | 101,940 | 0.2 | | | 101,940 | 0.2 | 101,940 | 0.2 | 101,940 | 0.2 | 101,940 | 0.2 | 101,940 | 0.2 | 101,940 | 0.2 |
| Transfer to Medicaid Match | 4000660 | (1,024,567) | (2.3) | (409,545) | (0.8) | | | (409,545) | (0.8) | (409,545) | (0.8) | (409,545) | (0.8) | (409,545) | (0.8) | (409,545) | (0.8) | (409,545) | (0.8) |
| Various Program Support | 4000730 | 32,843 | 0.1 | 62,000 | 0.1 | | | 62,000 | 0.1 | 62,000 | 0.1 | 62,000 | 0.1 | 62,000 | 0.1 | 62,000 | 0.1 | 62,000 | 0.1 |
| Total Funds | | 43,978,671 | 100.0 | 50,477,880 | 100.0 | | | 51,096,408 | 100.0 | 52,167,717 | 100.0 | 51,608,756 | 100.0 | 51,322,025 | 100.0 | 52,400,826 | 100.0 | 51,836,246 | 100.0 |
| Excess Appropriation/(Funding) | | 0 | | 0 | | | | 0 | | 5,090,000 | | 5,648,961 | | 0 | | 5,090,000 | | 5,654,580 | |
| Grand Total | | 43,978,671 | | 50,477,880 | | | | 51,096,408 | | 57,257,717 | | 57,257,717 | | 51,322,025 | | 57,490,826 | | 57,490,826 | |

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 | |
| 117 | 138 | 4 | 142 | -25 | -17.95 % | 203 | 185 | 17 | 202 | 1 | 8.87 % | 203 | 192 | 3 | 195 | 8 | 5.42 % |

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 1279 of 2007 section 18(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-214(5)(A)).

Analysis of Budget Request

Appropriation: 35M - Ms. Senior Pageant

Funding Sources: DHP - Aging and Adult Services Fund Account

The Ms. Senior Pageant appropriation was established by Act 1278 of 2007 sec. 6. This appropriation allows the Division of Aging and Adult Services to provide additional funding to the Ms. Senior Pageant. This funding is used to reach out to every county in Arkansas in an attempt to make it a State wide event.

Funding for this appropriation consists of 100% general revenue funding (DHP - Aging and Adult Services Fund Account).

The Agency Base Level request for this appropriation is \$20,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 35M - Ms. Senior Pageant
Funding Sources: DHP - Aging and Adult Services Fund Account

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 |
| Ms. Senior Pageant Expenses 5900046 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Total | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 20,000 | 20,000 | | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Total Funding | 20,000 | 20,000 | | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 20,000 | 20,000 | | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |

Analysis of Budget Request

Appropriation: 418 - Meals on Wheels

Funding Sources: DHP - Aging and Adult Services Fund Account

The Meals on Wheels appropriation is utilized to provide home delivered meals to clients who are homebound and unable to prepare nutritionally adequate meals, and live in an area where the meal can be delivered. These home delivered meals comply with the Dietary Guidelines for Americans and contain 1/3 of the Recommended Dietary Allowance (RDA) of nutrients (2/3 RDA provided if in the same day a second meal is served, and 100% if 3 meals in a day.) Clients must be age 60+ (or spouse or disabled dependent of person age 60+). This service is available through the Area Agencies on Aging (AAAs).

Funding for this appropriation consists of an allotment of an additional one-cent per pack tax levied on cigarettes as authorized by A.C.A. §26-57-802 (Act 1211 of 1991).

The Agency Base Level and total request for this appropriation is \$3,500,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 418 - Meals on Wheels
Funding Sources: DHP - Aging and Adult Services Fund Account

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 |
| Transportation Services 5900046 | 3,022,500 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 |
| Total | 3,022,500 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 |
| Funding Sources | | | | | | | | | |
| Cigarette Tax 4000140 | 3,022,500 | 3,500,000 | | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 |
| Total Funding | 3,022,500 | 3,500,000 | | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 3,022,500 | 3,500,000 | | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 |

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

Agency: Human Services Department-AGING & ADULT SERVICES

Program: Meals on Wheels

Act #: 1278 of 2007 Section(s) #: 4 & 7

Estimated Carry Forward Amount \$ 400,000.00 Appropriation Funds

Funding Source: Special

Accounting Information:

Business Area: 0710 Funds Center: 418 Fund: DHP Functional Area: HHS

| Line Item | Commitment Item | Estimated Carry Forward Amount | Actual Carry Forward Amount |
|-------------------------|-----------------|--------------------------------|-----------------------------|
| Transportation Services | 5900046 | 400,000.00 | 477,500.00 |
| Total | | \$ 400,000.00 | \$ 477,500.00 |

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:

Carryover funds are needed to ensure the agency has sufficient funds to meet the needs of the Meals on Wheels program during State Fiscal Year 2009

Actual Funding Carry Forward Amount \$ 477,500.00

Current status of carry forward appropriation/funding:

Current carry forward appropriation of \$477,500 is blocked. Because of reduced collections of this special revenue, actual carry forward funding of \$435,327 is currently certified to ensure the agency has sufficient funds to meet the needs of the Meals on Wheels program during State Fiscal Year 2009. Both appropriation and funding is needed to facilitate and possibly increase current transportation efforts for home delivered meals to frail and elderly adults throughout Arkansas.

John Selig
Director

08-18-2008
Date

Analysis of Budget Request

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

This appropriation provides for the operations of the Division of Aging and Adult Services (DAAS) of the Department of Human Services. This Division promotes the health, safety, and independence of older Arkansans and adults with physical disabilities by providing programs and services including in-home care, adult day service, case management, education, support groups, health and wellness activities, employment services, and information and referral. Services are provided primarily through a network of eight Area Agencies on Aging (AAAs), over 100 community providers, and over 200 senior citizen centers.

The funding for this appropriation is comprised of general revenue (DHP - Aging and Adult Services Fund Account), federal revenue and other funding. Federal revenue includes Medicaid-Elder Choices, Medicaid-Independent Choices, Title III, Title V, Title VII, Adult Protective Service, Systems Information Grant, Medicaid Infrastructure Grant, Medicaid Disabilities Waiver, Long Term Support with affordable housing, Your Choice Grant, Medicaid Fraud Protection and Patrol, an Alzheimer Demonstration Grant and a Social Service Block Grant. Other funding consists of a grant from the Robert Wood Johnson Foundation and various program support includes Disaster Assistance RWJ Community Health Worker, and State Income Tax Check Off funding.

Base Level positions were changed from unclassified to Professional and Executive Pay Plan to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. 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 may include board member Stipend payments and 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.

896 - Administration Paying Account

The Agency Base Level request for this appropriation is \$13,961,357 in FY2010 and \$14,186,974 in FY2011 with 195 budgeted base level positions.

The Agency Change Level request for appropriation is \$1,449,391 in FY2010 and \$1,456,883 in FY2011, with additional general revenue funding of \$337,043 in FY2010 and \$342,662 in FY2011, and includes the following:

- \$273,241 in FY2010 and \$279,520 in FY2011 in Regular Salaries appropriation that will allow for the restoration of 8 positions including \$93,619 in FY2010 and \$94,832 in FY2011 in Personal Services Matching associated with the positions of which general revenue is requested for \$275,145 in FY2010 and \$280,764 in FY2011. The restored positions will be used to investigate allegations of adult maltreatment.
- \$582,531 is requested in each year of the biennium in Operating Expenses of which \$61,898 is requested in general revenue funding. Operating Expenses of \$82,531 each year is requested in appropriation to support the 8 positions being requested for restoration and the remaining \$500,000 is requested as unfunded appropriation to efficiently utilize any increases in grant awards.
- \$500,000 is requested each year of the biennium in unfunded appropriation in the Professional Fees

and Services line item to efficiently utilize any increases in grant awards.

898 - DHS Grants Paying Account

Base Level:

The Agency Base Level for the Community Based Care Program is for \$0 in both funding and appropriation in both years of the 2009-2011 biennium.

The Agency Base Level request for the Nursing Home Care Alternatives appropriation is \$5,475,679 each year of the biennium of which \$4,787,279 is requested to be funded by general revenue funding.

The Agency Base Level request for the Nutrition Program appropriation is \$10,343,402 for each year of the biennium.

The Agency Base Level request for the Older Worker Program appropriation is \$1,090,411 each year of the biennium and is funded by general revenue.

The Agency Base Level request for the Project Grants appropriation is \$11,960,559 each year of the biennium.

The Agency Base Level request for the Retired & Senior Volunteer Program appropriation is \$75,000 each year of the biennium and is funded by general revenue.

The Agency Base Level request for the Senior Citizens Centers appropriation is \$4,600,000 each year of the biennium and is funded by general revenue.

Change Level:

The Agency Change Level request for the Community Based Care Program is \$90,000 for each year of the biennium in unfunded appropriation. This appropriation will only be utilized if an Area Agency on Aging should decide to re-enter the Title V Senior Community Center Employment Program and will be funded by Title V funding.

The Agency Change Level request for the Nursing Home Care Alternative appropriation is \$1,180,324 for each year of the biennium of which \$180,324 is requested to be funded by general revenue funding. The general revenue funded portion of the Change Level request will be used to prevent the closing of several Senior Citizen Centers and prevent the reduction of many services. \$1,000,000 each year is requested in unfunded appropriation which will allow the Division to utilize any unanticipated increases in grant awards that would improve and enhance long-term care services.

The Agency Change Level request for the Nutrition Program appropriation is \$1,000,000 each year of the biennium in unfunded appropriation that will allow the Division to utilize any unanticipated increases in federal or private foundation grant awards.

The Agency Change Level request for the Older Worker Program appropriation is \$41,594 each year of the biennium and is requested to be funded with general revenue. The appropriation and funding would be utilized to allow the Senior Citizens Centers to continue part time employment to low-income Arkansans.

The Agency Change Level request for the Project Grants appropriation is for \$2,000,000 each year of the biennium in unfunded appropriation that will allow the Division to utilize any unanticipated increases in federal or private foundation grant awards.

The Agency does not have a Change Level request for the Retired & Senior Volunteer Program appropriation.

The Agency Change Level request for the Senior Citizens Centers appropriation is \$400,000 each year of the biennium in appropriation and general revenue funding which will be used to prevent the closing of several Senior Citizen Centers and prevent the reduction of many provided services.

896 - Administration Paying Account

Executive Recommendation:

The Executive Recommendation provides for the Agency Request for appropriation with no increase to general revenue funding.

898 - DHS Grants Paying Account

Executive Recommendation:

The Executive Recommendation for the Community Based Care Program is for the Agency Request.

The Executive Recommendation for the Nursing Home Care Alternatives appropriation is Agency Request for appropriation with no increase to general revenue funding.

The Executive Recommendation for the Nutrition Program appropriation is for the Agency Request.

The Executive Recommendation the Older Worker Program appropriation is Agency Request for appropriation with no increase to general revenue funding.

The Executive Recommendation for the Project Grants appropriation is for the Agency Request.

The Executive Recommendation for the Retired & Senior Volunteer Program is for the Agency Request.

The Executive Recommendation for the Senior Citizens Centers appropriation is for the Agency Request of \$400,000 each year of the biennium in general revenue funded appropriation to support Senior Citizens Centers.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

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 | 6,756,995 | 8,393,835 | 7,842,431 | 8,731,415 | 9,004,656 | 9,004,656 | 8,920,927 | 9,200,447 | 9,200,447 |
| #Positions | | 195 | 195 | 203 | 195 | 203 | 203 | 195 | 203 | 203 |
| Extra Help | 5010001 | 88,401 | 140,868 | 140,868 | 140,868 | 140,868 | 140,868 | 140,868 | 140,868 | 140,868 |
| #Extra Help | | 9 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Personal Services Matching | 5010003 | 2,249,176 | 2,409,621 | 2,503,333 | 2,690,569 | 2,784,188 | 2,784,188 | 2,726,674 | 2,821,506 | 2,821,506 |
| Operating Expenses | 5020002 | 1,773,015 | 2,240,790 | 3,391,148 | 2,240,790 | 2,823,321 | 2,823,321 | 2,240,790 | 2,823,321 | 2,823,321 |
| Conference & Travel Expenses | 5050009 | 78,467 | 110,100 | 110,100 | 110,100 | 110,100 | 110,100 | 110,100 | 110,100 | 110,100 |
| Professional Fees | 5060010 | 50,941 | 47,615 | 665,833 | 47,615 | 547,615 | 547,615 | 47,615 | 547,615 | 547,615 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Project Grants | 5100004 | 10,084,967 | 11,960,559 | 14,251,245 | 11,960,559 | 13,960,559 | 13,960,559 | 11,960,559 | 13,960,559 | 13,960,559 |
| Retired & Sr Volunteer Prgm | 5100004 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Sr Citizen Centers | 5100004 | 5,000,000 | 4,600,000 | 5,000,000 | 4,600,000 | 5,000,000 | 5,000,000 | 4,600,000 | 5,000,000 | 5,000,000 |
| Older Wkrs Prgm Grant | 5100004 | 1,132,005 | 1,090,411 | 1,132,006 | 1,090,411 | 1,132,005 | 1,132,005 | 1,090,411 | 1,132,005 | 1,132,005 |
| Community Based Care | 5100004 | 0 | 0 | 116,552 | 0 | 90,000 | 90,000 | 0 | 90,000 | 90,000 |
| Nursing Hm Care Alternatives | 5100004 | 5,446,166 | 5,475,679 | 5,965,039 | 5,475,679 | 6,656,003 | 6,656,003 | 5,475,679 | 6,656,003 | 6,656,003 |
| Nutrition Programs | 5100004 | 8,103,016 | 10,343,402 | 10,422,230 | 10,343,402 | 11,343,402 | 11,343,402 | 10,343,402 | 11,343,402 | 11,343,402 |
| Capital Outlay | 5120011 | 28,022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 40,866,171 | 46,887,880 | 51,615,785 | 47,506,408 | 53,667,717 | 53,667,717 | 47,732,025 | 53,900,826 | 53,900,826 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 17,210,068 | 16,855,139 | | 17,117,934 | 18,076,895 | 17,517,934 | 17,213,793 | 18,178,373 | 17,613,793 |
| Federal Revenue | 4000020 | 24,645,495 | 30,278,346 | | 30,634,079 | 30,746,427 | 30,746,427 | 30,763,837 | 30,878,058 | 30,878,058 |
| Robert Woods Johnson Grant | 4000440 | 2,332 | 101,940 | | 101,940 | 101,940 | 101,940 | 101,940 | 101,940 | 101,940 |
| Transfer to Medicaid Match | 4000660 | (1,024,567) | (409,545) | | (409,545) | (409,545) | (409,545) | (409,545) | (409,545) | (409,545) |
| Various Program Support | 4000730 | 32,843 | 62,000 | | 62,000 | 62,000 | 62,000 | 62,000 | 62,000 | 62,000 |
| Total Funding | | 40,866,171 | 46,887,880 | | 47,506,408 | 48,577,717 | 48,018,756 | 47,732,025 | 48,810,826 | 48,246,246 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 5,090,000 | 5,648,961 | 0 | 5,090,000 | 5,654,580 |
| Grand Total | | 40,866,171 | 46,887,880 | | 47,506,408 | 53,667,717 | 53,667,717 | 47,732,025 | 53,900,826 | 53,900,826 |

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

Actual Capital Outlay exceeds Authorized Appropriation due to appropriation received from DFA Motor Vehicle Acquisition.

Change Level by Appropriation

Appropriation: 896 - DHS—Admin Paying Account

Funding Sources: PWP - Administration Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 13,961,357 | 195 | 13,961,357 | 100.0 | 14,186,974 | 195 | 14,186,974 | 100.0 |
| C01 | Existing Program | 449,391 | 8 | 14,410,748 | 103.2 | 456,883 | 8 | 14,643,857 | 103.2 |
| C05 | Unfunded Appropriation | 1,000,000 | 0 | 15,410,748 | 110.4 | 1,000,000 | 0 | 15,643,857 | 110.3 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 13,961,357 | 195 | 13,961,357 | 100.0 | 14,186,974 | 195 | 14,186,974 | 100.0 |
| C01 | Existing Program | 449,391 | 8 | 14,410,748 | 103.2 | 456,883 | 8 | 14,643,857 | 103.2 |
| C05 | Unfunded Appropriation | 1,000,000 | 0 | 15,410,748 | 110.4 | 1,000,000 | 0 | 15,643,857 | 110.3 |

Justification

| | |
|-----|--|
| C01 | Restoring positions will allow us to continue filling positions needed to investigate allegations of adult maltreatment. Without sufficient positions to perform these duties puts the State at risk for failure to protect vulnerable, frail, elderly, and impaired adults. |
| C05 | DAAS has historically obtained competitive federally and privately funded grants to improve and enhance long-term care services to the elderly and adults with physical disabilities. Agency requests unfunded appropriation to utilize any unanticipated increases in Federal or private foundation grant awards. |

Change Level by Appropriation

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Administration Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 33,545,051 | 0 | 33,545,051 | 100.0 | 33,545,051 | 0 | 33,545,051 | 100.0 |
| C01 | Existing Program | 621,918 | 0 | 34,166,969 | 101.9 | 621,918 | 0 | 34,166,969 | 101.9 |
| C05 | Unfunded Appropriation | 4,090,000 | 0 | 38,256,969 | 114.0 | 4,090,000 | 0 | 38,256,969 | 114.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 33,545,051 | 0 | 33,545,051 | 100.0 | 33,545,051 | 0 | 33,545,051 | 100.0 |
| C01 | Existing Program | 621,918 | 0 | 34,166,969 | 101.9 | 621,918 | 0 | 34,166,969 | 101.9 |
| C05 | Unfunded Appropriation | 4,090,000 | 0 | 38,256,969 | 114.0 | 4,090,000 | 0 | 38,256,969 | 114.0 |

Justification

| | |
|-----|---|
| C01 | State Older Worker program provides part time employment to low-income Arkansans age 55+. Restored funding in the amount of \$41,594 each year would prevent termination of older workers and the loss of services provided through Senior Centers as the overwhelming majority of older workers are placed there as cooks, van drivers, etc. Restoration of funds in the amount of \$580,324 each year will prevent the closing of several Senior Citizen Centers and prevent the reduction of many provided services, i.e., socialization, preventive health activities, congregate and home-delivered meals. |
| C05 | Agency requests unfunded appropriation in the amount of \$4,000,000 each year to utilize any unanticipated increases in Federal or private foundation grant awards. Agency requests unfunded appropriation in the amount of \$90,000 each year in the Community Based Care line item to be used if an Area Agency on Aging should decide to re-enter the Title V Senior Community Center Employment Program. |

Analysis of Budget Request

Appropriation: 978 - Senior Olympics

Funding Sources: DHP - Aging and Adult Services Fund Account

This appropriation was first authorized in 1995 to provide funding for the Arkansas Senior Olympics. Funds are paid on a two-to-one matching basis to the Senior Arkansas Sports Organization, a non-profit organization that organizes the Arkansas Senior Olympic games. The purpose of the Senior Olympics program is to promote healthy lifestyles for seniors through education, fitness and sports participation.

Arkansas Senior Olympic Games are structured in accordance with rules established by the National Senior Games Association (NSGA). There are ten (10) age divisions that apply to both men and women for individual and doubles events, and seven (7) age divisions for team events. Events scheduled for 2006 include: Archery, Badminton, Basketball, Bowling, Cycling, Golf, Horseshoes, Race Walk, Racquetball, Road Race, Shooting, Shuffleboard, Swimming, Table Tennis, Tennis, Track and Field events and Weightlifting/Bench Press. Other recreational events are also available, including Stationary Cycling, Card and Board Games, Basketball Shoot, Eight Ball Pool, Pickle Ball, etc.

Funding for this appropriation consists of 100% general revenue (DHP - Aging and Adult Services Fund Account).

The Agency Base Level and total request for this appropriation is \$70,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 978 - Senior Olympics
Funding Sources: DHP - Aging and Adult Services Fund Account

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 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| Total | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 70,000 | 70,000 | | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| Total Funding | 70,000 | 70,000 | | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 70,000 | 70,000 | | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |

DHS - CHILDREN & FAMILY SERVICES

Enabling Laws

Act 1232 of 2007
A.C.A. §25-10-102
A.C.A. §9-16-101 et seq.

History and Organization

In 1985, the 75th Arkansas General Assembly enacted Act 348 that reorganized the Department of Human Services (DHS). Included in this Act was the provision to create a Division of Children and Family Services (DCFS). This legislative action culminated several years of departmental review and legislative interest in the delivery of services to the children, youth, and families throughout the State of Arkansas.

Specifically, Act 348 combined into DCFS all functions and duties of the Division of Youth Services (DYS) as provided in Act 502 of 1977, child welfare functions of the Division of Social Services, and residential treatment services for emotionally disturbed youth previously provided by the Division of Mental Health Services (DMHS).

DCFS' target population included children, and when appropriate, families of children who were or may be at risk of being abused, neglected, exploited, dependent, delinquent, or who were experiencing serious emotional problems. In addition, DCFS served unmarried parents, children in need of substitute care, day care or supervision, and youth entering the juvenile justice system.

The service delivery system included two (2) Youth Services Centers for delinquent youth committed by the courts, an office in each county staffed with direct service worker(s), and a network of private providers supplying contracted services to the target population.

In 1993, the 70th General Assembly enacted Act 1296, which authorized the Governor to create a Division of Youth Services (DYS) within DHS. The juvenile justice functions of DCFS were transferred to the newly created DHS.

In 1997, the 81st General Assembly enacted Act 1132 which authorized the creation of the Division of Child Care and Early Childhood Education (DCC) within DHS. The daycare licensing, day care eligibility, and special nutrition functions of DCFS were transferred to the newly created division.

In 1997, the 81st General Assembly also enacted Act 1240, which authorized the formation of a Family Protection Unit within the Arkansas State Police (ASP) to conduct child abuse investigations. The Central Intake and Special Investigation functions of DCFS were transferred to the newly created Family Protection Unit, presently called Crimes Against Children Division of Arkansas State Police.

Act 1014 of 1997 created the Child Welfare Agency Review Board. The Board was given the authority to promulgate rules and regulations to enforce the provisions of this act. The Board was also given authority to identify and implement alternate methods of regulations and enforcement. The Board licenses residential child welfare facilities and child placement agencies including agencies that provide foster care or adoption services.

To accomplish the mandates of Act 348, DCFS is functionally organized into four (4) major sections:

1. Office of Community Services - provides administrative and oversight activities of the direct service workers located in each county office and a statewide network of community local providers with a client advocate that provides intervention in specific matters.
2. Office of Community Support - provides management support for these services which include foster care, adoptions, behavioral treatment units, CAPTA program managements, Interstate Compact for the placement of children, independent living, IFS/counseling, family support, central registry, day care, home studies, psychological evaluations and drug screenings/assessments.
3. Office of Finance and Administrative Support - provides management support in the following areas - financial support, budgeting, funds management, accounts payable, contracts management, eligibility, personnel and manages the vehicle safety program.
4. Office of Legislative Analysis, Research and Planning - provides administrative and programmatic support in areas of planning, policy development, child welfare agency licensing, professional development, quality assurance and COA accreditation.

DCFS is dedicated to the establishment of a coordinated and integrated service delivery system based on the following objectives:

- The protection of children.
- Continuation and expansion of the family-centered approach to service delivery to help strengthen and maintain natural families when possible.
- Development and expansion of programs including respite care for children in foster care, cash assistance to prevent children from entering foster care, homemaker services, therapeutic foster homes, independent living, sexual abuse treatment, health services and community based family preservation/family support systems.
- Continuing development and implementation of integrated administrative/management systems including: a comprehensive management information system, restructuring purchase of service and contracting systems, revising and publishing policy/procedure manuals, instituting a quality assurance monitoring system and enhanced training of supervisory and direct service staff.

In February 2008, the federal Administration for Children and Families in Health and Human Services conducted the second round on-site review portion of the Child and Family Service Review (CFSR) of Arkansas child welfare services, as required by Congress. The Division anticipates receiving the report during state fiscal year 2009, and upon receipt DCFS and our stakeholders will develop and implement the federally mandated Program Improvement Plan (PIP), which is a plan to address issues identified in the CFSR.

Failure to meet required improvements could result in significant financial penalties be assessed on the Division. To fully meet the national standards, additional resources will be needed in both funding and personnel.

As part of the PIP, the Division is in the process of developing a Practice Model to define who we serve and the expected outcomes of child welfare services. It includes our missions, beliefs, guiding principles for our work and expectations related to practice, program, and organizational capacity.

This statement of practice will define, affirm, guide, reinforce and support a strength-based and family centered model of practice.

The practice model is intended to guide practice in individual cases and at the program and organizational level, and be used as a basis of comparison in measuring or judging capacity, quantity, and quality.

The standards in this document establish DCFS expectations for front-line practice and for program and organizational capacity.

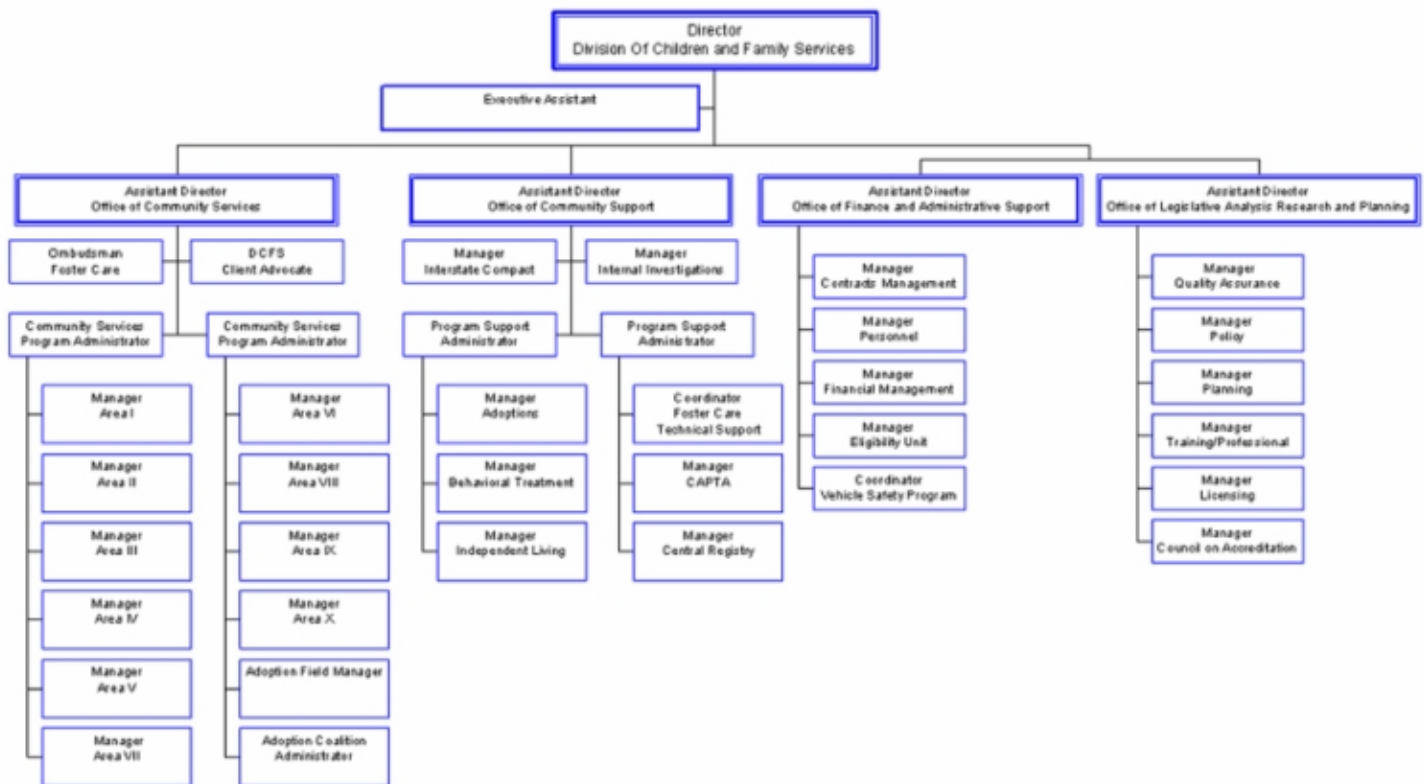
- The first set of standards is framed in terms of front-line practice. They are organized around a "life of the case" framework - starting with intake and moving through service provision and case closure.
- The second set of standards is framed around the program and organizational capacity of the child welfare system.

Outcomes will address:

- Safety
- Permanency
- Child and family well-being

The Division's child welfare practice should be:

- Child focused
- Family centered
- Individualized to meet the specific needs of the children and families
- Collaborative
- Enhanced to strengthen parent capacity
- Culturally responsive
- Community based
- Outcome oriented



Agency Commentary

DCFS is dedicated to the establishment of a coordinated and integrated service delivery system based on the following objectives:

- The protection of children
- Safety, permanency and well-being of children and youth
- Development of a well-defined family-centered model of practice
- Expansion of the family-centered approach to service delivery to help strengthen and maintain families when possible, with children's safety always paramount
- Development and expansion of programs needed to protect children and serve families
- Continuing development and implementation of integrated administrative/management systems including: a comprehensive management information system, restructuring purchase of service and contracting systems, revising and publishing policy/procedure manuals, refining the a quality assurance monitoring system and enhanced training of supervisory and direct service staff.

In February 2008, the federal Administration for Children and Families in Health and Human Services completed the second round on-site review portion of the Child and Family Service Review (CFSR) of Arkansas child welfare services, as required by Congress. The Division anticipates receiving the report during state fiscal year 2009, and has already begun development of the federally mandated Program Improvement Plan (PIP), which is a plan to address issues identified in the CFSR.

Failure to meet required improvements could result in significant financial penalties being assessed on the Division. To fully meet the national standards, additional resources will be needed in both funding and personnel.

As part of the PIP, the Division is in the process of developing a Practice Model to define who we serve, how we serve them and the expected outcomes of child welfare services. It includes our missions, beliefs, guiding principles for our work and expectations related to practice, program, and organizational capacity.

This statement of practice will define, affirm, guide, reinforce and support a strength-based and family centered model of practice.

The practice model is intended to guide practice in individual cases and at the program and organizational level.

The standards in this document establish DCFS expectations for front-line practice and for program and organizational capacity.

- The first set of standards is framed in terms of front-line practice. They are organized around a "life of the case" framework - starting with intake and moving through service provision and case closure.
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- Enhanced to strengthen parent capacity
- Culturally responsive
- Community based
- Outcome oriented

To continue our mission of protecting children and preserving families and to meet the requirements of the PIP, the Division of Children and Family Services 2010 - 2011 Biennial Budget represents a request for:

Funding and appropriation above base level of:

| | 2010 | 2011 |
|---------|---------------------|---------------------|
| Federal | \$ 5,433,554 | \$11,062,044 |
| State | <u>\$17,377,771</u> | <u>\$23,849,653</u> |
| Total | \$22,811,325 | \$34,911,697 |

Of the state general revenue, \$11,184,175 in both 2010 and 2011 is to replace one-time funds that are no longer available to enable maintaining the current level of operations and to replace federal grant funds that have had a declining award balance.

PERSONNEL REQUESTS:

The ultimate goal of DCFS is to provide safety and permanency for children. In order to do this, we must have an adequate number of trained, experienced staff to respond to reports of suspected child maltreatment, provide services to protect children and assure permanency for them. These staff must have sufficient resources to do their jobs, including placement and treatment resources, and access to reliable transportation.

State law, agency policy, and national standards set forth requirements for best practice. This includes mandated response times for maltreatment investigations, the development of a case plan, and court review. Workers who are carrying reasonable caseloads are better able to comply with these requirements and are able to provide better outcomes for children.

Our system has seen many stressors this decade, including the rising immigrant population, the explosion of drug usage, especially methamphetamine, increased demands for services and the inclusion of new maltreatment types in the law.

DCFS is requesting to restore 104 currently authorized positions with state general revenue funding and appropriation for both salary and fringe benefits for both 2010 and 2011 respectively. Additionally, funding and appropriation in the amount of \$1,386,280 and \$1,991,600, of which \$609,963 and \$916,136 is state general revenue will be needed to meet maintenance and operations costs associated with the restoration of these positions in 2010 and 2011 respectively. The Division realizes that we will be unable to fill all positions at once and also maintain all positions filled, so we request unfunded appropriation for the difference between the restoration and funding.

DCFS is requesting 101 new positions for the field in 2011 to help lower the caseload per worker. The 101 will consist of 68 Family Service Workers, class code M004, 10 Family Service Worker Supervisors, class code M009, and 23 Family Service Assistants, class code M080. State general revenue funding and appropriation is requested for 2011 for both salary and fringe for these positions. Additionally, funding and appropriation in the amount of \$1,381,424, of which \$635,455 is state general revenue will be needed to meet maintenance and operations costs associated with these positions.

An indicator of the growth of the system is the number of child maltreatment reports that are accepted every year by the Arkansas Child Abuse Hotline which have increased from 20,220 in 2003 to 29,218 in 2007 (a 44.5% increase). If this trend continues, we can anticipate more investigations, more open cases, more children needing foster care, independent living and adoption services, and an ever increasing need for staff to manage these cases and resources to provide services to keep children safe and provide them with both temporary and permanent homes.

Research indicates, and national standards support, that quality services can only be offered when staff have reasonable caseloads. The standard adopted is 15 cases per worker, based on standards of the Council on Accreditation. Currently, the average caseload per worker statewide is 29, almost double to standard. Workers must have reasonable caseloads to adequately serve the children and families they work with and to believe that they can succeed in their efforts to help those children and families.

With the restoration of positions and the receipt of the new positions requested, DCFS will move closer to the standard case to worker ratio. This will allow the Division to better meet the needs of children and families, allow us to meet the goals and outcome measures we have set as a division, and implement the improvements that will be set out in the PIP. DCFS realizes that our workers are the heart of our services and maintaining a quality child welfare workforce is challenging. There is competition with the private sector for staff. Many of the private sector employment opportunities are 8:00 - 5:00 jobs that do not require workers to be on call 24 hours per day, be exposed to stressful situations that are a normal part of the work of DCFS and be placed in dangerous situations that occur at times when removing children from homes. It takes a special person to be a child welfare professional, and they need to be recognized as such.

Without adequate staffing levels, the Division is also at risk of having courts determine that we have not made "reasonable efforts" to prevent removal of children or to move children to permanent homes. These "no reasonable efforts" findings would jeopardize the current federal funding that we have due to federal penalties and the inability to access federal dollars.

In order to provide complex child welfare services, Family Service Workers need adequate administrative support and so their time can be devoted to working with children and families. They also need adequate support to transport children on visits, to facilities, and other places required to provide quality services. DCFS is requesting 30 new positions as Administrative Assistant III, class code 0266 and 20 new Family Services Assistant positions, class code M080. DCFS is requesting state general revenue funding and appropriation for salary and fringe in 2010 and 2011 respectively. Additionally, funding and appropriation in the amount of \$766,305 and \$864,500, of which \$218,734 and \$380,380 is state general revenue in 2010 and 2011 respectively is needed to meet maintenance and operations costs associated with these positions.

DCFS is requesting to transfer two positions to the Division of Medical Services. These positions will be utilized in the Medicaid Oversight Unit.

CONTRACT SERVICES:

The foundation for successful improvement in the Arkansas Child Welfare system depends on the strength in the community partnerships. It will involve key stakeholders such as legislators, schools, the courts, service providers, families, mental health professionals and others. We also know that change requires smaller successful steps and, for that reason, we are proposing a phased growth strategy to begin our work. The Division is requesting funding and appropriation in the amount of \$817,679 and \$2,220,478, of which \$628,025 and \$1,784,074 is state general revenue in 2010 and 2011, respectively to begin the phase in projects.

The phase in projects must be backed by an innovative staffing model allowing for training, consultation, trouble-shooting and change management. The phase in strategy also will be supported by Quality Assurance review processes. Core elements of the child welfare renewal process include the following: A comprehensive practice model, reasonable caseloads, quality screening processes, strong protective/investigative assessments, judicial support, teamwork in county offices, community partnerships, multiple response capacity, Intensive Family Services, Family Team meetings, Youth leadership boards and investment partnerships and additional wrap around service options.

Outcome indicators for children and families will be tracked throughout this process in order to provide accountability for the dollars invested. This will also provide a clear basis for continued expansion statewide.

The Division is requesting funding and appropriation of state general revenue in the amount of \$1,300,000 and \$1,800,000 in 2010 and 2011 respectively to fund the increased demand on contracts. The Division has seen a growth in the need for and cost of residential treatment, sex offender programs, comprehensive residential treatment, and emergency shelters and needs this funding to be able to provide services to the children and youth of the State.

The Division is requesting appropriation only in the amount of \$5,900,000 and \$7,000,000 in 2010 and 2011 respectively to meet anticipated needs for contracts. DCFS has been forced to utilize the reallocation of resources process to meet our appropriation needs in contracts, foster board payments and adoption subsidies, and this request provides the needed appropriation to alleviate this need and to provide appropriation for anticipated changes in the programming mix.

FOSTER BOARD PAYMENTS (Federal and State):

The Division is requesting funding of \$1,326,872 and \$2,668,326, of which \$781,676 and \$1,318,350 is state general revenue for 2010 and 2011, respectively if the foster care board rate is increased 7.2% in consideration of the recommendations of the Minimum Adequate Rates for Children (MARC) and if specialized family foster homes are developed.

The MARC is a national study by the University of Maryland School of Social Work partnering with Children's Rights and the National Foster Parent Association which looked at the foster care board rate each state was paying. It adjusted for regional cost of living differences and established a recommended board rate for each state individually that would adequately provide for the needs and care of foster children. DCFS adjusted the MARC recommended rate downward to reflect the fact the Division pays incidental costs for children and youth in foster care on top of the board rate. Foster parents in the State have not received an increase in the board payment since the 1990's, and the Division would like to implement an overall 7.2% average increase. The Division anticipates the foster board increase will enhance our efforts to recruit and retain foster parents to care for youth and children in foster care.

The current monthly standard foster board rates are as follows: 0 -5 years of age \$400; 6 - 11 years of age \$425; 12-14 years of age \$450; and 15 - 18 years of age \$475.

If the requested foster board increase was implemented, the new monthly standard rates would be as follows: 0 - 4 years of age \$415; 5 - 13 years of age \$481; and 14 -18 years of age \$531. Children and youth with special needs would continue to be eligible to receive board payments that exceed the standard monthly rates.

In order to more adequately serve the special needs of children that are in foster care, DCFS would like to develop a specialized foster care program, where foster parents would be specially trained and supported to meet the needs to certain groups of children, such as children and youth with developmental disabilities, physical disability, mild to moderate mental illness, teen mothers, and teens needed special support to move to independence. Special training would be offered through existing training contracts, other divisions and special arrangements with experts in the areas. Existing providers would be utilized for additional support whenever possible. These specialized foster parents would receive an additional

board payment based on the level of support needed, varying from \$100 per month to \$300 per month.

ADOPTION SUBSIDY PAYMENTS (Federal and State):

DCFS is requesting funding and appropriation in the amount of \$1,147,760 and \$2,984,179, of which \$393,310 and \$1,022,607 is state general revenue, for the years 2010 and 2011 respectively. If the foster care board rates are increased in consideration of the above recommendations, the division will require additional funding and appropriation of \$82,648 and \$214,511, of which \$28,326 and \$73,275 is state general revenue for the years 2010 and 2011 respectively.

The state pays four types of adoption subsidies: non-recurring, legal, maintenance and special subsidy. Except for legal subsidies, the child must meet certain eligibility requirements. Non-recurring subsidy covers one-time costs associated primarily with pre-placement activities such as transportation and meals. Special subsidy is used on a limited basis to pay for services such as tutoring or orthodontic work for the adopted child. Maintenance is the monthly payment, similar to the foster board payment that is paid to the adoptive family every month for the care of the child until the child reaches age 18. To be eligible for any subsidy, the child must be determined to be special needs according to the Division's approved criteria. Special needs children are defined as: a child of any age or race who is documented to have a severe medical or psychological condition that requires on-going treatment or rehabilitation; a member of a sibling group of three or more being placed together (regardless of race or age); a single, healthy minority child over the age of 2 or a single, healthy Caucasian child over the age of 9.

Our adoption subsidy roles are steadily increasing due to an increase in our foster care population in the last five years and increased permanency efforts due in part to the impact of Adoption and Safe Families Act (ASFA) which requires that children be moved quickly toward permanency and not allowed to languish in foster care. The standard monthly rates for adoption subsidies are the same as for foster care.

The Division anticipates adoptions will increase during the biennium. The budget assumption is that an additional 360 adoptions eligible for subsidies will occur annually in both years of the biennium.

MAINTENANCE AND OPERATIONS:

DCFS requests funding and appropriation in the amount of \$54,872 and \$110,840, of which \$27,436 and \$55,420 is state general revenue for the years 2010 and 2011 respectively to fund a COLA increase for the Arkansas State Police Crimes Against Children Division (CACD). The CACD is the principal investigator on certain types of maltreatment allegations, and the Division helps pay for the associated salaries and operating costs.

DCFS requests funding and appropriation in the amount of \$614,700 and \$625,726, of which \$270,468 and \$287,834 is state general revenue for the years 2010 and 2011 respectively to allow the Division of Child Care and Early Childhood Education licensing unit to begin making in home inspections of foster homes. Currently, a paper review of foster homes is conducted by the DCFS licensing unit, but the new inspections will be more thorough and help insure our foster homes maintain high standards.

DCFS requests appropriation only in the amount of \$1,450,000 in both 2010 and 2011 to meet anticipated needs for operations. The price of gas is affecting the price of goods and services, and this

request anticipates the future impact of this along with an increase in the mileage reimbursement rate.

CAPITAL OUTLAY

DCFS requests unfunded appropriation in the amount of \$350,000 for both 2010 and 2011 to allow the Division to meet any capital expenses required. The Division anticipates having a cost savings from the initiatives requested this biennium and plans to use some of this to fund the purchase of cars for child welfare workers. One of the largest expenses to DCFS is reimbursement of mileage to our workers. The purchase of more cars will reduce this expense and help alleviate one of the top frustrations in the field, the lack of state cars.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR THE YEAR ENDED JUNE 30, 2006

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 53 | 436 | 489 | 51 % |
| Black Employees | 51 | 402 | 453 | 48 % |
| Other Racial Minorities | 4 | 7 | 11 | 1 % |
| Total Minorities | | | 464 | 49 % |
| Total Employees | | | 953 | 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 | | |
| Arkansas Child Welfare Report Card | Act 1222 of 1995 | N | Y | 200 | AR Child Welfare Public Accountability Act Mandated |
| Compliance Outcome Report | COR | N | N | 500 | Continuation monitoring objectives of Angela R Settlement |
| Family Preservation | Act 1025 of 1991 | N | Y | 50 | Arkansas Family Preservation Services Program Act |

A.C.A. 25-1-204

| Name | Statutory Authorization | Required for | | # of Copies | Reason(s) for Continued Publication and Distribution |
|------------------------------|-------------------------|--------------|------------------|-------------|--|
| | | Governor | General Assembly | | |
| Impact on Welfare Reform | Act 1058 of 1997 | N | Y | 100 | Welfare Reform Act |
| Quarterly Performance Report | Act 1222 of 1995 | N | Y | 200 | AR Child Welfare Public Accountability Act Mandated |

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 |
| 35Y Child Abuse/Neglect Program | 0 | 0 | 1,244,382 | 0 | 1,750,000 | 0 | 1,244,382 | 0 | 1,244,382 | 0 | 1,244,382 | 0 | 1,244,382 | 0 | 1,244,382 | 0 | 1,244,382 | 0 |
| 882 State Residential Treatment | 1,337,992 | 0 | 1,080,000 | 0 | 1,080,000 | 0 | 1,080,000 | 0 | 2,080,000 | 0 | 1,330,000 | 0 | 1,080,000 | 0 | 2,380,000 | 0 | 1,330,000 | 0 |
| 883 Foster Care | 14,414,893 | 0 | 16,567,014 | 0 | 16,567,014 | 0 | 16,567,014 | 0 | 17,564,706 | 0 | 17,296,516 | 0 | 16,567,014 | 0 | 18,191,846 | 0 | 17,617,628 | 0 |
| 896 Division of Children & Family Services | 63,964,374 | 1,093 | 64,290,991 | 1,031 | 66,551,188 | 1,135 | 67,494,010 | 1,031 | 82,381,489 | 1,183 | 75,100,923 | 1,144 | 68,429,896 | 1,031 | 91,669,520 | 1,284 | 81,001,671 | 1,194 |
| 898 TANF/Foster Care | 33,553,540 | 0 | 38,116,963 | 0 | 40,876,682 | 0 | 38,116,963 | 0 | 42,476,551 | 0 | 39,703,936 | 0 | 38,116,963 | 0 | 45,859,147 | 0 | 40,291,976 | 0 |
| NOT REQUESTED FOR THE BIENNIUM | | | | | | | | | | | | | | | | | | |
| 36C DCFS-Maltreated Children | 0 | 0 | 0 | 0 | 150,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 113,270,799 | 1,093 | 121,299,350 | 1,031 | 126,974,884 | 1,135 | 124,502,369 | 1,031 | 145,747,128 | 1,183 | 134,675,757 | 1,144 | 125,438,255 | 1,031 | 159,344,895 | 1,284 | 141,485,657 | 1,194 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | | % | |
|--------------------------------|---------|--------------------|--------------|--------------------|--------------|---|--|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| General Revenue | 4000010 | 48,480,435 | 42.8 | 46,791,158 | 38.6 | | | 47,509,994 | 38.2 | 64,887,765 | 47.7 | 51,869,994 | 38.5 | 47,719,455 | 38.0 | 71,569,108 | 48.0 | 56,089,455 | 39.6 |
| Federal Revenue | 4000020 | 62,418,714 | 55.1 | 62,846,852 | 51.8 | | | 64,748,209 | 52.0 | 70,181,763 | 51.6 | 70,561,597 | 52.4 | 65,304,806 | 52.1 | 76,367,250 | 51.2 | 72,982,208 | 51.6 |
| Refunds | 4000415 | 1,436,422 | 1.3 | 1,875,000 | 1.5 | | | 1,875,000 | 1.5 | 1,875,000 | 1.4 | 1,875,000 | 1.4 | 1,875,000 | 1.5 | 1,875,000 | 1.3 | 1,875,000 | 1.3 |
| Transfer to Medicaid Match | 4000660 | (500,000) | (0.4) | (500,000) | (0.4) | | | (500,000) | (0.4) | (500,000) | (0.4) | (500,000) | (0.4) | (500,000) | (0.4) | (500,000) | (0.3) | (500,000) | (0.4) |
| Transfer to State Police | 4000675 | (1,344,875) | (1.2) | (1,371,772) | (1.1) | | | (1,371,772) | (1.1) | (1,371,772) | (1.0) | (1,371,772) | (1.0) | (1,371,772) | (1.1) | (1,371,772) | (0.9) | (1,371,772) | (1.0) |
| Various Program Support | 4000730 | 2,780,103 | 2.5 | 11,658,112 | 9.6 | | | 12,240,938 | 9.8 | 1,056,763 | 0.8 | 12,240,938 | 9.1 | 12,410,766 | 9.9 | 1,226,591 | 0.8 | 12,410,766 | 8.8 |
| Total Funds | | 113,270,799 | 100.0 | 121,299,350 | 100.0 | | | 124,502,369 | 100.0 | 136,129,519 | 100.0 | 134,675,757 | 100.0 | 125,438,255 | 100.0 | 149,166,177 | 100.0 | 141,485,657 | 100.0 |
| Excess Appropriation/(Funding) | | 0 | | 0 | | | | 0 | | 9,617,609 | | 0 | | 0 | | 10,178,718 | | 0 | |
| Grand Total | | 113,270,799 | | 121,299,350 | | | | 124,502,369 | | 145,747,128 | | 134,675,757 | | 125,438,255 | | 159,344,895 | | 141,485,657 | |

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 | | | Total | Total | Filled | Unfilled | | | Total | Total | Filled | Unfilled | |
| 1,102 | 1000 | 30 | 1030 | 72 | 9.26 % | 1,137 | 977 | 94 | 1071 | 66 | 14.07 % | 1,137 | 953 | 78 | 1031 | 106 | 16.18 % |

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 1279 of 2007 section 18(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-214(5)(A)).

Analysis of Budget Request

Appropriation: 35Y - Child Abuse/Neglect Program

Funding Sources: DCF - Children and Family Services Fund

The Child Abuse and Neglect Program appropriation was created by Act 1278 of 2007. The appropriation is used for expenses associated with child abuse and neglect programs, including but not limited to, grants to State agencies, child advocacy centers, child safety centers, and other eligible entities. Funding for this appropriation is 100% general revenue (DCF - Children and Family Services Fund Account).

The Agency Request for this appropriation is Base Level of \$1,224,382 in general revenue funded appropriation each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 35Y - Child Abuse/Neglect Program
Funding Sources: DCF - Children and Family Services 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 |
| Child Abuse & Neglect Programs 5900046 | 0 | 1,244,382 | 1,750,000 | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 |
| Total | 0 | 1,244,382 | 1,750,000 | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 0 | 1,244,382 | | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 |
| Total Funding | 0 | 1,244,382 | | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 1,244,382 | | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 | 1,244,382 |

Analysis of Budget Request

Appropriation: 882 - State Residential Treatment

Funding Sources: DCF - Children and Family Services Fund

This appropriation provides residential treatment services to children in need of placement and treatment. These services are purchased through private provider contracts and Medicaid Eligible service providers. The services are targeted for children who have been diagnosed as having serious emotional and/or behavioral problems and are in need of placement and treatment. Funding for this appropriation is 100% general revenue (DCF - Children and Family Services Fund Account).

The Agency Base Level request for this appropriation is \$1,080,000 each year of the biennium.

The Change Level request is \$1,000,000 in FY2010 and \$1,300,000 in FY2011 in appropriation and general revenue funding to cover increases in contract and board expenses.

The Executive Recommendation provides for Base Level and \$250,000 in additional appropriation and general revenue to cover increases in contract and board expenses.

Appropriation Summary

Appropriation: 882 - State Residential Treatment
Funding Sources: DCF - Children and Family Services 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 | 1,337,992 | 1,080,000 | 1,080,000 | 1,080,000 | 2,080,000 | 1,330,000 | 1,080,000 | 2,380,000 | 1,330,000 |
| Total | 1,337,992 | 1,080,000 | 1,080,000 | 1,080,000 | 2,080,000 | 1,330,000 | 1,080,000 | 2,380,000 | 1,330,000 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 1,337,992 | 1,080,000 | | 1,080,000 | 2,080,000 | 1,330,000 | 1,080,000 | 2,380,000 | 1,330,000 |
| Total Funding | 1,337,992 | 1,080,000 | | 1,080,000 | 2,080,000 | 1,330,000 | 1,080,000 | 2,380,000 | 1,330,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 1,337,992 | 1,080,000 | | 1,080,000 | 2,080,000 | 1,330,000 | 1,080,000 | 2,380,000 | 1,330,000 |

Actual exceeds Authorized Appropriation by authority of Reallocation of Resources.

Change Level by Appropriation

Appropriation: 882 - State Residential Treatment
Funding Sources: DCF - Children and Family Services Fund

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 1,080,000 | 0 | 1,080,000 | 100.0 | 1,080,000 | 0 | 1,080,000 | 100.0 |
| C01 | Existing Program | 1,000,000 | 0 | 2,080,000 | 192.6 | 1,300,000 | 0 | 2,380,000 | 220.4 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 1,080,000 | 0 | 1,080,000 | 100.0 | 1,080,000 | 0 | 1,080,000 | 100.0 |
| C01 | Existing Program | 250,000 | 0 | 1,330,000 | 123.1 | 250,000 | 0 | 1,330,000 | 123.1 |

Justification

| | |
|-----|--|
| C01 | DCFS seeks funded appropriation to meet current and anticipated need in contract payments. |
|-----|--|

Analysis of Budget Request

Appropriation: 883 - Foster Care

Funding Sources: DCF - Children and Family Services Fund Account

The Division of Children and Family Services (DCFS) provides selective placement for children in the custody of the Department of Human Services in approved foster homes or licensed facilities for a planned period of time when separation from a birth parent or legal guardian necessitates such separation. Foster Care is an integral part of the service delivery system of the Division of Children and Family Services.

Funding for this appropriation consists of general revenue (DCF-Children and Family Services Fund Account) and refunds that consist of board reimbursements for spent general revenue.

The agency Base Level request for this appropriation is \$16,567,014 each year of the biennium of which \$14,692,014 is funded with general revenue.

Additional general revenue and appropriation is requested in the amount of \$997,692 in FY2010 and \$1,624,832 in FY2011 to provide for increases in board rates, specialized family foster homes, adoption subsidy rate and utilization growth, and contract payments.

The Executive Recommendation provides for Base Level and the following:

- \$310,202 in FY2010 and \$385,041 in FY2011 in additional general revenue and appropriation to increase board rates.
- \$111,260 in FY2010 and \$145,041 in FY2011 in additional general revenue and appropriation to cover adoption subsidy utilization growth.
- \$8,040 in FY2010 and \$20,532 in 2011 in additional general revenue and appropriation to cover adoption subsidy rate increases.
- \$300,000 in FY2010 and \$500,000 in FY2011 in additional general revenue and appropriation to cover increases in contract payments.

In summary, the Executive Recommendation for new general revenue above the Base Level is \$729,502 in FY2010 and \$1,050,614 in FY2011.

Appropriation Summary

Appropriation: 883 - Foster Care

Funding Sources: DCF - Children and Family Services Fund Account

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 | 14,414,893 | 16,567,014 | 16,567,014 | 16,567,014 | 17,564,706 | 17,296,516 | 16,567,014 | 18,191,846 | 17,617,628 |
| Total | | 14,414,893 | 16,567,014 | 16,567,014 | 16,567,014 | 17,564,706 | 17,296,516 | 16,567,014 | 18,191,846 | 17,617,628 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 12,978,471 | 14,692,014 | | 14,692,014 | 15,689,706 | 15,421,516 | 14,692,014 | 16,316,846 | 15,742,628 |
| Refunds | 4000415 | 1,436,422 | 1,875,000 | | 1,875,000 | 1,875,000 | 1,875,000 | 1,875,000 | 1,875,000 | 1,875,000 |
| Total Funding | | 14,414,893 | 16,567,014 | | 16,567,014 | 17,564,706 | 17,296,516 | 16,567,014 | 18,191,846 | 17,617,628 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 14,414,893 | 16,567,014 | | 16,567,014 | 17,564,706 | 17,296,516 | 16,567,014 | 18,191,846 | 17,617,628 |

Change Level by Appropriation

Appropriation: 883 - Foster Care

Funding Sources: DCF - Children and Family Services Fund Account

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 16,567,014 | 0 | 16,567,014 | 100.0 | 16,567,014 | 0 | 16,567,014 | 100.0 |
| C01 | Existing Program | 997,692 | 0 | 17,564,706 | 106.0 | 1,624,832 | 0 | 18,191,846 | 109.8 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 16,567,014 | 0 | 16,567,014 | 100.0 | 16,567,014 | 0 | 16,567,014 | 100.0 |
| C01 | Existing Program | 729,502 | 0 | 17,296,516 | 104.4 | 1,050,614 | 0 | 17,617,628 | 106.3 |

Justification

| | |
|-----|--|
| C01 | DCFS seeks funding to raise the foster care board rate to the rate established in the National MARC study. The Division also seeks funding to meet the increase in adoption subsidies as more kids are being adopted, there will also be an increase in the subsidy if the MARC rate is adopted. DCFS seeks funding for specialized foster homes, the foster parents in these homes will have more advanced training which will enable them to handle the more difficult placements. |
|-----|--|

Analysis of Budget Request

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: DHS - Admin Paying Account

This appropriation provides administrative support for the Division of Children and Family Services (DCFS). This Division is responsible for the protection of children, the continuation of the family-centered approach to service delivery to help strengthen and maintain natural families when possible, the expansion of programs such as therapeutic services, foster care prevention, management information systems and quality assurance and monitoring.

DCFS provides family supports to keep children at home, assist families when the families temporarily can't provide the necessary care for their children and help eliminate child maltreatment. DCFS attempts to keep families together and only separates children from their families as a last alternative. Specific services provided by the Division are: Support Services, Foster Care, Adoption Services and Protective Services.

The Division has been operating under a Child Welfare Reform Federal Consent Decree until December, 2001. The original lawsuit (commonly known as "Angela R") was filed in 1991, alleging gross abuse and neglect of children of this State and the State's failure to protect those children. The consent decree was approved in 1994 and extended in 1999 and again in October 2001. In December 2001, the decree ended when the plaintiffs to the original lawsuit did not challenge DCFS compliance with the federal consent decree.

Funding for this appropriation includes general revenue (DCF-Children and Family Services Fund Account), federal revenues and other funds. The federal funds are derived from Title IV-E, Title IV-B, TANF, Child Abuse Prevention Treatment Act (CAPTA), Social Service Block Grant, Emergency Assessment funding, Safe and Stable Families Act funding. Other funding which is indicated as various program support are derived from many sources including federal awards, fees, third party reimbursements and maximization of federal claiming. These other funds are considered to be non-federal and technically can be expended for any program or service within the Department.

Base Level positions were changed from unclassified to the Professional and Executive Pay Plan to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. 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 may include board member Stipend payments and 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 for this appropriation is \$67,494,010 in FY2010 and \$68,429,896 in FY2011 with 1,031 budgeted Base Level positions.

The Agency Change Level request for appropriation is \$14,887,479 in FY2010 and \$23,239,624 in FY2011 with additional general revenue funding of \$14,874,457 in FY2010 and \$19,635,421 in FY2011, and is comprised of the following:

- 104 positions not budgeted in FY2009 with Regular Salaries and Personal Services Matching appropriation that are necessary to continue providing direct services throughout the State and to meet federal and State mandates with \$911,657 in FY2010 and \$1,759,512 in FY2011 requested in general revenue funding support.
- 50 additional positions for administrative support and social service aides with \$444,473 in FY2010 and \$502,460 in FY2011 requested in general revenue funding support.
- 101 additional positions in FY2011 to lower case the case load ratio of workers with \$979,857 requested in general revenue funding support.
- 2 positions to be transferred to DMS Medicaid Oversight Unit.
- \$1,629,273 in FY2010 and \$2,740,891 in FY2011 is requested in Personal Services Matching to support the position request.
- \$4,272,157 in FY2010 and \$6,424,090 in FY2011 in Operating Expenses to cover increases due to the hire of additional requested positions, increase for COLA to the State Police Crimes Against Children Unit, and unfunded appropriation of \$1,450,000 each year of the biennium to meet anticipated needs in operational increases including mileage reimbursements.
- \$4,217,679 in FY2010 and \$6,220,478 in FY2011 in Professional Fees to phase in 2 service sites in FY2010 and 6 in FY2011 that offer IFS, HIPPPY, Family Team Meetings, DCFS staff training. Unfunded appropriation is requested in anticipation of contract needs \$3,400,000 in FY2010 and \$4,000,000 in FY2011.
- \$350,000 is requested each year of the biennium in Capital Outlay in unfunded appropriation for anticipated need for vehicles and equipment.

The Executive Recommendation provides for Base Level with the following increases:

- 113 positions each year of the biennium which are necessary to continue providing direct services throughout the State and to meet federal and state mandates, as well as, 50 new positions in FY2011 for additional administrative support and social service aids costing \$1,356,813 in FY2010 and \$3,256,278 in FY2011 in Regular Salaries and Personal Services Matching recommended in general revenue funding.
- 2 unfunded positions to be transferred to DMS Medicaid Oversight Unit.
- \$2,231,698 in FY2010 and \$4,409,691 in FY2011 in Operating Expenses of which \$668,187 in FY2010 and \$1,596,722 will be used to support the increase in positions, \$27,000 in FY2010 and 55,000 in FY2011 to fund a COLA for the State Police Crimes Against Children Unit, and \$288,000 in FY2011 for licensing review of foster homes and administrative review is recommended in general revenue funding.
- \$816,679 in FY2010 and \$1,683,579 in FY2011 in Professional Fees to support phasing in 2 service sites in FY2010 and 4 sites in FY2011 to offer IFS, Hippy, Family Team Meetings, and DCFS staff training of which \$627,000 in FY2010 and \$1,282,000 in FY2011 is recommended in general revenue funding.
- The Executive Recommendation has provided for continued use of the DHS Federal Reimbursement/Other Holding Fund revenues which are indicated as various program support in the amount of \$11,184,175 each year of the biennium which is derived from many sources including federal awards, fees, third party reimbursements and maximization of federal claiming.

In summary, the Executive Recommendation for new general revenue above the Base Level is \$2,949,000 in FY2010 and \$6,478,000 in FY2011 and consists of the following:

- \$1,356,813 in FY2010 and \$3,256,278 in FY2011 in Regular Salaries and Personal Services Matching.

- \$668,187 in FY2010 and \$1,596,722 will be used to support the increase in positions, \$27,000 in FY2010 and 55,000 in FY2011 to fund a COLA for the State Police Crimes Against Children Unit, and \$270,000 in FY2010 and \$288,000 in FY2011 for licensing review of foster homes and administrative review funding.
- \$627,000 in FY2010 and \$1,282,000 in FY2011 in Professional Fees to support phasing in 2 service sites in FY2010 and 4 sites in FY2011 to offer IFS, Hippy, Family Team Meetings, and DCFS staff training.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: DHS - Admin Paying Account

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 | 33,550,692 | 34,389,058 | 34,396,939 | 36,198,176 | 40,616,546 | 39,527,340 | 36,982,615 | 44,486,780 | 41,857,464 |
| #Positions | | 1,093 | 1,031 | 1,135 | 1,031 | 1,183 | 1,144 | 1,031 | 1,284 | 1,194 |
| Extra Help | 5010001 | 247,100 | 175,000 | 242,060 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 |
| #Extra Help | | 30 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 |
| Personal Services Matching | 5010003 | 11,243,231 | 10,837,419 | 12,138,418 | 12,261,320 | 13,890,593 | 13,490,692 | 12,412,767 | 15,153,658 | 14,196,153 |
| Overtime | 5010006 | 4,761 | 5,000 | 100,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Operating Expenses | 5020002 | 7,395,750 | 7,794,305 | 7,797,750 | 7,794,305 | 12,066,462 | 10,026,003 | 7,794,305 | 14,218,395 | 12,024,266 |
| Conference & Travel Expenses | 5050009 | 48,632 | 30,000 | 170,980 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Professional Fees | 5060010 | 11,263,663 | 11,030,209 | 11,255,041 | 11,030,209 | 15,247,888 | 11,846,888 | 11,030,209 | 17,250,687 | 12,713,788 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 210,545 | 30,000 | 450,000 | 0 | 350,000 | 0 | 0 | 350,000 | 0 |
| Total | | 63,964,374 | 64,290,991 | 66,551,188 | 67,494,010 | 82,381,489 | 75,100,923 | 68,429,896 | 91,669,520 | 81,001,671 |

| Funding Sources | | | | | | | | | | |
|--------------------------------|---------|-------------------|-------------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Revenue | 4000010 | 24,954,127 | 16,263,021 | | 16,981,857 | 31,856,314 | 19,930,857 | 17,191,318 | 36,826,739 | 23,669,318 |
| Federal Revenue | 4000020 | 38,075,019 | 38,241,630 | | 40,142,987 | 44,222,575 | 44,800,900 | 40,699,584 | 48,309,244 | 46,793,359 |
| Transfer to Medicaid Match | 4000660 | (500,000) | (500,000) | | (500,000) | (500,000) | (500,000) | (500,000) | (500,000) | (500,000) |
| Transfer to State Police | 4000675 | (1,344,875) | (1,371,772) | | (1,371,772) | (1,371,772) | (1,371,772) | (1,371,772) | (1,371,772) | (1,371,772) |
| Various Program Support | 4000730 | 2,780,103 | 11,658,112 | | 12,240,938 | 1,056,763 | 12,240,938 | 12,410,766 | 1,226,591 | 12,410,766 |
| Total Funding | | 63,964,374 | 64,290,991 | | 67,494,010 | 75,263,880 | 75,100,923 | 68,429,896 | 84,490,802 | 81,001,671 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 7,117,609 | 0 | 0 | 7,178,718 | 0 |
| Grand Total | | 63,964,374 | 64,290,991 | | 67,494,010 | 82,381,489 | 75,100,923 | 68,429,896 | 91,669,520 | 81,001,671 |

Change Level by Appropriation

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: DHS - Admin Paying Account

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| BL | Base Level | 67,494,010 | 1,031 | 67,494,010 | 100.0 | 68,429,896 | 1,031 | 68,429,896 | 100.0 |
| C01 | Existing Program | 7,579,906 | 154 | 75,073,916 | 111.2 | 12,440,464 | 255 | 80,870,360 | 118.2 |
| C02 | New Program | 2,198,684 | 0 | 77,272,600 | 114.5 | 5,092,128 | 0 | 85,962,488 | 125.6 |
| C05 | Unfunded Appropriation | 5,200,000 | 0 | 82,472,600 | 122.2 | 5,800,000 | 0 | 91,762,488 | 134.1 |
| C07 | Agency Transfer | (91,111) | (2) | 82,381,489 | 122.1 | (92,968) | (2) | 91,669,520 | 134.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| BL | Base Level | 67,503,551 | 1,031 | 67,503,551 | 100.0 | 68,439,653 | 1,031 | 68,439,653 | 100.0 |
| C01 | Existing Program | 5,775,741 | 115 | 73,279,292 | 108.6 | 8,440,896 | 165 | 76,880,549 | 112.3 |
| C02 | New Program | 1,912,742 | 0 | 75,192,034 | 111.4 | 4,214,090 | 0 | 81,094,639 | 118.5 |
| C05 | Unfunded Appropriation | 0 | 0 | 75,192,034 | 111.4 | 0 | 0 | 81,094,639 | 118.5 |
| C07 | Agency Transfer | (91,111) | (2) | 75,100,923 | 111.3 | (92,968) | (2) | 81,001,671 | 118.4 |

Justification

| | |
|-----|---|
| C01 | DCFS seeks operational support to replace one time funds for current operations. The Division also seeks operational support to fill current vacant positions and to start a four year plan to fill new positions to ultimately achieve a caseload level in a ratio of 15:1 and provide appropriate administrative support to the field. DCFS also requests funding to support an increase due to COLA for the Crimes Against Children Unit at Arkansas State Police. DCFS also seeks funding to establish division specific management and supervisory training. There are some positions that will show unfunded due to the Division realizing it cannot hire all positions at July 1, they will phase in over the year, so funding is not required for the full year on all positions. |
| C02 | DCFS seeks operational support for our new Administrative Review team and to fund foster home inspection visits by DCCECE licensing unit. DCFS seeks operational support for maintenance and operations costs that are increasing due to higher mileage reimbursement rate, and general price increases on supplies. DCFS seeks contracts support to start phase in sites to be a showcase of delivering services the best way. |
| C05 | DCFS seeks unfunded appropriation to meet anticipated need in contract payments, maintenance and operations and capital outlay. |
| C07 | DCFS is transferring two positions to DMS to help staff their Medicaid Oversight Unit. |

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The Foster Care Program is used to assist with the costs of foster care maintenance for eligible children; administrative costs to manage the program; and training for staff and foster parents. The primary purpose of this program is to fund proper care for children who need placement outside their homes. This appropriation is also used to assist States in paying maintenance costs for adopted children with special needs, such as children who are older or who have disabilities. The primary purpose of this program is to advance the permanency of hard to place children in adoptive homes and avoid inappropriate and excessive numbers of foster care placements.

This appropriation also provides for Independent Living services for foster children age 16 and older. This service is intended to provide a transition to independent living by providing encouragement and assistance in obtaining a high school diploma or vocational skill training, as well as training in daily living skills.

Funding for this appropriation includes general revenue (DCF - Children and Family Services Fund Account) and federal revenues. Federal revenues include Title IV-E Adoption Subsidies and Foster Care funding, Title IV-B Family Preservation Funding and an Adoption Opportunities Federal Grant.

The Agency Base Level request for this appropriation is \$38,116,963 each year of the biennium of which \$13,511,741 is funded from general revenue,

The Change Level request is \$4,359,588 in FY2010 and \$7,742,184 in FY2011 of which \$505,622 in FY2010 and \$1,289,400 in FY2011 is requested in general revenue funding to provide for increases in board rates, specialized family foster homes, and adoption subsidy rate and utilization growth.

The Executive Recommendation provides for Base Level and the following:

- \$477,374 in FY2010 and \$636,113 in FY2011 in additional appropriation to increase board rates of which \$129,798 in FY2010 and \$172,959 in FY2011 is funded with new general revenue.
- \$1,036,190 in FY2010 and \$1,345,932 in FY2011 in additional appropriation to cover adoption subsidy utilization growth of which \$281,740 in FY2010 and \$365,959 in FY2011 is funded with new general revenue.
- \$73,409 in FY2010 and \$192,968 in 2011 in additional appropriation to cover adoption subsidy rate increases of which \$19,960 in FY2010 and \$52,468 in FY2011 is funded with new general revenue.

In summary, the Executive Recommendation for new general revenue above the Base Level is \$431,498 in FY2010 and \$591,386 in FY2011.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

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 | 33,553,540 | 38,116,963 | 40,876,682 | 38,116,963 | 42,476,551 | 39,703,936 | 38,116,963 | 45,859,147 | 40,291,976 |
| Total | | 33,553,540 | 38,116,963 | 40,876,682 | 38,116,963 | 42,476,551 | 39,703,936 | 38,116,963 | 45,859,147 | 40,291,976 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 9,209,845 | 13,511,741 | | 13,511,741 | 14,017,363 | 13,943,239 | 13,511,741 | 14,801,141 | 14,103,127 |
| Federal Revenue | 4000020 | 24,343,695 | 24,605,222 | | 24,605,222 | 25,959,188 | 25,760,697 | 24,605,222 | 28,058,006 | 26,188,849 |
| Total Funding | | 33,553,540 | 38,116,963 | | 38,116,963 | 39,976,551 | 39,703,936 | 38,116,963 | 42,859,147 | 40,291,976 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 2,500,000 | 0 | 0 | 3,000,000 | 0 |
| Grand Total | | 33,553,540 | 38,116,963 | | 38,116,963 | 42,476,551 | 39,703,936 | 38,116,963 | 45,859,147 | 40,291,976 |

Change Level by Appropriation

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 38,116,963 | 0 | 38,116,963 | 100.0 | 38,116,963 | 0 | 38,116,963 | 100.0 |
| C01 | Existing Program | 1,859,588 | 0 | 39,976,551 | 104.9 | 4,742,184 | 0 | 42,859,147 | 112.4 |
| C05 | Unfunded Appropriation | 2,500,000 | 0 | 42,476,551 | 111.4 | 3,000,000 | 0 | 45,859,147 | 120.3 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 38,116,963 | 0 | 38,116,963 | 100.0 | 38,116,963 | 0 | 38,116,963 | 100.0 |
| C01 | Existing Program | 1,586,973 | 0 | 39,703,936 | 104.2 | 2,175,013 | 0 | 40,291,976 | 105.7 |
| C05 | Unfunded Appropriation | 0 | 0 | 39,703,936 | 104.2 | 0 | 0 | 40,291,976 | 105.7 |

Justification

| | |
|-----|--|
| C01 | DCFS seeks funding to raise the foster care board rate to the rate established in the National MARC study. The Division also seeks funding to meet the increase in adoption subsidies as more kids are being adopted, there will also be an increase in the subsidy if the MARC rate is adopted. DCFS seeks funding for specialized foster homes, the foster parents in these homes will have more advanced training which will enable them to handle the more difficult placements. |
| C05 | DCFS seeks unfunded appropriation to meet anticipated need in contract payments, adoption subsidies and foster care board payments. |

Appropriation Summary

Appropriation: 36C - DCFS-Maltreated Children

Funding Sources: MZZ - Child Maltreatment 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 |
| Maltreated Children Services 5900046 | 0 | 0 | 150,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 150,000 | 0 | 0 | 0 | 0 | 0 | 0 |

APPROPRIATION NOT REQUESTED FOR THE 2009-2011 BIENNIUM

DHS - CHILD CARE/EARLY CHILDHOOD EDUCATION

Enabling Laws

Act 1226 of 2007
Act 2188 of 2005
Act 229 of 2007
Act 514 of 2007
Act 1289 of 2007
A.C.A. §19-5-306 et seq.
A.C.A. §19-6-465 et seq.
A.C.A. §20-76-105 et seq.
A.C.A. §20-78-219 et seq.
A.C.A. §20-78-222 et seq.
A.C.A. §20-78-222 et seq.
A.C.A. §20-78-201 et seq.
A.C.A. §20-78-224 et seq.
A.C.A. §20-78-602 et seq.
A.C.A. §20-78-501 et seq.
A.C.A. §20-78-503 et seq.
A.C.A. §20-78-504 et seq.
A.C.A. §25-10-102 et seq.
A.C.A. §6-45-101 et seq.

History and Organization

The purpose of the Division of Child Care and Early Childhood Education is to enhance the coordination of child care and early childhood education programs within the state.

The Division working with the Arkansas Early Childhood Commission, adopted the following mission statement: "As good stewards of the public trust, we will support and advise the Division by ensuring that all Arkansas children and families have access to a safe, high-quality, developmentally appropriate (nurturing learning) environment (and) by educating and assisting parents, child care providers, and communities to prepare our children for future success."

The Division is comprised of six sections: one regulatory, one compliance, three programmatic and one administrative. The Division currently has 171 budgeted positions in addition to 13 extra help positions. The name of the sections and a brief description of their functions follow:

Child Care Licensing and Quality Accreditation - This is the largest section within the Division with sixty-two (62) positions. Many of these positions are located in DHS County offices. Licensing Specialists perform on-site reviews of child care centers in addition to licensed and registered homes. This section is also responsible for maintaining the Criminal Records Check System (Act 1198 of 1997) in conjunction with the Arkansas State Police. This system checks the police record of all workers in child care centers, licensed or registered homes.

Compliance - This section works with the programmatic sections of the Division and other appropriate

Divisions within the Department to coordinate and track issues dealing with provider fraud, overpayments, and audits.

Special Nutrition - This unit works with two major federally funded programs within the Division; Special Nutrition and the Child Care Development Fund. The Special Nutrition Program is comprised of four programs funded by the U.S. Department of Agriculture (USDA) and administered by the state. These programs reimburse centers and sponsors for nutritional meals and snacks served. The programs are the Child & Adult Care Food Program, the Summer Food Service Program for Children, Special Milk and National School Lunch.

Family Support/ Program Development

The Child Care Development Fund has two primary functions: providing support to qualifying families who need child care assistance and improving the quantity and quality of child care services within the state. Child Care Assistance is provided to (number of children/number of families served on average annually). Child Care Eligibility Specialists are located regionally across the state.

The Program Development unit is responsible for all Quality funds within the Child Care Development Fund and provides major outreach to improving the quantity and quality of child care in the State through numerous services to early care and education providers and to parents of young children. These services include:

- Enhancement grants for programs to correct licensing deficiencies and/or work towards quality approval status (402 grants awarded, affecting 23,477 children)
- Grants and scholarships to improve caregivers knowledge, skills and education (grants and scholarships were awarded to 3,934 in sfy07)
- Technical assistance to individual programs for curriculum, planning, administrative and programmatic issues,
- Professional Development training, workshops and seminars to increase the capacity of the early care and education workforce,
- Traveling Arkansas Professional Pathways (TAPP) training registry
- Child Care Resource and Referral services throughout the state to assist parents in locating quality care settings (referrals made for over 3,000 parents, web hits over 3,000,000)
- The Governor's Work-Life Initiative, to recognize employers who are striving to support their employees ability to balance work and their families,
- Partnerships with AR Economic Development Commission for Child Care Facilities Funding
- Management of the AR Child Care Facilities Guarantee Loan Fund
- Development and distribution of publications/newsletters and documents for providers and parents (Getting Ready for Kindergarten/Parent Calendar over 90,000 distributed in sfy07)

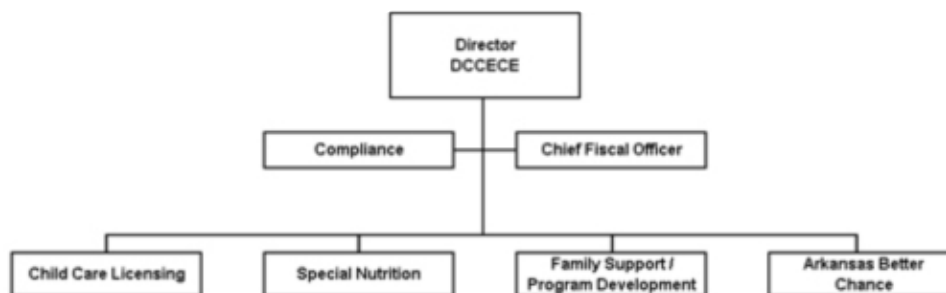
The creation of the Division consolidated three (3) existing boards into one. The affected boards were the Child Care Facility Review Board, the Arkansas Early Childhood Commission and the Child Care Provider Training Committee. These review boards were consolidated into a new Arkansas Early Childhood Commission that advises the Division and has regulatory approval for all minimum licensing standards.

The Child Care Appeal Review Committee was established in 1999. This panel reviews appealed adverse action taken by the Child Care Licensing Section against a child care provider and hear any unresolved disputes between that Section and the child care providers regarding: 1) substantial compliance with the

published standards; 2) funded licensing compliant; 3) denial of alternative compliance request.

Professional Development: The Arkansas Early Childhood Professional Development System (AECPDS) was developed and guidelines were promulgated in 2004. The purpose of the system is to create a coordinated system of professional development for early care and education providers in Arkansas. The implementation of the system was made possible through five working committees with the oversight of a steering committee. An evaluation of the system was completed September 2007 with recommendations for improving the competency areas, the three registries, the career lattice, and to include on-going work with higher education. The Practitioner Registry now has 13,112 participants and the Trainer Registry has 961 verified trainers. Website: <http://www.professionalregistry.astate.edu/>

Arkansas Better Chance - This unit provides administration and oversight of all state-funded pre-k programs (3 and 4 year old children at or below 200% of Federal Poverty Level) throughout the state. Approximately 24,532 children are enrolled in an ABC program. Agencies participating in ABC include school districts, educational cooperatives, non-profit agencies, Head Start agencies, universities, community-based, private providers, and family child care homes. The ABC unit includes twelve (12) positions all located in the central office. ABC specialists monitor and provide technical assistance for programmatic, financial, and data related issues.



Agency Commentary

The Division of Child Care and Early Childhood Education requests the following for the 2009-2011 biennial budget. The change requests are as follows:

SFY 2010

- Appropriation 320 - \$11,300,000 in federal appropriation (\$7,500,000 TANF transfer and \$3,800,000 in unfunded federal appropriation)
- Appropriation 890 - \$5,000,000 in federal appropriation
- Appropriation 896 - \$20,000 in other appropriation
- Appropriation 898 - \$1,400,000 in unfunded federal appropriation and \$1,463,423 in general revenue with appropriation
- Appropriation 929 - \$100,000 in other appropriation

SFY 2011

- Appropriation 320 - \$11,300,000 in federal appropriation (\$7,500,000 TANF transfer and \$3,800,000 in unfunded appropriation)
- Appropriation 890 - \$7,500,000 in federal appropriation
- Appropriation 896 - \$20,000 in other appropriation
- Appropriation 898 - \$1,400,000 in unfunded federal appropriation and \$1,463,423 in general revenue with appropriation
- Appropriation 929 - \$100,000 in other appropriation

Appropriation 320

The Division of Child Care and Early Childhood Education requests appropriation in 320 for the following: A Temporary Assistance to Needy Families (TANF) transfer of \$7,500,000 each year of the biennium to serve 2,198 children from families transitioning from welfare assistance; and \$3,800,000 in unfunded appropriation for anticipated federal program growth which could provide child care to 1,100 children in working families and continue to improve the quality of child care for all children.

| | <u>SFY 2010</u> | <u>SFY 2011</u> |
|---|-----------------|-----------------|
| Low Income Discretionary Grants, Assistance and Aids Commitment Item: 510:00:04 | \$7,500,000 | \$7,500,000 |
| Unfunded Appropriation Grants, Assistance and Aids Commitment Item: 510:00:04 | 3,800,000 | 3,800,000 |

Appropriation 890

The Division requests additional appropriation in 890 for the Special Nutrition Program. The Division has a goal of increasing the number of meals served to children in Arkansas by 10% each year in the uncapped federally funded program. The program has experienced sustained growth over a period of years and an increase of 10% from 2007 to 2008 and anticipates 6% each year of the biennium.

| | <u>SFY 2010</u> | <u>SFY 2011</u> |
|---|-----------------|-----------------|
| Grants, Assistance and Aids Commitment Item: 510:00:04 | | |
| SNP Child Care and Adult Food Program | \$3,000,000 | \$4,500,000 |
| Summer Food Services Program | 1,500,000 | 2,000,000 |
| National School Lunch | 500,000 | 1,000,000 |

Appropriation 896

The Division requests appropriation for National Governor's Association Expanded Learning Opportunities funding in the amount of \$20,000. The Division has received this funding in previous years and anticipates the continuation of this funding.

| | <u>SFY 2010</u> | <u>SFY 2011</u> |
|--|-----------------|-----------------|
| Professional and Administrative Fees Commitment Item: 506:00:10 | \$20,000 | \$20,000 |

Appropriation 898

The Division is requesting state general revenue with appropriation of \$1,463,423 in 898 in both years of the biennium to meet requirements in the federally funded Child Care Development Fund. The Division is allocated general revenue of \$4,378,998 annually to meet the requirements that the State spend the percentage as calculated using the FMAP percentage published annually in the federal register. The shortfall in the last two years was covered by 20% of the Beer Tax collection designated for child care which sunset June 30, 2007. Failure to meet this requirement would mean the State would be out of compliance and risk the loss of \$15,746,732 federal matching funding serving welfare to work

families/children. This additional revenue allows us to continue to serve approximately 424 children. The Division is also requesting \$1,400,000 unfunded appropriation in 898 for anticipated federal program growth which could provide child care to 406 children in low income working families and continue to improve the quality of child care for all children.

| | <u>SFY 2010</u> | <u>SFY 2011</u> |
|--|-----------------|-----------------|
| Grants, Assistance and Aids Commitment Item 510:00:04 | \$1,463,423 | \$1,463,423 |
| Unfunded Appropriation Grants, Assistance and Aids Commitment Item 510:00:04 | \$1,400,000 | \$1,400,000 |

Appropriation 929

The Division requests appropriation of \$100,000 in 929 for the Guarantee Loan Fund to provide training to early care and education providers. This amount is interest earned and can be utilized by law for child care provider training.

| | <u>SFY 2010</u> | <u>SFY 2011</u> |
|--|-----------------|-----------------|
| Child Care Facilities Loan Guarantee Trust Fund | \$100,000 | \$100,000 |

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR THE YEAR ENDED JUNE 30, 2006

| Findings | Recommendations |
|--|-----------------|
| Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel. | |

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 11 | 87 | 98 | 57 % |
| Black Employees | 7 | 65 | 72 | 42 % |
| Other Racial Minorities | 0 | 1 | 1 | 1 % |
| Total Minorities | | | 73 | 43 % |
| Total Employees | | | 171 | 100 % |

Cash Fund Balance Description as of June 30, 2008

| | | | |
|--------------|-----------|------|--|
| Fund Account | Balance | Type | Location |
| NHS0110 | \$350,064 | CD | Bancorp South, Merchants & Farmers, Regions, 1st State – Crossett, Citizen State – Bal |

Statutory/Other Restrictions on use:

A.C.A. 20-78-503 – Arkansas Child Care Facilities Loan Guarantee Trust Fund
 A.C.A. 20-78-504 – Moneys for Arkansas Child Care Facilities Loan Guarantee Trust Fund

Statutory Provisions for Fees, Fines, Penalties:

N/A

Revenue Receipts Cycle:

Revenue deposited per event. Interest deposited monthly.

Fund Balance Utilization:

Funds used to guarantee loans for the expansion or development of child care facilities in this state. Any interest at the end of the fiscal year which exceeds the amount necessary to cover loan defaults occurring during that fiscal year shall be made available for professional development and quality improvement activities and grants.

Publications

A.C.A. 25-1-204

| Name | Statutory Authorization | Required for | | # of Copies | Reason(s) for Continued Publication and Distribution |
|--|--|--------------|------------------|-------------|--|
| | | Governor | General Assembly | | |
| Annual evaluation of the Arkansas Better Chance (ABC) For School Success Program | Act 49 of the Second Extraordinary Session of 2003 | N | Y | 1 | The report will be an evaluation of the ABC Programs and is needed to ensure that the program goals and intended child outcomes are being achieved. |
| Annual report and mission statement of the Arkansas Early Childhood Commission | A.C.A. 20-78-501, 20-78-502 | N | Y | 1 | The annual report of the Commission keeps the Governor and Legislators apprised of the activities of the division that strongly impacts the workforce of the state as well as the health and safety of many of the State's children. |
| Annual Status report on the Arkansas Child Care Facilities Loan Guarantee Trust Fund | A.C.A. 20-78-505 | N | Y | 1 | The division believes the reporting adds accountability to the Division's management of these monies. The fund is unique in that it allows the Division to place the monies in interest bearing CD's across the state to support start-up or expansion loans to child care facilities. |

A.C.A. 25-1-204

| Name | Statutory Authorization | Required for | | # of Copies | Reason(s) for Continued Publication and Distribution |
|---|-------------------------|--------------|------------------|-------------|---|
| | | Governor | General Assembly | | |
| Family Support Unit Policy Manual | n/a | N | N | 1 | Designed as the lead agency to administer federal funds available to Arkansas through the Child Care Development Fund (CCDF). The manual is utilized as a source guide for the Division staff that administers eligibility criteria for clients who are seeking services funded through the CCDF. |
| Getting Children Ready for Kindergarten | Act 825 | N | Y | 1 | Division provides copies of the list to licensed child care facilities. Licensed child care facilities shall distribute the list to parents of each three-year old attending the child care facilities. |
| Minimum Licensing Requirements for Child Care Centers | A.C.A. 20-78-210-220 | N | Y | 1 | The Child Care Facility Licensing act is the legal authority under which the Division prescribes minimum standards for a variety of child care facilities under the Act. The publication lists the licensing requirements for the Child Care Centers. |
| Minimum Licensing Requirements for Child Care Family Homes | A.C.A. 20-78-210-220 | N | Y | 1 | The Child Care Facility Licensing Act is the legal authority under which the Division prescribes minimum standards for a variety of child care facilities under the Act. The publication lists the licensing requirements for the Child Care Family Home. |
| Minimum Licensing Requirements for Registered Child Care Family Homes | A.C.A. 20-78-210-220 | N | Y | 1 | The Child Care Facility Licensing act is the legal authority under which the Division prescribes minimum standards for a variety of child care facilities under the Act. The publication lists the licensing requirements for the Registered Child Care Family Home. |

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 |
| 320 Child Care Development-Discretionary | 32,843,828 | 0 | 18,469,372 | 0 | 35,741,878 | 0 | 18,469,372 | 0 | 29,769,372 | 0 | 18,469,372 | 0 | 18,469,372 | 0 | 29,769,372 | 0 | 18,469,372 | 0 |
| 890 Food Program | 39,897,397 | 0 | 39,291,250 | 0 | 39,291,250 | 0 | 39,291,250 | 0 | 44,291,250 | 0 | 44,291,250 | 0 | 39,291,250 | 0 | 46,791,250 | 0 | 46,791,250 | 0 |
| 896 Division of Child Care/Early Childhood | 13,823,050 | 170 | 15,975,484 | 171 | 16,182,073 | 171 | 16,496,119 | 171 | 16,516,119 | 171 | 16,496,119 | 171 | 16,659,476 | 171 | 16,679,476 | 171 | 16,659,476 | 171 |
| 898 Child Care Grant/Aids | 29,524,798 | 0 | 26,725,422 | 0 | 30,884,892 | 0 | 26,725,422 | 0 | 29,588,845 | 0 | 26,725,422 | 0 | 26,725,422 | 0 | 29,588,845 | 0 | 26,725,422 | 0 |
| 929 Child Care-Treasury Paying | 0 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 200,000 | 0 | 200,000 | 0 | 100,000 | 0 | 200,000 | 0 | 200,000 | 0 |
| Total | 116,089,073 | 170 | 100,561,528 | 171 | 122,200,093 | 171 | 101,082,163 | 171 | 120,365,586 | 171 | 106,182,163 | 171 | 101,245,520 | 171 | 123,028,943 | 171 | 108,845,520 | 171 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | |
|--------------------------------|---------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| General Revenue | 4000010 | 6,781,076 | 5.8 | 6,822,141 | 6.8 | 6,840,298 | 6.8 | 8,303,721 | 7.2 | 6,840,298 | 6.4 | 6,845,995 | 6.8 | 8,309,418 | 7.1 | 6,845,995 | 6.3 |
| Federal Revenue | 4000020 | 106,158,769 | 91.4 | 91,272,159 | 90.8 | 91,697,490 | 90.7 | 104,197,490 | 90.5 | 96,697,490 | 91.1 | 91,830,944 | 90.7 | 106,830,944 | 90.7 | 99,330,944 | 91.3 |
| Special Revenue | 4000030 | 1,055,755 | 0.9 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Cash Fund | 4000045 | 0 | 0.0 | 100,000 | 0.1 | 100,000 | 0.1 | 200,000 | 0.2 | 200,000 | 0.2 | 100,000 | 0.1 | 200,000 | 0.2 | 200,000 | 0.2 |
| Various Program Support | 4000730 | 2,093,473 | 1.8 | 2,367,228 | 2.4 | 2,444,375 | 2.4 | 2,464,375 | 2.1 | 2,444,375 | 2.3 | 2,468,581 | 2.4 | 2,488,581 | 2.1 | 2,468,581 | 2.3 |
| Total Funds | | 116,089,073 | 100.0 | 100,561,528 | 100.0 | 101,082,163 | 100.0 | 115,165,586 | 100.0 | 106,182,163 | 100.0 | 101,245,520 | 100.0 | 117,828,943 | 100.0 | 108,845,520 | 100.0 |
| Excess Appropriation/(Funding) | | 0 | | 0 | | 0 | | 5,200,000 | | 0 | | 0 | | 5,200,000 | | 0 | |
| Grand Total | | 116,089,073 | | 100,561,528 | | 101,082,163 | | 120,365,586 | | 106,182,163 | | 101,245,520 | | 123,028,943 | | 108,845,520 | |

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 | |
| 157 | 165 | 5 | 170 | -13 | -5.10 % | 171 | 162 | 8 | 170 | 1 | 5.26 % | 171 | 171 | 0 | 171 | 0 | 0.00 % |

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 1279 of 2007 section 18(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-214(5)(A)).

Analysis of Budget Request

Appropriation: 320 - Child Care Development-Discretionary

Funding Sources: FWF - DHS Federal

The Child Care and Development Block Grant (CCDF) consolidates childcare assistance programs and requires states to develop an integrated service delivery system to meet the needs of low income families. This appropriation is for the Discretionary category of funds. Specifically, these funds are targeted for low income working families and those transitioning off welfare to obtain child care so they can work or obtain the training necessary to obtain employment or attend educational programs that will lead to employment.

Funding for this appropriation includes 100% federal revenue consisting of Discretionary Child Care Development Block Grant funding.

The Agency Base Level request for this appropriation is \$18,469,372 for each year of the 2009-2011 biennium.

The Agency Change Level request for this appropriation is \$11,300,000 for each year of the 2009-2011 biennium of which \$7,500,000 is requested in Temporary Assistance to Needy Families funding (TANF) and \$3,800,000 in unfunded appropriation in anticipation of federal program growth for each year of the biennium.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 320 - Child Care Development-Discretionary

Funding Sources: FWF - DHS Federal

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 | 32,843,828 | 18,469,372 | 35,741,878 | 18,469,372 | 29,769,372 | 18,469,372 | 18,469,372 | 29,769,372 | 18,469,372 |
| Total | | 32,843,828 | 18,469,372 | 35,741,878 | 18,469,372 | 29,769,372 | 18,469,372 | 18,469,372 | 29,769,372 | 18,469,372 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 32,843,828 | 18,469,372 | | 18,469,372 | 25,969,372 | 18,469,372 | 18,469,372 | 25,969,372 | 18,469,372 |
| Total Funding | | 32,843,828 | 18,469,372 | | 18,469,372 | 25,969,372 | 18,469,372 | 18,469,372 | 25,969,372 | 18,469,372 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 3,800,000 | 0 | 0 | 3,800,000 | 0 |
| Grand Total | | 32,843,828 | 18,469,372 | | 18,469,372 | 29,769,372 | 18,469,372 | 18,469,372 | 29,769,372 | 18,469,372 |

Change Level by Appropriation

Appropriation: 320 - Child Care Development-Discretionary

Funding Sources: FWF - DHS Federal

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 18,469,372 | 0 | 18,469,372 | 100.0 | 18,469,372 | 0 | 18,469,372 | 100.0 |
| C01 | Existing Program | 7,500,000 | 0 | 25,969,372 | 140.6 | 7,500,000 | 0 | 25,969,372 | 140.6 |
| C05 | Unfunded Appropriation | 3,800,000 | 0 | 29,769,372 | 161.2 | 3,800,000 | 0 | 29,769,372 | 161.2 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 18,469,372 | 0 | 18,469,372 | 100.0 | 18,469,372 | 0 | 18,469,372 | 100.0 |
| C01 | Existing Program | 0 | 0 | 18,469,372 | 100.0 | 0 | 0 | 18,469,372 | 100.0 |
| C05 | Unfunded Appropriation | 0 | 0 | 18,469,372 | 100.0 | 0 | 0 | 18,469,372 | 100.0 |

Justification

| | |
|-----|--|
| C01 | The Division requests appropriation in 320 for the following: A Temporary Assistance to Needy Families (TANF) transfer of \$7,500,000 each year of the biennium to serve 2,198 children from families transitioning from welfare assistance. |
| C05 | The Division requests \$3,800,000 in unfunded appropriation for anticipated federal program growth which could provide child care to 1,100 children in working families and continue to improve the quality of child care for all children. |

Analysis of Budget Request

Appropriation: 890 - Food Program

Funding Sources: FWF - DHS Federal

The Child Care and Adult Food Program provides nutritious meals in public and non-profit licensed child care center, adult day care centers, day care homes and outside school hours centers. Private for profit organizations may qualify if they receive payments under Title XX of the Social Security Act for at least 25% of their clients. Residential programs are not eligible for participation in this food program. The National School Lunch Program provides reimbursement to schools and licensed child care institutions serving lunches to eligible children. The Special Milk Program provides reimbursement to schools and non-profit child care institutions for serving milk to eligible children. The Summer Food Service Program reimburses organizations for providing nutritious meals and snacks to children during the summer months.

Funding for this appropriation includes 100% federal revenue consisting of federal reimbursements from the U.S. Department of Agriculture.

The Agency Base Level request for this appropriation is \$39,291,250 for each year of the 2009-2011 biennium.

The Agency Change Level request for this appropriation is \$5,000,000 in FY2010 and \$7,500,000 in FY2011. The increase will be used for the Special Nutrition Program with the goal of increasing meals to children in Arkansas by 10% each fiscal year in the uncapped federally funded program.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 890 - Food Program

Funding Sources: FWF - DHS Federal

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 | 39,897,397 | 39,291,250 | 39,291,250 | 39,291,250 | 44,291,250 | 44,291,250 | 39,291,250 | 46,791,250 | 46,791,250 |
| Total | | 39,897,397 | 39,291,250 | 39,291,250 | 39,291,250 | 44,291,250 | 44,291,250 | 39,291,250 | 46,791,250 | 46,791,250 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 39,897,397 | 39,291,250 | | 39,291,250 | 44,291,250 | 44,291,250 | 39,291,250 | 46,791,250 | 46,791,250 |
| Total Funding | | 39,897,397 | 39,291,250 | | 39,291,250 | 44,291,250 | 44,291,250 | 39,291,250 | 46,791,250 | 46,791,250 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 39,897,397 | 39,291,250 | | 39,291,250 | 44,291,250 | 44,291,250 | 39,291,250 | 46,791,250 | 46,791,250 |

Actual exceeds authorized due to a transfer provided for by the authority of reallocation of resources during the FY2007-2009 biennium.

Change Level by Appropriation

Appropriation: 890 - Food Program

Funding Sources: FWF - DHS Federal

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 39,291,250 | 0 | 39,291,250 | 100.0 | 39,291,250 | 0 | 39,291,250 | 100.0 |
| C01 | Existing Program | 5,000,000 | 0 | 44,291,250 | 112.7 | 7,500,000 | 0 | 46,791,250 | 119.1 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 39,291,250 | 0 | 39,291,250 | 100.0 | 39,291,250 | 0 | 39,291,250 | 100.0 |
| C01 | Existing Program | 5,000,000 | 0 | 44,291,250 | 112.7 | 7,500,000 | 0 | 46,791,250 | 119.1 |

Justification

| | |
|-----|---|
| C01 | The Division requests additional appropriation in 890 for the Special Nutrition Program. The Division has a goal of increasing the number of meals served to children in Arkansas by 10% each year in the uncapped federally funded program. The program has experienced sustained growth over a period of years and an increase of 10% from 2007 to 2008 and anticipates 6% each year of the biennium. |
|-----|---|

Analysis of Budget Request

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

This appropriation provides administrative support for the Division of Child Care and Early Childhood Education (DCCECE). The purpose of DCCECE is to enhance the coordination of child care and early childhood education programs within Arkansas. The Division was created to accommodate the transfer of the Early Childhood Commission and the administrative component of the Arkansas Better Chance (ABC) Program from the Department of Education. Additionally, programs related to childcare within the Division of Children and Family Services (DCFS) were also transferred to the new Division, including day care eligibility, special nutrition and childcare licensing.

Funding for this appropriation consists of general revenue (DCC - Childcare and Early Childhood Education Fund Account), federal revenue and other funding. Federal revenue primarily includes Child Care Development Block Grant funding and Child Nutrition funding. Other funding, which is indicated as various program support, is derived from Child Care Provider License Fees and funding from the Arkansas Better Chance Program.

Base level positions were changed from unclassified to Professional and Executive Pay Plan to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. 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 may include board member Stipend payments and 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 for this appropriation is \$16,496,119 in FY2010 and \$16,659,476 in FY2011 with 171 budgeted base level positions.

The Agency Change Level request for this appropriation is \$20,000 for each year of the 2009-2011 biennium for Professional Fees. The additional appropriation will be used to expend funding received for the National Governor's Association Expanded Learning Opportunities.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

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 | 5,503,066 | 5,893,793 | 5,726,735 | 6,179,696 | 6,179,696 | 6,179,696 | 6,316,591 | 6,316,591 | 6,316,591 |
| #Positions | | 170 | 171 | 171 | 171 | 171 | 171 | 171 | 171 | 171 |
| Extra Help | 5010001 | 129,372 | 153,795 | 153,795 | 153,795 | 153,795 | 153,795 | 153,795 | 153,795 | 153,795 |
| #Extra Help | | 12 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Personal Services Matching | 5010003 | 1,832,149 | 1,845,690 | 1,901,832 | 2,080,422 | 2,080,422 | 2,080,422 | 2,106,884 | 2,106,884 | 2,106,884 |
| Overtime | 5010006 | 0 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Operating Expenses | 5020002 | 2,468,960 | 3,156,804 | 3,156,804 | 3,156,804 | 3,156,804 | 3,156,804 | 3,156,804 | 3,156,804 | 3,156,804 |
| Conference & Travel Expenses | 5050009 | 45,326 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Professional Fees | 5060010 | 3,844,177 | 4,870,402 | 5,187,907 | 4,870,402 | 4,890,402 | 4,870,402 | 4,870,402 | 4,890,402 | 4,870,402 |
| 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 | | 13,823,050 | 15,975,484 | 16,182,073 | 16,496,119 | 16,516,119 | 16,496,119 | 16,659,476 | 16,679,476 | 16,659,476 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 516,078 | 557,143 | | 575,300 | 575,300 | 575,300 | 580,997 | 580,997 | 580,997 |
| Federal Revenue | 4000020 | 11,213,499 | 13,051,113 | | 13,476,444 | 13,476,444 | 13,476,444 | 13,609,898 | 13,609,898 | 13,609,898 |
| Various Program Support | 4000730 | 2,093,473 | 2,367,228 | | 2,444,375 | 2,464,375 | 2,444,375 | 2,468,581 | 2,488,581 | 2,468,581 |
| Total Funding | | 13,823,050 | 15,975,484 | | 16,496,119 | 16,516,119 | 16,496,119 | 16,659,476 | 16,679,476 | 16,659,476 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 13,823,050 | 15,975,484 | | 16,496,119 | 16,516,119 | 16,496,119 | 16,659,476 | 16,679,476 | 16,659,476 |

Budget exceeds authorized on Regular Salaries to provide for Career Service Payments.

Change Level by Appropriation

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 16,496,119 | 171 | 16,496,119 | 100.0 | 16,659,476 | 171 | 16,659,476 | 100.0 |
| C01 | Existing Program | 20,000 | 0 | 16,516,119 | 100.1 | 20,000 | 0 | 16,679,476 | 100.1 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 16,496,119 | 171 | 16,496,119 | 100.0 | 16,659,476 | 171 | 16,659,476 | 100.0 |
| C01 | Existing Program | 0 | 0 | 16,496,119 | 100.0 | 0 | 0 | 16,659,476 | 100.0 |

Justification

| | |
|-----|---|
| C01 | The Division requests appropriation for National Governor's Association Expanded Learning Opportunities funding in the amount of \$20,000. The Division has received this funding in previous years and anticipates the continuation of this funding. |
|-----|---|

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The passage of the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193 established the Child Care Development Fund (CCDF). This fund supports all childcare activities conducted across the State by providing assistance for low-income families and families transitioning off welfare with childcare so they can work or attend training or educational programs. Subsidized childcare is available to eligible parents via the State's day care voucher program with the Division of Child Care and Early Childhood Education. Parents may select any legally operating childcare provider in the State. Childcare providers must meet State basic required health and safety requirements. Included are such requirements as immunizations, building safety and health and safety training. A minimum of four percent (4%) of CCDF funds must be used to improve the quality of childcare. Quality activities include training, grants and loans to providers, and health and safety improvements.

In the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, specific funding is designated for Child Care. Funding received under the Child Care Development Fund by states is in three categories:

- **Mandatory:** Base allocations for states
- **Matching:** Additional available funds if states spend base allocations and provide state match above Maintenance of Effort
- **Discretionary:** Funding designated as the Child Care Development Block Grant (Detailed information can be found in Appropriation 320-Child Care Development Discretionary)

Funding for this appropriation consists of general revenue (DGF - Department of Human Services Grants Fund Account), federal revenue and special revenue. Federal revenues include Child Care Development Block Grant funding. Special revenue was derived from Beer Tax collections due to the State before the sunset of the funding source and will not continue after FY2008.

The Agency Base Level request for this appropriation is \$26,725,422 for each year of the 2009-2011 biennium.

The Agency Change Level request for this appropriation is \$2,863,423 for each year of the 2009-2011 biennium of which \$1,463,423 is general revenue funded and \$1,400,000 is unfunded appropriation. The increase in general revenue will be used as an increase in the state match for the Child Care Development Fund which is generated by the state FMAP percentage. The unfunded appropriation is in anticipation of federal program growth.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

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 | 29,524,798 | 26,725,422 | 30,884,892 | 26,725,422 | 29,588,845 | 26,725,422 | 26,725,422 | 29,588,845 | 26,725,422 |
| Total | | 29,524,798 | 26,725,422 | 30,884,892 | 26,725,422 | 29,588,845 | 26,725,422 | 26,725,422 | 29,588,845 | 26,725,422 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 6,264,998 | 6,264,998 | | 6,264,998 | 7,728,421 | 6,264,998 | 6,264,998 | 7,728,421 | 6,264,998 |
| Federal Revenue | 4000020 | 22,204,045 | 20,460,424 | | 20,460,424 | 20,460,424 | 20,460,424 | 20,460,424 | 20,460,424 | 20,460,424 |
| Special Revenue | 4000030 | 1,055,755 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | | 29,524,798 | 26,725,422 | | 26,725,422 | 28,188,845 | 26,725,422 | 26,725,422 | 28,188,845 | 26,725,422 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 1,400,000 | 0 | 0 | 1,400,000 | 0 |
| Grand Total | | 29,524,798 | 26,725,422 | | 26,725,422 | 29,588,845 | 26,725,422 | 26,725,422 | 29,588,845 | 26,725,422 |

Change Level by Appropriation

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 26,725,422 | 0 | 26,725,422 | 100.0 | 26,725,422 | 0 | 26,725,422 | 100.0 |
| C01 | Existing Program | 1,463,423 | 0 | 28,188,845 | 105.5 | 1,463,423 | 0 | 28,188,845 | 105.5 |
| C05 | Unfunded Appropriation | 1,400,000 | 0 | 29,588,845 | 110.7 | 1,400,000 | 0 | 29,588,845 | 110.7 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 26,725,422 | 0 | 26,725,422 | 100.0 | 26,725,422 | 0 | 26,725,422 | 100.0 |
| C01 | Existing Program | 0 | 0 | 26,725,422 | 100.0 | 0 | 0 | 26,725,422 | 100.0 |
| C05 | Unfunded Appropriation | 0 | 0 | 26,725,422 | 100.0 | 0 | 0 | 26,725,422 | 100.0 |

Justification

| | |
|-----|--|
| C01 | The Division is requesting state general revenue with appropriation of \$1,463,423 in 898 in both years of the biennium to meet requirements in the federally funded Child Care Development Fund. The Division is allocated General Revenue of \$4,378,998 annually to meet the requirement that the State spend the percentage as calculated using the FMAP percentage published annually in the federal register. The shortfall in the last two years was covered by 20% of the Beer tax collection designated for child care which sunset June 30, 2007. Failure to meet this requirement would mean the State would be out of compliance and risk the loss of \$15,746,732 federal matching funding serving welfare to work families/children. The additional general revenue allows the Division to continue to serve approximately 424 children. |
| C05 | The Division is requesting \$1,400,000 unfunded appropriation in 898 for anticipated federal program growth which could provide child care to 406 children in low income working families and continue to improve the quality of child care for all children. |

Analysis of Budget Request

Appropriation: 929 - Child Care-Treasury Paying

Funding Sources: NHS - Cash in Treasury

The Arkansas Child Care Facilities Loan Guarantee Fund was created to provide loan guarantees to assist with the development of new or to expand existing day care facilities with target areas specifically in low income, rural areas of the State that show demonstrated need for child care. Arkansas Code Annotated § 20-78-503 created the Arkansas Child Care Facilities Loan Guarantee Trust Fund with initial funds derived from interest income on the investment of state funds. Funds are authorized in \$100,000 annual increments up to a balance of \$350,000. The State Treasurer can replenish the fund when the balance reaches or falls below \$100,000.

The Division of Child Care and Early Childhood Education is authorized to develop and implement necessary rules and regulations to receive, review, and approve applications for loan deficiency guarantee assistance. Revision of a loan guarantee may be approved when it becomes necessary to ensure adequate childcare financing is available. Loan guarantees should be given the following considerations: geographic distribution, community need, community income, with priority given to those communities with the lowest median family income, proof of viable administrative and financial management, and intended licensure of the facility. The Division is required to report the status of the Loan Guarantee Fund to the Legislative Council each October.

Arkansas Code Annotated §20-78-503 designates the Arkansas Child Care Facilities Loan Guarantee Fund as a Cash Fund Account. The Agency is authorized to accept moneys for the Fund from any source in addition to the allocations from the State Treasurer. The fund is a continuing fund and not subject to fiscal year limitations. Interest that has accrued during a fiscal year that is not required to cover loan defaults occurring that fiscal year is made available for nonrefundable grants to child care facilities for start-up, development, training scholarships, or expansion.

The Agency Base Level request for this appropriation is \$100,000 for each year of the 2009-2011 biennium.

The Agency Change Level request for this appropriation is \$100,000 for each year of the 2009-2011 biennium. This amount will be used to provide training to early care and education providers and will be funded by interest earned on the fund.

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

Appropriation Summary

Appropriation: 929 - Child Care-Treasury Paying

Funding Sources: NHS - Cash in Treasury

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 |
| Loan Guarantee/Grants 5900046 | 0 | 100,000 | 100,000 | 100,000 | 200,000 | 200,000 | 100,000 | 200,000 | 200,000 |
| Total | 0 | 100,000 | 100,000 | 100,000 | 200,000 | 200,000 | 100,000 | 200,000 | 200,000 |
| Funding Sources | | | | | | | | | |
| Cash Fund 4000045 | 0 | 100,000 | | 100,000 | 200,000 | 200,000 | 100,000 | 200,000 | 200,000 |
| Total Funding | 0 | 100,000 | | 100,000 | 200,000 | 200,000 | 100,000 | 200,000 | 200,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 100,000 | | 100,000 | 200,000 | 200,000 | 100,000 | 200,000 | 200,000 |

Change Level by Appropriation

Appropriation: 929 - Child Care-Treasury Paying

Funding Sources: NHS - Cash in Treasury

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 100,000 | 0 | 100,000 | 100.0 | 100,000 | 0 | 100,000 | 100.0 |
| C05 | Unfunded Appropriation | 100,000 | 0 | 200,000 | 200.0 | 100,000 | 0 | 200,000 | 200.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 100,000 | 0 | 100,000 | 100.0 | 100,000 | 0 | 100,000 | 100.0 |
| C05 | Unfunded Appropriation | 100,000 | 0 | 200,000 | 200.0 | 100,000 | 0 | 200,000 | 200.0 |

Justification

| | |
|-----|--|
| C05 | The Division requests appropriation of \$100,000 in 929 for the Guarantee Loan Fund to provide training to early care and education providers. This amount is interest earned and can be utilized by law for child care provider training. |
|-----|--|

DHS - BEHAVIORAL HEALTH SERVICES

Enabling Laws

Act 1231 of 2007

Act 758 of 2007

A.C.A §20-46-101 et seq.

A.C.A §25-10-102 et seq.

History and Organization

Act 383 of 1977 called for the renaming of the Department of Social and Rehabilitative Services to the "Department of Human Services". Reorganization of the Department of Human Services, brought about through the provisions of Act 348 of 1985, resulted in the transfer of operations of the two State operated Community Mental Health Centers (CMHCs) and responsibility of providing CMHCs statewide to the Department of Human Services. The authority and responsibility for operating the institutional programs remained with the State Hospital Board. Act 1162 of 1995 abolished the State Hospital Board, and Arkansas Youth Services Board, and created the DHS State Institutional System Board to provide oversight for State operated facilities of Behavioral Health and Youth Services. Unlike other State Agencies regulated by various Boards and Commissions, the State Institutional Systems Board has limited authority in terms of budgeting, purchasing, personnel, policies, or other matters ascribed to the Department of Human Services Director.

Act 1717 of 2003 created the Division of Behavioral Health Services within the Department of Human Services and transferred the Alcohol and Drug Abuse Prevention Program from the Department of Health to the new Division of Behavioral Health Services.

The Division of Behavioral Health's mission is to fulfill legislative mandate and administrative intent to promote, protect, preserve, care for and improve the mental health and serious disabilities of the people of Arkansas through an integrated system of mental health care.

Since 1988, several major inter-related initiatives have been implemented to more readily assure the development of an integrated, client-centered community-based public mental health system that prioritizes adults with serious and persistent mental illness and children and adolescents with serious emotional disturbance. Paramount to the successful implementation of this system is restructuring of the organization of the public mental health system. Whereby the responsibility, accountability and authority for the provision of services is placed at the community level, since most individuals serviced by the public mental health system reside in community rather than institutions. This system restructuring is consistent with the overall goals of the Department of Human Services, as well as with various Federal mandates for mental health services delivery, including P.L. 99-660 and the Alcohol Drug Abuse and Mental Health Block Grant.

The Director, reporting to the Director of the Department of Human Services, administers the Division of Behavioral Health Services (DBHS). The seven member Governor appointed DHS State Institutional Systems Board provides oversight for State-operated facilities of Behavioral Health and Youth Services.

Over the past several years, DBHS has also developed specific mechanisms to obtain input and feedback

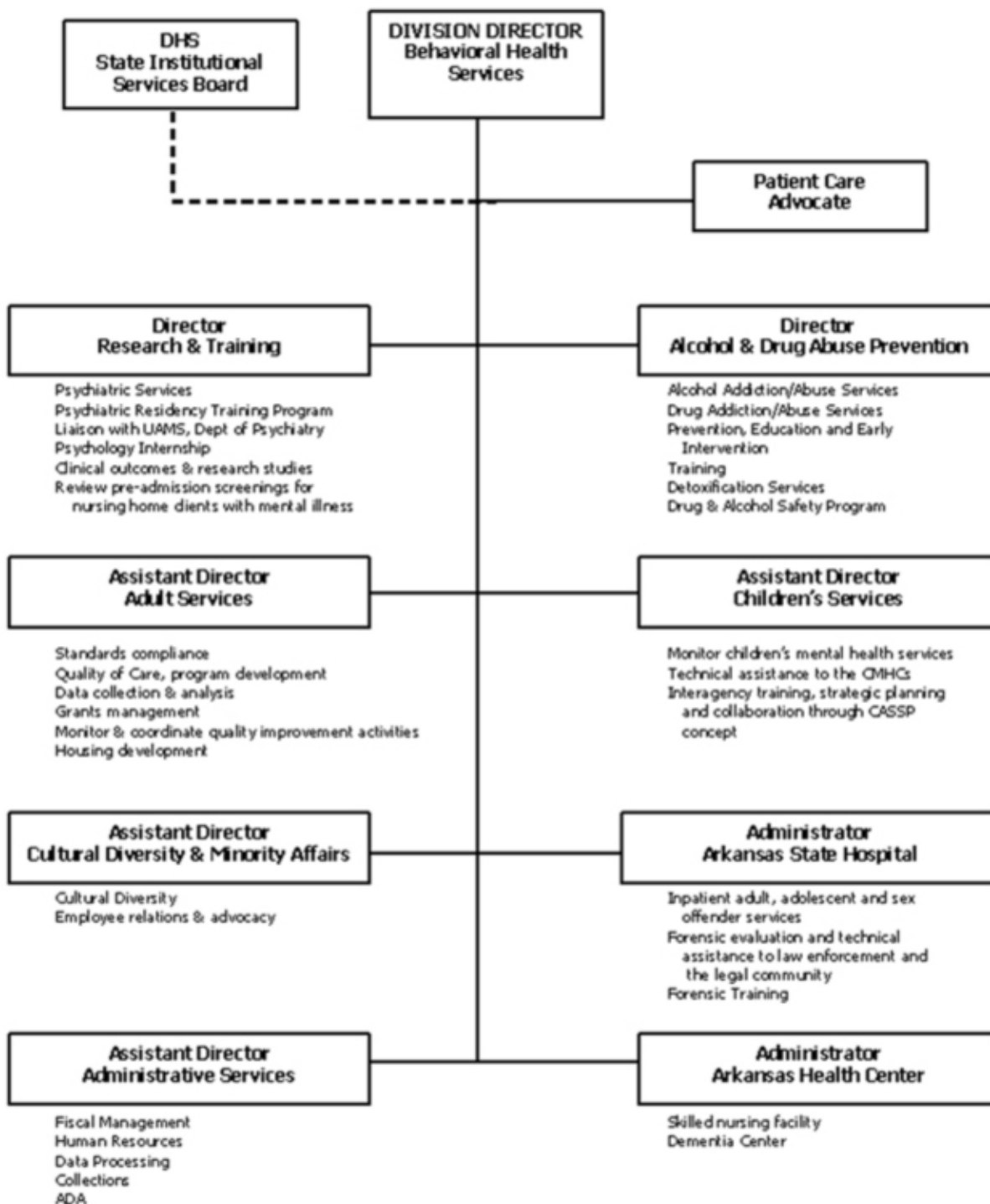
about programs, needs, policies and resource allocations from consumers of the system. This includes individuals with serious and persistent mental illness and their families, as well as representatives of other agencies and programs. This information more readily assures that the public mental health system is responsive to identified needs, facilitates communication and problem solving, and expands collaborative efforts in the provision of mental health services and supports.

The Division of Behavioral Health Services is organized into four functional components. Those components are as follows:

- **CENTRAL ADMINISTRATION.** The organizational units comprising this component include the Director, five Assistant Directors, and additional staff as necessary to perform the several functions provided. This component provides overall direction, coordination and administration oversight of the State-operated programs. Additionally, and more specifically, Central Administration develops and maintains comprehensive management information systems; initiates and coordinates all Statewide mental health planning and development of mental health services; serves as a liaison with all other Department of Human Services' Divisions and other State agencies; provided technical assistance and support; and administers federal grants and State funds that are channeled throughout the Division for the provision of mental health services by the 15 private non-profit CMHCs as well as various other organizations who are licensed by the Division of Behavioral Health Services and who serve a more specialized population. Central Administration ensures accountability for the use of these funds by establishing standards and quality assurance mechanisms. The Division is working to ensure that mental health resources are used as wisely as possible, offering the most appropriate care at the best price.
- **ARKANSAS STATE HOSPITAL.** The Hospital provides four types of services: a 16-bed adolescent inpatient treatment program for persons age 13 to 18; a 76-bed forensic program that offers assistance to Circuit Courts throughout the State; a 90-bed acute psychiatric inpatient treatment program for adults who have been prescreened for admission by the 26 CMHCs within the State; and a 16-bed program for adolescent sex offenders. Services are available to residents of Arkansas, regardless of ability to pay, providing each individual meets criteria for admission as set forth in State law.
- **ARKANSAS HEALTH CENTER.** This program, licensed as a skilled nursing facility, serves the needs of the elderly and persons with disabilities who require special services or programs that are not generally available through other nursing facilities. The program emphasizes the provision of services to special needs groups and individuals with cognitive dysfunctions. Services are available to all residents of Arkansas, provided individuals meet admission criteria.
- **ALCOHOL AND DRUG ABUSE PREVENTION.** Alcohol and Drug Abuse Prevention (ADAP) provides for alcohol and drug abuse services by contracting with local public or non-profit entities for the provision of priority services including outpatient care, residential care, subordinate or supportive services and early intervention services. ADAP provides training for direct care providers, criminal justice system personnel, primary care providers, parents and other interested parties. Detoxification services are provided locally through ADAP contracted providers who contract with local hospitals to provide inpatient detoxification.

The Division also provides services throughout the State by contracting with 15 Community Mental Health Centers (CMHCs). Entry into the Arkansas public mental health system is through the CMHCs. Each person being considered for service is evaluated at the local level to determine eligibility and the most

appropriate level of service in the least restrictive setting. Once a person is evaluated, the CMHC has full responsibility for services for that individual and maintains that responsibility as the person moves through various elements of the system. Annually, the system services more than 67,000 people. Also included in the Arkansas mental health system are various other organizations that are licensed by the Division of Behavioral Health Services and serve a more specialized population, as well as advocacy and support groups who provide support services to consumers and family members.



Agency Commentary

The Division of Behavioral Health Services (DBHS) is one of 13 Divisions/Offices within the Arkansas Department of Human Services. DBHS provides an integrated system of public mental health care and alcohol, tobacco and other drug prevention and treatment services to Arkansas residents. Mental health services provided by DBHS include acute psychiatric care for adults; forensic psychiatric services; skilled nursing home services; adolescent inpatient services; adolescent sex offender services; research and training; and contracted services through fifteen private, non-profit mental health centers. The DBHS Office of Alcohol and Drug Abuse Prevention provide services in the following areas: residential treatment services for alcohol and drug abusers; outpatient services; specialized women's services for women and women with children, and detoxification services. Funding for DBHS programs consists of a combination of General Revenue, Federal grants, Medicaid, Medicare, patient collections, and various miscellaneous funding sources.

The Division of Behavioral Health Services is requesting the reauthorization of 209 positions within the Division. Of these 209 positions, 5 are in Alcohol and Drug Abuse Prevention, 4 are in Division Administration, 69 are at the Arkansas Health Center and 131 are at the Arkansas State Hospital. These positions are needed to meet our established staffing patterns. Patient care services at the Arkansas State Hospital include but are not limited to, the administration of medications, patient education groups, crisis intervention, ongoing assessments and treatment planning. Many of the residents at the Arkansas Health Center are ventilator dependent; tracheotomy patients; require complex wound care; require tube feedings, suction, insulin injections, etc. Shortages in any unit at either facility cause patient care to suffer or Medicaid certification could be jeopardized resulting in the loss of funding. The request to restore these 209 positions is an appropriation request only.

The Division is requesting a total of 213 additional extra help positions. Of these positions, 100 will be allocated to the Arkansas State Hospital (ASH). These positions will be used in place of contract nursing and mental health worker staff. ASH currently uses approximately 40-45 contract agency staff per day in these positions. A pool of 100 extra help positions would allow ASH to create an on-call pool of staff such as is used by private hospitals to avoid the use of contract staff. The remaining 113 extra help positions will be allocated to the Arkansas Health Center (AHC) to be used in place of contract agency staff. This facility currently averages 60-65 agency staff per day. These additional extra help positions would enable AHC to reduce staffing costs by removing the additional 30% in "overhead" the agencies charge for their services. These positions would be used to fill CNA, CNA Trainee, LPN, and RN positions on all shifts across the facility. These positions are being requested with no funding and with \$770,523 in appropriation each year of the biennium. Funding and the balance of appropriation will be transferred from the Maintenance and Operations line item through savings in agency staff reductions.

The Division is requesting \$770,777 in General Revenue funding and \$1,027,702 in appropriation in year one of the biennium and \$311,250 in General Revenue and \$415,000 in appropriation in year two to be used for various critical initiatives at the Arkansas State Hospital. Those initiatives are: 1) Replacement of the Pharmacy Packaging Machine. The current machine is obsolete and not repairable. The new machine offers bar coding which could prevent medication errors. The software also provides computerized reports required by the Arkansas Department of Health and by Joint Commission. 2) Replacement of the Pharmacy refrigerator. The replacement refrigerator is built especially to keep medications at proper temperatures and prevent condensation, with an alarm that would alert if the temperature rises above a certain level, this feature would prevent loss of expensive medication. 3) Automated medication dispensing unit. Joint Commission requires that we put measures in place to help prevent medication

errors. Automated dispensing machines have been proven to reduce medication errors. In a review of the 2005 medication error data, 42% of the errors would not have occurred if automated dispensing machines had been in place. 4) An Electronic Medical Records System which will improve patient care and meet federal mandates. 5) Upgrades and modifications to the Essentia billing system in order to pull required Medicaid information for the annual Cost Report. We are in danger of losing Medicaid funding if we cannot upgrade to retrieve required information.

The Division is also requesting \$341,001 in General Revenue funding and \$442,626 in appropriation in year one of the biennium and \$132,390 in General Revenue and \$229,500 in appropriation in year two to be used to purchase various capital equipment items at the Arkansas State Hospital for client health and facility maintenance and upkeep; for increases in contracted Physician/Medical staff; and to replace and upgrade several vehicles used for patient transport and public safety.

The Division is requesting additional General Revenue funding and appropriation for the Arkansas Health Center (AHC) to account for the loss of revenue due to decreases in the federal match rate in Title XIX in recent years. The cost of resident care has significantly increased over the past few years, yet the federal match rate has continued to decrease. Because of this, the center is requesting \$612,500 in General Revenue funding and appropriation in year one to replace the loss of federal funds, with an additional requested \$38,000 in year two. Additionally, the AHC budget has been maintained by spending depreciation dollars on operating expenses, instead of physical plant improvements and equipment as in most healthcare facilities. This is why ongoing improvements for roofing, flooring, HVAC, and plumbing systems have not been maintained as needed. Needed replacement of things like resident beds and resident transport vehicles have been passed over in order to fund daily operations and crisis repairs. As seen in recent months with emergency funding of roof repairs, these improvements cannot be postponed any longer. AHC is requesting \$1,650,123 in the first year for to cover this shortage and an additional \$433,821 in the second year. Total request is \$2,262,623 in General Revenue funding and appropriation in year one and \$2,734,444 in General Revenue funding and appropriation in year two.

The Arkansas Health Center is requesting funding and appropriation to upgrade its current ventilator unit to take care of up to 11 residents. AHC is the only nursing home in the state that provides these services and currently treats 4 residents. This improvement would allow AHC to provide services to 7 additional ventilator residents and reduce the waiting list. Building upgrades and improvements to provide in-wall oxygen/suction, individualized sinks in each room for infection control issues, and other specialized equipment is included at a one-time cost of \$492,000. Total request is \$1,752,414 in appropriation and \$525,724 in General Funding in year one and \$1,289,404 in appropriation and \$386,821 in General Revenue funding in year two.

The Division is also requesting \$212,351 in General Revenue funding and \$816,737 in appropriation in year one of the biennium and \$212,918 in General Revenue and \$818,916 in appropriation in year two to be used information technology at the Arkansas Health Center; for bed replacement at AHC; and to replace the current food transport system.

In response to both Commissioners' and stakeholders' requests to implement phase one of a plan to help communities demonstrate the essential components of the Arkansas System of Care (SOC) program, the Division is requesting General Revenue funding and appropriation in the amount of \$2,075,000 each year. This appropriation will allow the SOC program to implement a uniform assessment process for all children, youth and families; strengthen family support and advocacy; create a monitoring unit within DHS to provide oversight for all large multisystem contracts across the Department; encourage the use of

Positive Behavioral Interventions and Supports in participating schools; develop an array of services and supports including respite and family preservation; and coordinate/integrate/braid funds and services across mental health, substance abuse, juvenile justice, DCFS, DYS, Medicaid and educations/schools.

General Revenue funding and appropriation is being requested for the Office of the State Drug Director. This position was created as cited in ACA § 20-64-1001 to, among other duties, serve as the coordinator for development of an organizational framework to ensure that alcohol and drug programs and policies are well planned and coordinated; to perform financial monitoring of each drug task force of the state; and to establish and enforce rules and regulations regarding the management of the Special State Assets Forfeiture Fund. In 2005, this employee was transferred to the Division of Behavioral Health Services with no staff or resources. In order to successfully perform the responsibilities legislated to this position, it is imperative that staff and resources are obtained and dedicated to this initiative. This request includes 3 new positions with associated funding and appropriation and an additional \$44,035 in General Revenue funding and appropriation in year one and \$44,895 in General Revenue funding and appropriation in year two for operating costs.

The Division of Medical Services will expand Medicaid funding to cover evidenced based substance abuse treatment services for pregnant women, women with children, adolescents, and persons with co-occurring disorders. An estimated \$10 million in the first fiscal year and \$15 million in the second year to matched 3 to 1 by federal funds. Because of limited treatment capacity, long waiting lists for services, and an under funded federal block grant, many citizens are unable to access treatment services upon demand/need. DBHS request is for \$5,000,000 in General Revenue each year of the biennium.

The Division is requesting \$935,000 in General Revenue funding and appropriation in the first year and \$1,045,000 in the second year of the biennium. These funds will be utilized to support wraparound services and supports on a statewide basis through the public mental health system and will support those children and families that are not included in System of Care grant sites. The funds will support nontraditional services and supports to assist children to remain within their community and help develop infrastructure for more intensive System of Care projects. Support, training and increased involvement of parents and families is an essential component of the wraparound services for children with serious emotional disturbance.

The Division is requesting \$850,500 in General Revenue funding and appropriation in the first year and \$850,500 in the second year of the biennium. These funds will be utilized to support wraparound services and supports on a statewide basis through the public mental health system and will support those children and families that are not included in System of Care grant sites. The funds will support nontraditional services and supports to assist children to remain within their community and help develop infrastructure for more intensive System of Care projects. Support, training and increased involvement of parents and families is an essential component of the wraparound services for children with serious emotional disturbance.

The Department is proposing the merger of two collaborative wraparound projects; Together We Can (TWC) and Child and Adolescent Service System Program (CASSP). Both projects are based on the same principles and approach for individualized wraparound planning for children and youth that is child-centered and family-driven. These are also the basic concepts of System of Care, which is a major initiative for the Department. Because of the similarity in the basic concept of service delivery and planning process, it is apparent that the two systems should be merged in order to strengthen the System of Care approach on a statewide basis, avoid duplication of efforts and better utilize available funds. A majority of the children served by TWC are also eligible for CASSP wraparound planning at the local level

to meet the needs of the child and family. This union will streamline services to these clients in the community. The merger will require transferring 3 positions with associated appropriation for administrative and program costs from the Division of Developmental Disability Services to the Division of Behavioral Health Services.

The Division is requesting \$500,000 in funded appropriation in our Construction fund in order to ensure that emergency repairs and/or purchases are covered during the course of the biennium. For client and staff safety, it is imperative that we are able to address any emergency that may arise in an aging facility. This appropriation will be funded with federal depreciation reimbursement.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR THE YEAR ENDED JUNE 30, 2006

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 189 | 445 | 634 | 67 % |
| Black Employees | 83 | 217 | 300 | 32 % |
| Other Racial Minorities | 1 | 9 | 10 | 1 % |
| Total Minorities | | | 310 | 33 % |
| Total Employees | | | 944 | 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 | | |
| ADAP Rules of Practice and Procedure | ACA 20-64-601 | N | Y | 1,000 | Provides regulations and operational procedures for programs funded by Alcohol and Drug Abuse Prevention as well as applicants for funding |
| Licensure Standards for Alcohol/Drug Treatment Programs | ACA 20-64-601 | N | Y | 1,000 | Rules for licensure for Alcohol/Drug Treatment programs |

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 |
| 193 State Operations | 18,580,578 | 0 | 18,658,915 | 0 | 20,280,675 | 0 | 18,658,915 | 0 | 19,509,415 | 0 | 19,509,415 | 0 | 18,658,915 | 0 | 19,509,415 | 0 | 19,509,415 | 0 |
| 196 Community Mental Health Centers | 8,777,564 | 0 | 8,780,603 | 0 | 8,780,603 | 0 | 8,780,603 | 0 | 8,780,603 | 0 | 8,780,603 | 0 | 8,780,603 | 0 | 8,780,603 | 0 | 8,780,603 | 0 |
| 1EN Community Alcohol Safety | 3,027,460 | 2 | 3,547,696 | 2 | 3,537,639 | 2 | 3,552,796 | 2 | 3,552,796 | 2 | 3,552,796 | 2 | 3,554,907 | 2 | 3,554,907 | 2 | 3,554,907 | 2 |
| 1ET Alcohol & Drug Abuse Prevention | 17,500,968 | 0 | 21,324,072 | 0 | 21,324,072 | 0 | 21,324,072 | 0 | 21,324,072 | 0 | 21,324,072 | 0 | 21,324,072 | 0 | 21,324,072 | 0 | 21,324,072 | 0 |
| 2MN Mental Health Block Grant | 6,351,441 | 0 | 6,068,799 | 0 | 6,068,799 | 0 | 6,068,799 | 0 | 6,068,799 | 0 | 6,068,799 | 0 | 6,068,799 | 0 | 6,068,799 | 0 | 6,068,799 | 0 |
| 655 Acute Mental Health Services-Per Capita | 5,750,000 | 0 | 5,750,000 | 0 | 5,750,000 | 0 | 5,750,000 | 0 | 5,750,000 | 0 | 5,750,000 | 0 | 5,750,000 | 0 | 5,750,000 | 0 | 5,750,000 | 0 |
| 896 Division of Behavioral Health Services | 77,996,874 | 1,106 | 80,526,273 | 954 | 98,468,665 | 1,163 | 83,357,329 | 954 | 101,565,977 | 1,167 | 99,607,817 | 1,165 | 84,248,656 | 954 | 101,813,649 | 1,167 | 100,787,161 | 1,165 |
| 937 Canteen - Cash in Treasury | 153,364 | 0 | 174,048 | 0 | 174,048 | 0 | 174,048 | 0 | 174,048 | 0 | 174,048 | 0 | 174,048 | 0 | 174,048 | 0 | 174,048 | 0 |
| 938 Patient Benefits-Cash in Treasury | 32,762 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 |
| NOT REQUESTED FOR THE BIENNIUM | | | | | | | | | | | | | | | | | | |
| 1RD Drug Court Program St Assist | 0 | 0 | 0 | 0 | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35P Prevention Treatment Services | 0 | 0 | 0 | 0 | 17,250,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36B DBHS-Specialized Women Services | 0 | 0 | 0 | 0 | 5,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 138,171,011 | 1,108 | 144,905,406 | 956 | 187,709,501 | 1,165 | 147,741,562 | 956 | 166,800,710 | 1,169 | 164,842,550 | 1,167 | 148,635,000 | 956 | 167,050,493 | 1,169 | 166,024,005 | 1,167 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | | % |
|--------------------------------|---------|-------------|-------|-------------|-------|---|-------------|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|
| General Revenue | 4000010 | 73,008,508 | 52.8 | 71,436,431 | 49.3 | | 72,708,770 | 49.2 | 84,933,197 | 53.8 | 76,633,770 | 49.6 | 73,109,352 | 49.2 | 85,002,449 | 53.8 | 77,034,352 | 49.7 |
| Federal Revenue | 4000020 | 43,763,309 | 31.7 | 25,623,848 | 17.7 | | 25,683,871 | 17.4 | 26,335,189 | 16.7 | 26,335,189 | 17.0 | 25,702,767 | 17.3 | 26,357,086 | 16.7 | 26,357,086 | 17.0 |
| Cash Fund | 4000045 | 186,126 | 0.1 | 249,048 | 0.2 | | 249,048 | 0.2 | 249,048 | 0.2 | 249,048 | 0.2 | 249,048 | 0.2 | 249,048 | 0.2 | 249,048 | 0.2 |
| Transfer to Medicaid Match | 4000660 | 0 | 0.0 | 0 | 0.0 | | 0 | 0.0 | (5,000,000) | (3.2) | 0 | 0.0 | 0 | 0.0 | (5,000,000) | (3.2) | 0 | 0.0 |
| Various Program Support | 4000730 | 21,213,068 | 15.4 | 47,596,079 | 32.8 | | 49,099,873 | 33.2 | 51,289,500 | 32.5 | 51,289,500 | 33.2 | 49,573,833 | 33.4 | 51,283,334 | 32.5 | 51,283,334 | 33.1 |
| Total Funds | | 138,171,011 | 100.0 | 144,905,406 | 100.0 | | 147,741,562 | 100.0 | 157,806,934 | 100.0 | 154,507,507 | 100.0 | 148,635,000 | 100.0 | 157,891,917 | 100.0 | 154,923,820 | 100.0 |
| Excess Appropriation/(Funding) | | 0 | | 0 | | | 0 | | 8,993,776 | | 10,335,043 | | 0 | | 9,158,576 | | 11,100,185 | |
| Grand Total | | 138,171,011 | | 144,905,406 | | | 147,741,562 | | 166,800,710 | | 164,842,550 | | 148,635,000 | | 167,050,493 | | 166,024,005 | |

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 | |
| 1,142 | 918 | 97 | 1015 | 127 | 19.61 % | 1,172 | 1006 | 0 | 1006 | 166 | 14.16 % | 1,172 | 944 | 12 | 956 | 216 | 19.45 % |

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 1279 of 2007 section 18(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-214(5)(A)).

Analysis of Budget Request

Appropriation: 196 - Community Mental Health Centers

Funding Sources: DBA - Mental Health Services Fund Account

This appropriation for State Assistance to Community Mental Health Centers provides the per capita funding of core services at the private non-profit Community Mental Health Centers (CMHCs). Special Language contained the Section 16 of Act 1231 of 2007 sets the apportionment of funds on the basis of three dollars and six cents (\$3.06) per capita for the current biennium. Section 13 provides an Allocation Restrictions for the maximum allocation of funds per CMHC. Section 14 provides a methodology for changing the Allocation Restrictions maximum allocation in the event that unforeseen circumstances occur. Section 15 in this Act established that every Mental Health Center eligible to receive any of the funds appropriated, as a condition of receiving any such funds, be subject to an annual audit of the overall operations of the CMHCs by the Division of Legislative Audit and submit a budget and go through the budget procedures process in the same manner as State Departments and Agencies. Section 17 sets the conditions for receiving funds under this appropriation to only locally-operated Centers and Clinics licensed or certified by the Division of Behavioral Health Services and 1) meet the minimum standards of performance in the delivery of Mental Health Services as defined; 2) supply statistical data to DHS-Division of Behavioral Health Services; 3) establish and maintain a sound financial management system in accordance with guidelines as set forth by DHS-Division of Behavioral Health Services; 4) establish and maintain community support programs as defined; 5) and the Board of Directors of each Center or Clinic shall adopt and submit an annual plan for the delivery of community support services as defined.

The Agency Base Level and total request for this appropriation is \$8,780,603 each year of the biennium, with funding comprised of 100% general revenue (DBA - Mental Health Services Fund Account).

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 196 - Community Mental Health Centers
Funding Sources: DBA - Mental Health Services Fund Account

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 | 8,777,564 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 |
| Total | 8,777,564 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 8,777,564 | 8,780,603 | | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 |
| Total Funding | 8,777,564 | 8,780,603 | | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 8,777,564 | 8,780,603 | | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 | 8,780,603 |

Analysis of Budget Request

Appropriation: 1EN - Community Alcohol Safety

Funding Sources: MHS - Highway Safety Special Fund

Act 1219 of 1999 transferred the Community Alcohol Safety Program from the State Highway and Transportation Department to the Arkansas Department of Health effective July 1, 1999. Act 1717 of 2003 transferred this appropriation from the Department of Health by a Type 1 transfer as provided for in Arkansas Code Annotated §25-2-104 to the Department of Human Services, Division of Behavioral Health Services.

The Community Alcohol Safety program addresses offenders arrested for DWI. Individuals arrested are evaluated by the Alcohol Safety Education Program (ASEP). The ASEP consists of 13 different sub-grantees throughout the State that provide counselors, conduct pre-sentence investigation, and provide information to the public related to DWI issues.

Other funding which is indicated as various program support can include sources such as fees, court costs and fines for DWI cases. Funding associated with this appropriation is allowed to be counted against the Maintenance of Effort requirement for the Substance Abuse Prevention and Treatment (SAPT) Federal Block Grant that is payable out of the Alcohol and Drug Abuse Prevention appropriation.

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 may include board member Stipend payments and 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 and total request for this appropriation is \$3,552,796 in FY2010 and \$3,554,907 in FY2011 with two (2) budgeted base level positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1EN - Community Alcohol Safety
Funding Sources: MHS - Highway Safety Special 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 | 63,472 | 74,863 | 65,811 | 77,628 | 77,628 | 77,628 | 79,397 | 79,397 | 79,397 |
| #Positions | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Personal Services Matching | 5010003 | 21,850 | 22,871 | 21,866 | 25,206 | 25,206 | 25,206 | 25,548 | 25,548 | 25,548 |
| Operating Expenses | 5020002 | 13,845 | 45,195 | 45,195 | 45,195 | 45,195 | 45,195 | 45,195 | 45,195 | 45,195 |
| Conference & Travel Expenses | 5050009 | 7,088 | 8,298 | 8,298 | 8,298 | 8,298 | 8,298 | 8,298 | 8,298 | 8,298 |
| 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 | 2,921,205 | 3,396,469 | 3,396,469 | 3,396,469 | 3,396,469 | 3,396,469 | 3,396,469 | 3,396,469 | 3,396,469 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 3,027,460 | 3,547,696 | 3,537,639 | 3,552,796 | 3,552,796 | 3,552,796 | 3,554,907 | 3,554,907 | 3,554,907 |
| Funding Sources | | | | | | | | | | |
| Various Program Support | 4000730 | 3,027,460 | 3,547,696 | | 3,552,796 | 3,552,796 | 3,552,796 | 3,554,907 | 3,554,907 | 3,554,907 |
| Total Funding | | 3,027,460 | 3,547,696 | | 3,552,796 | 3,552,796 | 3,552,796 | 3,554,907 | 3,554,907 | 3,554,907 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 3,027,460 | 3,547,696 | | 3,552,796 | 3,552,796 | 3,552,796 | 3,554,907 | 3,554,907 | 3,554,907 |

The FY09 Budget amount in Regular Salaries and Personal Services Matching exceeds the Authorized amount due to salary and matching rate adjustments during the 2007-2009 biennium.

FY09 Appropriation Carry Forward Amount is \$507,413.91.

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

Agency: Human Services Department-BEHAVIORAL HEALTH SERVICES

Program: Community Alcohol Safety

Act #: 1231 of 2007

Section(s) #: 4 & 29

Estimated Carry Forward Amount \$ 749,372.00

Appropriation

Funds

Funding Source: Other

Accounting Information:

Business Area: 0710

Funds Center: 1EN

Fund: MHS

Functional Area: HHS

| Line Item | Commitment Item | Estimated Carry Forward Amount | Actual Carry Forward Amount |
|----------------------------|-----------------|--------------------------------|-----------------------------|
| Regular Salaries | 5010000 | 3,550.00 | 3,548.92 |
| Personal Services Matching | 5010003 | 822.00 | 956.33 |
| Operating Expenses | 5020002 | 25,000.00 | 27,644.44 |
| Grants and Aid | 5100004 | 720,000.00 | 475,264.22 |
| Total | | \$ 749,372.00 | \$ 507,413.91 |

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 that the agency has sufficient appropriation to meet provider contract needs during the next fiscal year. A portion of the appropriation will be used to build a data base to capture information on individuals in the court system and in drug and alcohol abuse education classes.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

Current carry forward appropriation is blocked, however appropriation will be needed as funding becomes available for a contract that has been awarded for the initial web-site design phase in building a data base to capture information on individuals in the court system and in drug and alcohol abuse education classes.

John Selig

Director

08-18-2008

Date

Analysis of Budget Request

Appropriation: 1ET - Alcohol & Drug Abuse Prevention

Funding Sources: MDA - Drug Abuse Prevention and Treatment Fund

Act 1717 of 2003 transferred this appropriation from the Department of Health by a Type 1 transfer as provided for in Arkansas Code Annotated §25-2-104 to the Department of Human Services, Division of Behavioral Health Services. This program provides funding for alcohol and drug services which include detoxification, residential treatment, outpatient treatment, methadone maintenance treatment and Special Women's Services.

Funding for this appropriation is derived from a mix of sources that includes general revenue (DBA - Mental Health Services Fund Account), federal and other. Federal revenue is comprised of Substance Abuse Prevention and Treatment Block Grant, Social Service Block Grant, U. S. Department of Education, and State Incentive Grant. Other funding which is indicated as various program support can include sources such as Administration of Justice funds, City of Little Rock funds, Robert Wood Johnson funds, court costs and fees.

The Agency Base Level request for this appropriation is \$21,324,072 each year of the biennium.

The Agency Change Level request for this appropriation is \$5,000,000 each year of the biennium for general revenue only. The Agency is requesting general revenue in order to provide the state match through Medicaid Match transfers to the Division of Medical Services for any future Medicaid waiver for substance abuse services.

The Executive Recommendation provides for the Base Level.

Appropriation Summary

Appropriation: 1ET - Alcohol & Drug Abuse Prevention
Funding Sources: MDA - Drug Abuse Prevention and Treatment 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 | 17,500,968 | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 |
| Total | | 17,500,968 | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 2,477,416 | 2,056,633 | | 2,056,633 | 7,056,633 | 2,056,633 | 2,056,633 | 7,056,633 | 2,056,633 |
| Federal Revenue | 4000020 | 14,507,968 | 17,847,781 | | 17,847,781 | 17,847,781 | 17,847,781 | 17,847,781 | 17,847,781 | 17,847,781 |
| Transfer to Medicaid Match | 4000660 | 0 | 0 | | 0 | (5,000,000) | 0 | 0 | (5,000,000) | 0 |
| Various Program Support | 4000730 | 515,584 | 1,419,658 | | 1,419,658 | 1,419,658 | 1,419,658 | 1,419,658 | 1,419,658 | 1,419,658 |
| Total Funding | | 17,500,968 | 21,324,072 | | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 17,500,968 | 21,324,072 | | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 | 21,324,072 |

Analysis of Budget Request

Appropriation: 2MN - Mental Health Block Grant

Funding Sources: FWF - DHS Federal

This appropriation provides authority for the Mental Health Block Grant, the Mental Health Homeless Grant, Child Mental Health Incentive - ACTION grant and other miscellaneous federal grants. Grants/Aids are used primarily for support of the private non-profit Community Mental Health Centers.

Funding for this appropriation is comprised 100% from federal sources.

The Agency Base Level and total request for this appropriation is \$6,068,799 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2MN - Mental Health Block Grant

Funding Sources: FWF - DHS Federal

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 | 6,351,441 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 |
| Total | 6,351,441 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 |
| Funding Sources | | | | | | | | | |
| Federal Revenue 4000020 | 6,351,441 | 6,068,799 | | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 |
| Total Funding | 6,351,441 | 6,068,799 | | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 6,351,441 | 6,068,799 | | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 | 6,068,799 |

Actual exceeds Authorized Appropriation by authority of Reallocation of Resources.

Analysis of Budget Request

Appropriation: 655 - Acute Mental Health Services–Per Capita

Funding Sources: DBA - Mental Health Services Fund Account

This appropriation provides a per capita funding amount for private non-profit Community Mental Health Centers (CMHCs) as first established in Act 1589 of 2001. The amount of available funds for this appropriation shall be determined by the Director of the Department of Human Services and apportioned on a per capita basis up to a maximum of \$3.48 per capita each fiscal year of the biennium as set out in section 26 of Act 1231 of 2007. Section 27 requires the Division of Behavioral Health Services to develop an evaluation and monitoring program to ensure all expenditures are made consistent with the intent of this appropriation and sets, as a condition of receiving funds, requirements for quarterly reporting from the CMHCs. Section 28 of this Act describes the Legislative findings and intent of this appropriation.

This appropriation is a 100% general revenue payable appropriation (DBA - Mental Health Services Fund Account). Fiscal Year 2005 was the first year this appropriation received funding.

The Agency Base Level and total request for this appropriation is \$5,750,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 655 - Acute Mental Health Services-Per Capita

Funding Sources: DBA - Mental Health Services Fund Account

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 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 |
| Total | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 5,750,000 | 5,750,000 | | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 |
| Total Funding | 5,750,000 | 5,750,000 | | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 5,750,000 | 5,750,000 | | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 |

Analysis of Budget Request

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Reorganization of the Department of Human Services in 1985 by Act 348, created the Division of Mental Health Services (DMHS) and included responsibility for Arkansas State Hospital and two State operated Community Mental Health Centers (CMHC) located in Little Rock and Jonesboro as well as the Arkansas Health Center (formally known as the Benton Services Center). Since the reorganization, the initiatives within DMHS have focused on development of an integrated, client-centered community-based public mental health system that prioritizes adults with serious and persistent mental illness and children and adolescents with serious emotional disturbance. The responsibility, accountability and authority for the provision of services are placed at the community level, since most individuals serviced by the public mental health system reside in the community rather than institutions. Included in these initiatives was conversion of the two state-operated CMHCs to provide private non-profit status, the Little Rock CMHC on July 1 of 1993 and then the Jonesboro CMHC on July 1 of 1997.

Act 1717 of 2003 created the Division of Behavioral Health Services (DBHS), which placed under its responsibility all current programs of DMHS and, in addition, under Arkansas Code Annotated §25-2-104 transferred to DBHS by Type 1 transfer the Bureau of Alcohol and Drug Abuse Prevention from the Department of Health.

The Division of Behavioral Health Services is organized into four functional components. Those components are Central Administration, Arkansas State Hospital, Arkansas Health Center, and Alcohol and Drug Abuse Prevention.

The Division of Behavioral Health Services is responsible for ensuring the provision of mental health services throughout the State of Arkansas. Community-based services are provided statewide through contractual arrangements with fifteen private, non-profit community mental health centers (CMHCs), their affiliates, and three mental health clinics. There are 15 catchment areas in which the CMHCs have service sites in 69 of the 75 counties. Services are provided from 135 sites throughout the State of Arkansas.

The Division of Behavioral Health Services is responsible for the oversight and operation of the Arkansas State Hospital (ASH), a psychiatric inpatient treatment facility for those with mental or emotional disorders. The Arkansas State Hospital includes a 90-bed acute inpatient unit, a 60-bed forensic unit, a 16-bed adolescent unit, and a 16-bed adolescent sex offenders unit.

The Division also operates the Arkansas Health Center (AHC), a 320-bed long-term care psychiatric nursing facility which serves the needs of elderly Arkansans with disabilities who require specialized services and programs not generally available through community nursing homes. The program emphasizes the provision of services to special needs groups and individuals with cognitive dysfunctions. Services are available to all residents of Arkansas, provided individuals meet admission criteria.

Funding for this appropriation includes general revenue (DBA - Mental Health Services Fund Account), federal and other revenues. Federal revenue includes sources such as mental health block grant, data infrastructure grant, dually diagnosed grant, substance abuse prevention and treatment (SAPT) block grant. Other revenue which is indicated as various program support can also include sources such as Medicaid and Medicare reimbursements, refunds, patient collections and rent.

Base level positions were changed from unclassified to Professional and Executive Pay Plan to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. 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 may include board member Stipend payments and 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 for the Operations appropriation is \$83,357,329 in FY2010 and \$84,248,656 in FY2011 with 954 budgeted base level positions.

The Agency Base Level request for the Grants/Patient Services line item is \$16,005,679 each year of the biennium.

The Agency Base Level and total request for the Mental Health Center Transfer line item is \$2,653,236 each year of the biennium.

The Agency Change level request for the Operations appropriation is \$18,208,648 in FY2010 and \$17,564,993 in FY2011, with general revenue funding requests of \$6,373,927 in FY2010 and \$6,042,597 in FY2011. The following delineates the agency request:

- Restoration of 209 positions that are authorized but not budgeted with salary and matching appropriation only to assist in meeting established staffing patterns.
- 213 new extra help positions for the Arkansas Health Center and the Arkansas State Hospital with \$770,523 in extra help appropriation each year of the biennium and the associated matching appropriation only. These positions will be utilized in place of current contract agency workers.
- 3 new positions for the Office of the State Drug Director with salary and matching appropriation. These positions will assist the State Drug Director in performing responsibilities related to that office.
- Transfer 3 positions from the Division of Developmental Disability Services with salary and matching appropriation as part of restructuring and merging the Together We Can (TWC) program with the Child and Adolescent Service System Program (CASSP). This merger will strengthen the DBHS system of care.
- Transfer 1 position to the Office of Chief Counsel with salary and matching appropriation only to assist with the enhancement of the Third Party Liability unit.
- Transfer 1 position to the Division of Medical Services with salary and matching appropriation only to assist with research and analysis.
- \$700,000 in FY2010 and \$800,000 in FY2011 is requested for the Overtime line item with matching appropriation at the Arkansas Health Center.
- \$4,312,888 in FY2010 and \$4,210,240 in FY2011 for the Operating Expenses line item for postage, telecommunications, building and grounds maintenance, software maintenance, electricity, water and sewage, natural gas and propane, rent, seminar fees, janitorial services, temporary employment services, health and laboratory supplies, food purchases, and data processing supplies.
- \$27,350 in FY2010 and \$27,477 in FY2011 for the Travel line item relating to additional appropriation requested for system of care and the Drug Director.
- \$2,217,792 in FY2010 and \$2,219,392 in FY2011 for the Professional Fees line item to provide appropriation for physician salaries contracted with UAMS, system of care, State Drug Director and the merging of the Together We Can program with CASSP.

- \$1,480,086 in FY2010 and \$647,758 in FY2011 for the Capital Outlay line item to provide appropriation for replacement pharmacy packaging machine, treadmill, commercial mower, sewer machine, tire machine, vehicles at ASH, and a food transport system.

The Agency Change Level request for their Grants/Patient Services line item is \$850,500 each year of the biennium with a corresponding general revenue funding request of \$850,500 each year of the biennium. This request is for nontraditional services to assist children to remain within their community and help develop infrastructure for more intensive system of care.

The Executive Recommendation provides for Base Level in the Operations appropriation. Additionally, restoration of the 209 positions has been provided for along with salary and matching appropriation. The 213 new Extra Help positions for the Arkansas Health Center and the Arkansas State Hospital with \$770,523 in extra help appropriation each year of the biennium and the associated matching appropriation only are recommended. One (1) new DHS Program Coordinator position is recommended for the State Drug Director with salary and matching appropriation only. The three (3) positions transferred from the Division of Developmental Disability Services and the one (1) position transferred to the Office of Chief Counsel along with the one (1) position transferred to the Division of Medical Services with salary and matching appropriation are recommended. \$700,000 in FY2010 and 800,000 in FY2011 is provided for in the Overtime line item with corresponding matching appropriation. \$3,500,000 each year of the biennium is provided for in additional appropriation for the Operating Expenses line item. \$21,000 each year of the biennium in additional appropriation in the Travel line item is recommended. \$2,137,792 each year of the biennium in appropriation is provided for in the Professional Fees line item. \$500,000 each year of the biennium in appropriation in the Capital Outlay line item is recommended. Finally, additional general revenue in the amount of \$3,075,000 each year of the biennium is recommended.

The Executive Recommendation provides for the Agency Request in the Grants/Patient Services line item for appropriation with \$850,000 in additional general revenue funding.

The Executive Recommendation provides for the Agency Request in the Mental Health Center Transfer line item.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$1,329,000 each year of the biennium in new general revenue associated with system of care and for operating expenses at the Arkansas Health Center and the Arkansas State Hospital;
- \$21,000 each year of the biennium in new general revenue associated with system of care for travel;
- \$1,725,000 each year of the biennium in new general revenue associated with system of care for professional fees;
- \$850,000 each year of the biennium in new general revenue associated with system of care for grants/patient services.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

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 | 32,169,171 | 34,245,934 | 39,552,552 | 35,710,024 | 41,930,004 | 41,872,487 | 36,455,943 | 42,818,153 | 42,759,314 |
| #Positions | | 1,106 | 954 | 1,163 | 954 | 1,167 | 1,165 | 954 | 1,167 | 1,165 |
| Extra Help | 5010001 | 1,766,684 | 1,898,366 | 2,668,889 | 1,898,366 | 2,668,889 | 2,668,889 | 1,898,366 | 2,668,889 | 2,668,889 |
| #Extra Help | | 100 | 123 | 123 | 123 | 336 | 336 | 123 | 336 | 336 |
| Personal Services Matching | 5010003 | 11,279,743 | 10,801,841 | 14,112,944 | 12,168,807 | 14,648,836 | 14,627,517 | 12,314,215 | 14,841,608 | 14,820,034 |
| Overtime | 5010006 | 1,818,045 | 1,386,342 | 1,386,342 | 1,386,342 | 2,086,342 | 2,086,342 | 1,386,342 | 2,186,342 | 2,186,342 |
| Operating Expenses | 5020002 | 25,140,727 | 24,983,894 | 33,125,479 | 24,983,894 | 29,296,782 | 28,483,894 | 24,983,894 | 29,194,134 | 28,483,894 |
| Conference & Travel Expenses | 5050009 | 119,590 | 188,227 | 243,040 | 188,227 | 215,577 | 209,227 | 188,227 | 215,704 | 209,227 |
| Professional Fees | 5060010 | 5,627,960 | 7,021,669 | 7,379,419 | 7,021,669 | 9,239,461 | 9,159,461 | 7,021,669 | 9,241,061 | 9,159,461 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grants/Patient Services | 5100004 | 15,927,342 | 16,005,679 | 17,627,439 | 16,005,679 | 16,856,179 | 16,856,179 | 16,005,679 | 16,856,179 | 16,856,179 |
| Capital Outlay | 5120011 | 74,954 | 0 | 0 | 0 | 1,480,086 | 500,000 | 0 | 647,758 | 500,000 |
| Mental Hlth Center Transfer | 5900046 | 2,653,236 | 2,653,236 | 2,653,236 | 2,653,236 | 2,653,236 | 2,653,236 | 2,653,236 | 2,653,236 | 2,653,236 |
| Total | | 96,577,452 | 99,185,188 | 118,749,340 | 102,016,244 | 121,075,392 | 119,117,232 | 102,907,571 | 121,323,064 | 120,296,576 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 56,003,528 | 54,849,195 | | 56,121,534 | 63,345,961 | 60,046,534 | 56,522,116 | 63,415,213 | 60,447,116 |
| Federal Revenue | 4000020 | 22,903,900 | 1,707,268 | | 1,767,291 | 2,418,609 | 2,418,609 | 1,786,187 | 2,440,506 | 2,440,506 |
| Various Program Support | 4000730 | 17,670,024 | 42,628,725 | | 44,127,419 | 46,317,046 | 46,317,046 | 44,599,268 | 46,308,769 | 46,308,769 |
| Total Funding | | 96,577,452 | 99,185,188 | | 102,016,244 | 112,081,616 | 108,782,189 | 102,907,571 | 112,164,488 | 109,196,391 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 8,993,776 | 10,335,043 | 0 | 9,158,576 | 11,100,185 |
| Grand Total | | 96,577,452 | 99,185,188 | | 102,016,244 | 121,075,392 | 119,117,232 | 102,907,571 | 121,323,064 | 120,296,576 |

Actual exceeds Authorized Appropriation by authority of Reallocation of Resources.

Actual Capital Outlay exceeds Authorized Appropriation due to appropriation received from DFA for Agency funded Motor Vehicle Purchases.

Change Level by Appropriation

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 83,357,329 | 954 | 83,357,329 | 100.0 | 84,248,656 | 954 | 84,248,656 | 100.0 |
| C01 | Existing Program | 8,394,575 | 3 | 91,751,904 | 110.1 | 7,580,940 | 3 | 91,829,596 | 109.0 |
| C05 | Unfunded Appropriation | 9,109,947 | 209 | 100,861,851 | 121.0 | 9,277,182 | 209 | 101,106,778 | 120.0 |
| C07 | Agency Transfer | 535,147 | 1 | 101,396,998 | 121.6 | 535,713 | 1 | 101,642,491 | 120.6 |
| C08 | Technology | 168,979 | 0 | 101,565,977 | 121.8 | 171,158 | 0 | 101,813,649 | 120.8 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 83,357,329 | 954 | 83,357,329 | 100.0 | 84,248,656 | 954 | 84,248,656 | 100.0 |
| C01 | Existing Program | 6,436,415 | 1 | 89,793,744 | 107.7 | 6,554,452 | 1 | 90,803,108 | 107.8 |
| C05 | Unfunded Appropriation | 9,109,947 | 209 | 98,903,691 | 118.7 | 9,277,182 | 209 | 100,080,290 | 118.8 |
| C07 | Agency Transfer | 535,147 | 1 | 99,438,838 | 119.3 | 535,713 | 1 | 100,616,003 | 119.4 |
| C08 | Technology | 168,979 | 0 | 99,607,817 | 119.5 | 171,158 | 0 | 100,787,161 | 119.6 |

Justification

| | |
|-----|--|
| C01 | <p>Included in this Change Level request are several initiatives. Those initiatives for the Arkansas State Hospital are funding and appropriation for the replacement of the Pharmacy Packaging Machine; the replacement of the Pharmacy refrigerator; an automated medication dispensing unit; an Electronic Medical Records System which will improve patient care and meet federal mandates; upgrades and modifications to the Essentia billing system in order to pull required Medicaid information for the annual Cost Report; the purchase of various capital equipment items for client health and facility maintenance and upkeep; for increases in contracted Physician/Medical staff; and to replace and upgrade several vehicles used for patient transport and public safety. The initiatives for the Arkansas Health Center are funding and appropriation for bed replacement; the replacement of the current food transport system; funding and appropriation to account for the loss of revenue to due to decreases in the federal match rate in Title XIX in recent years. The cost of resident care has significantly increased over the past few years, yet the federal match rate has continued to decrease. Also included for AHC is funding and appropriation to upgrade its current ventilator unit to take care of up to 11 residents. AHC is the only nursing home in the state that provides these services and currently treats 4 residents. A request of General Revenue funding and appropriation for continuing operating costs for the System of Care program is included. This program was enacted in the 2007 Act 1593 to ensure better utilization and coordination of the State's behavioral health care resources devoted to serving children, youth and their families. It is necessary to receive this additional funding and appropriation in order to develop services and support and to effectively meet the needs of children, youth and their families. The categories are also supported by the Arkansas Children's Behavioral Health Commission recommendations. General Revenue funding and appropriation is being requested for the Office of the State Drug Director. This position was created as cited in ACA § 20-64-1001 to, among other duties, serve as the coordinator for development of an organizational framework to ensure that alcohol and drug programs and policies are well planned and coordinated; to perform financial monitoring of each drug task force of the state; and to establish and enforce rules and regulations regarding the management of the Special State Assets Forfeiture Fund.</p> |
| C05 | <p>The Department of Human Services (DHS) has accepted a proposal to merge two collaborative wraparound projects, Together We Can (TWC) and Child and Adolescent Service System Program (CASSP). Both projects are based on the same principles and approach for individualized wraparound planning for children and youth that is child-centered and family-driven. These are also the basic concepts of System of Care, which is a major initiative for the Department. Because of the similarity in the basic concept of service delivery and planning process, it is apparent that the two systems should be merged in order to strengthen the System of Care approach on a statewide basis, avoid duplication of efforts and better utilize available funds. A majority of the children served by TWC are also eligible for CASSP wraparound planning at the local level to meet the needs of the child and family. This merger will streamline services to these clients in the community. Also included in this Change Level is an additional 213 Extra Help positions with no funding and \$770,523 in appropriation each year of the biennium. Funding and the balance of appropriation will be transferred from the Maintenance and Operations line item through savings in agency staff reductions. These additional extra help positions would enable the Division to reduce contract nursing costs by removing the additional 30% in "overhead" the agencies charge for their services and to assist in the continuity of care to our clients.</p> |
| C07 | <p>The Department of Human Services (DHS) has accepted a proposal to merge two collaborative wraparound projects, Together We Can (TWC) and Child and Adolescent Service System Program (CASSP). Both projects are based on the same principles and approach for individualized wraparound planning for children and youth that is child-centered and family-driven. These are also the basic concepts of System of Care, which is a major initiative for the Department. Because of the similarity in the basic concept of service delivery and planning process, it is apparent that the two systems should be merged in order to strengthen the System of Care approach on a statewide basis, avoid duplication of efforts and better utilize available funds. A majority of the children served by TWC are also eligible for CASSP wraparound planning at the local level to meet the needs of the child and family. This merger will streamline services to these clients in the community. Additionally, the Division request to transfer one (1) position to the Office of Chief Counsel and one (1) position to the Division of Medical Services.</p> |

Change Level by Appropriation

| Justification | |
|----------------------|--|
| C08 | Arkansas Health Center is requesting funding and appropriation to improve and maintain the technology system for resident care. The majority of resident care information is now stored and processed through computer systems to included the food preparations and menu system, the MDS resident evaluation system, and the resident personal financial information. All admissions and transfers in and out of the hospital are handled through computer systems and it is vital to have the most efficient, accurate, and timely informations available. The funding is for computers, printers, and software to maintain these sytems for the best possible resident care. IT plan - Hardware Section on pages 13, 14 and 15. |

Change Level by Appropriation

Appropriation: 193 - State Operations
Funding Sources: DBA - Mental Health Services Fund Account

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 18,658,915 | 0 | 18,658,915 | 100.0 | 18,658,915 | 0 | 18,658,915 | 100.0 |
| C01 | Existing Program | 850,500 | 0 | 19,509,415 | 104.6 | 850,500 | 0 | 19,509,415 | 104.6 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 18,658,915 | 0 | 18,658,915 | 100.0 | 18,658,915 | 0 | 18,658,915 | 100.0 |
| C01 | Existing Program | 850,500 | 0 | 19,509,415 | 104.6 | 850,500 | 0 | 19,509,415 | 104.6 |

Justification

| | |
|-----|--|
| C01 | <p>These funds will be utilized to support wraparound services and supports on a statewide basis through the public mental health system and will support those children and families that are not included in SOC grant sites. The funds will support nontraditional services and supports to assist children to remain within their community and help develop infrastructure for more intensive System of Care projects. Support, training and increased involvement of parents and families is an essential component of the wraparound services for children with serious emotional disturbance. General Revenue funding and appropriation for continuing operating costs for the System of Care program. This program, which was enacted in the 2007 Act 1593 to ensure better utilization and coordination of the State's behavioral health care resources devoted to serving children, youth and their families, was funded with a one time transfer of funds from the Arkansas RX Program Fund. It is necessary to receive this additional funding and appropriation in order to develop services and supports and effectively meet the needs of children, youth and their families. The categories are also supported by the AR Children's Behavioral Health Commission recommendations.</p> |
|-----|--|

Analysis of Budget Request

Appropriation: 937 - Canteen – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

This cash funded appropriation is for the operation of the canteen located at the Arkansas State Hospital. The canteen is stocked with food items and beverages, with the purchases made by visitors providing the funding for this appropriation.

The Agency Base Level and total request for this appropriation is \$174,048 each year of the biennium.

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

Appropriation Summary

Appropriation: 937 - Canteen – Cash in Treasury

Funding Sources: NHS - 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 |
| Operating Expenses 5020002 | 153,364 | 174,048 | 174,048 | 174,048 | 174,048 | 174,048 | 174,048 | 174,048 | 174,048 |
| 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 |
| Total | 153,364 | 174,048 | 174,048 | 174,048 | 174,048 | 174,048 | 174,048 | 174,048 | 174,048 |
| Funding Sources | | | | | | | | | |
| Cash Fund 4000045 | 153,364 | 174,048 | | 174,048 | 174,048 | 174,048 | 174,048 | 174,048 | 174,048 |
| Total Funding | 153,364 | 174,048 | | 174,048 | 174,048 | 174,048 | 174,048 | 174,048 | 174,048 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 153,364 | 174,048 | | 174,048 | 174,048 | 174,048 | 174,048 | 174,048 | 174,048 |

Analysis of Budget Request

Appropriation: 938 - Patient Benefits–Cash in Treasury

Funding Sources: NHS - Cash in Treasury

The Patient Benefits appropriation provides funds on a cash basis to meet patient needs such as recreational activities and personal items. Cash funds are derived from proceeds from parking meters, interest and private donations.

The Agency Base Level and total request for this appropriation is \$75,000 each year of the biennium.

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

Appropriation Summary

Appropriation: 938 - Patient Benefits–Cash in Treasury

Funding Sources: NHS - Cash in Treasury

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 |
| Patient Benefit Fund 5900046 | 32,762 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Total | 32,762 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Funding Sources | | | | | | | | | |
| Cash Fund 4000045 | 32,762 | 75,000 | | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Total Funding | 32,762 | 75,000 | | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 32,762 | 75,000 | | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |

Appropriation Summary

Appropriation: 1RD - Drug Court Program St Assist

Funding Sources: SMC - Magnum Drug Court 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 | 0 | 0 | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |

APPROPRIATION NOT REQUESTED FOR THE 2009-2011 BIENNIUM

Appropriation Summary

Appropriation: 35P - Prevention Treatment Services
Funding Sources: MDA - Drug Abuse Prevention and Treatment 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 |
| Specialized Prevention and Treatr 5900046 | 0 | 0 | 17,250,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 17,250,000 | 0 | 0 | 0 | 0 | 0 | 0 |

APPROPRIATION NOT REQUESTED FOR THE 2009-2011 BIENNIUM

Appropriation Summary

Appropriation: 36B - DBHS-Specialized Women Services
Funding Sources: DBA - Mental Health Services Fund Account

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 |
| Specialized Women's Services 5900046 | 0 | 0 | 5,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 5,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |

APPROPRIATION NOT REQUESTED FOR THE 2009-2011 BIENNIUM

BIENNIAL BUDGET SUMMARY
Ouachita Regional Counseling and Mental Health Center, Inc dba Community Counseling Services, Inc.
(Name of CMHC)

| LINE ITEM TITLE | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Personal Services: | | | | |
| Regular Salaries | \$ 6,452,066.65 | \$ 7,007,300.59 | \$ 7,217,519.61 | \$ 7,434,045.19 |
| Fringe Benefits | \$ 1,680,838.37 | \$ 1,575,607.00 | \$ 1,622,875.21 | \$ 1,671,561.47 |
| Total Personal Services | \$ 8,132,905.02 | \$ 8,582,907.59 | \$ 8,840,394.82 | \$ 9,105,606.66 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 1,913,823.72 | \$ 2,163,511.00 | \$ 2,228,416.33 | \$ 2,295,268.82 |
| Conference Fees & Travel | \$ 102,697.11 | \$ 124,568.00 | \$ 128,305.04 | \$ 132,154.19 |
| Professional Fees | \$ 2,028,553.86 | \$ 1,387,189.00 | \$ 1,428,804.67 | \$ 1,471,668.81 |
| Capital Outlay | \$ 298,420.80 | \$ 299,026.00 | \$ 307,996.78 | \$ - |
| Total Maint. & Operation | \$ 4,343,495.49 | \$ 3,974,294.00 | \$ 4,093,522.82 | \$ 3,899,091.82 |
| TOTAL EXPENSES | \$ 12,476,400.51 | \$ 12,557,201.59 | \$ 12,933,917.64 | \$ 13,004,698.48 |
| Funding Sources: | | | | |
| Fund Balances | | | | |
| General Revenues | \$ 2,036,148.00 | \$ 1,941,633.00 | \$ 1,963,065.72 | \$ 1,985,141.42 |
| Federal Revenues | \$ 9,290,798.45 | \$ 9,913,195.00 | \$ 10,210,590.85 | \$ 10,516,908.58 |
| Fees for Service | \$ 990,339.12 | \$ 540,623.00 | \$ 556,841.69 | \$ 573,546.94 |
| Other Contracts | \$ - | \$ - | \$ - | \$ - |
| Other Revenues | \$ 356,631.31 | \$ 1,191,063.00 | \$ 1,226,794.89 | \$ 1,263,598.74 |
| TOTAL FUNDING | \$ 12,673,916.88 | \$ 13,586,514.00 | \$ 13,957,293.15 | \$ 14,339,195.67 |

FUNDING SOURCES DETAIL
Quachita Regional Counseling and Mental Health Center, Inc dba Community Counseling Services, Inc.
(Name of CMHC)

| FUNDING SOURCES | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|---------------------------|---------------|-----------------|---------------|---------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 481,520 | \$ 481,520 | \$ 481,520 | \$ 481,520 |
| CSP Part B | \$ 144,682 | \$ 144,682 | \$ 144,682 | \$ 144,682 |
| Per Capita | \$ 497,296 | \$ 497,296 | \$ 497,296 | \$ 497,296 |
| State Match | \$ 36,474 | \$ 36,474 | \$ 36,474 | \$ 36,474 |
| Forensic Evaluations | \$ 2,000 | \$ 5,250 | \$ 5,408 | \$ 5,570 |
| CASSP | \$ 67,237 | \$ 67,237 | \$ 67,237 | \$ 67,237 |
| Youth Services Contracts | | | | |
| Other General Revenue | \$ 806,939 | \$ 709,174 | \$ 730,449 | \$ 752,363 |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 209,510 | \$ 16,710 | \$ 17,211 | \$ 17,728 |
| Medicaid | \$ 8,015,302 | \$ 8,761,310 | \$ 9,024,149 | \$ 9,294,874 |
| Medicare | \$ 142,092 | \$ 180,883 | \$ 186,309 | \$ 191,899 |
| Title XX | \$ 47,606 | \$ 42,197 | \$ 43,463 | \$ 44,767 |
| AR Kids | \$ 773,987 | \$ 827,225 | \$ 852,042 | \$ 877,603 |
| Homeless Grant | | | | |
| HUD | | | | |
| USDA | | | | |
| Title III | | | | |
| FEMA | | | | |
| RSVP & VA | | | | |
| Food Program | \$ 102,302 | \$ 84,870 | \$ 87,416 | \$ 90,039 |
| Transitional Housing | | | | |
| Other Federal Revenue | | | | |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 216,126 | \$ 237,615 | \$ 244,743 | \$ 252,086 |
| Self Pay | \$ 171,923 | \$ 179,725 | \$ 185,117 | \$ 190,670 |
| Other | \$ 602,290 | \$ 123,283 | \$ 126,981 | \$ 130,791 |
| OTHER CONTRACTS: | | | | |
| | | | | |
| | | | | |
| OTHER REVENUES: | | | | |
| | \$ 356,631 | \$ 1,191,063 | \$ 1,226,795 | \$ 1,263,599 |
| TOTAL FUNDING: | | | | |
| | \$ 12,673,917 | \$ 13,586,514 | \$ 13,957,293 | \$ 14,339,196 |

BIENNIAL BUDGET SUMMARY

Counseling Associates, Inc.

(Name of CMHC)

| LINE ITEM TITLE | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Personal Services: | | | | |
| Regular Salaries | \$ 5,594,514.00 | \$ 5,875,700.00 | \$ 6,013,596.00 | \$ 6,154,535.00 |
| Fringe Benefits | \$ 900,370.00 | \$ 982,244.00 | \$ 1,004,271.00 | \$ 1,027,807.00 |
| Total Personal Services | \$ 6,494,884.00 | \$ 6,857,944.00 | \$ 7,017,867.00 | \$ 7,182,342.00 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 1,735,108.00 | \$ 1,732,676.00 | \$ 1,743,050.00 | \$ 1,768,950.00 |
| Conference Fees & Travel | \$ 193,133.00 | \$ 190,594.00 | \$ 184,000.00 | \$ 187,000.00 |
| Professional Fees | \$ 1,929,067.00 | \$ 2,239,139.00 | \$ 2,272,500.00 | \$ 2,304,500.00 |
| Capital Outlay | \$ 120,741.00 | \$ 210,377.00 | \$ 195,000.00 | \$ 180,000.00 |
| Total Maint. & Operation | \$ 3,978,049.00 | \$ 4,372,786.00 | \$ 4,394,550.00 | \$ 4,440,450.00 |
| TOTAL EXPENSES | \$ 10,472,933.00 | \$ 11,230,730.00 | \$ 11,412,417.00 | \$ 11,622,792.00 |
| Funding Sources: | | | | |
| Fund Balances | | | | |
| General Revenues | \$ 2,782,588.00 | \$ 2,789,206.00 | \$ 2,789,206.00 | \$ 2,789,206.00 |
| Federal Revenues | \$ 6,404,092.00 | \$ 6,946,245.00 | \$ 7,108,545.00 | \$ 7,276,545.00 |
| Fees for Service | \$ 1,160,945.00 | \$ 1,202,950.00 | \$ 1,203,250.00 | \$ 1,227,250.00 |
| Other Contracts | \$ 150,430.00 | \$ 164,457.00 | \$ 167,300.00 | \$ 170,300.00 |
| Other Revenues | \$ 295,275.00 | \$ 174,096.00 | \$ 175,000.00 | \$ 178,500.00 |
| TOTAL FUNDING | \$ 10,793,330.00 | \$ 11,276,954.00 | \$ 11,443,301.00 | \$ 11,641,801.00 |

FUNDING SOURCES DETAIL
Counseling Associates, Inc.
(Name of CMHC)

| FUNDING SOURCES | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|---------------------------|---------------|-----------------|---------------|---------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 414,751 | \$ 414,751 | \$ 414,751 | \$ 414,751 |
| CSP Part B | \$ 169,285 | \$ 169,285 | \$ 169,285 | \$ 169,285 |
| Per Capita | \$ 657,741 | \$ 657,741 | \$ 657,741 | \$ 657,741 |
| State Match | \$ 48,241 | \$ 48,241 | \$ 48,241 | \$ 48,241 |
| Forensic Evaluations | \$ 21,500 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| CASSP | \$ 92,500 | \$ 92,500 | \$ 92,500 | \$ 92,500 |
| Youth Services Contracts | | | | |
| Other General Revenue | \$ 1,378,570 | \$ 1,381,688 | \$ 1,381,688 | \$ 1,381,688 |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 283,364 | \$ 284,717 | \$ 284,717 | \$ 284,717 |
| Medicaid | \$ 4,881,650 | \$ 5,392,700 | \$ 5,555,000 | \$ 5,720,000 |
| Medicare | \$ 147,059 | \$ 142,000 | \$ 142,000 | \$ 145,000 |
| Title XX | \$ 68,582 | \$ 68,582 | \$ 68,582 | \$ 68,582 |
| AR Kids | | | | |
| Homeless Grant | \$ 54,164 | \$ 65,573 | \$ 65,573 | \$ 65,573 |
| HUD | | | | |
| USDA | | | | |
| Title III | | | | |
| FEMA | | | | |
| RSVP & VA | | | | |
| Food Program | \$ 28,422 | \$ 28,770 | \$ 28,770 | \$ 28,770 |
| Transitional Housing | \$ 179,063 | \$ 200,000 | \$ 200,000 | \$ 200,000 |
| Other Federal Revenue | \$ 761,788 | \$ 763,903 | \$ 763,903 | \$ 763,903 |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 653,542 | \$ 689,200 | \$ 690,000 | \$ 704,000 |
| Self Pay | \$ 494,370 | \$ 500,500 | \$ 500,000 | \$ 510,000 |
| Other | \$ 13,033 | \$ 13,250 | \$ 13,250 | \$ 13,250 |
| OTHER CONTRACTS: | | | | |
| Schools | \$ 83,795 | \$ 95,257 | \$ 97,000 | \$ 99,000 |
| Hospitals | \$ 64,725 | \$ 64,900 | \$ 66,000 | \$ 67,000 |
| Drug Court | \$ 1,910 | \$ 4,300 | \$ 4,300 | \$ 4,300 |
| OTHER REVENUES: | | | | |
| Miscellaneous | \$ 295,275 | \$ 174,096 | \$ 175,000 | \$ 178,500 |
| TOTAL FUNDING: | \$ 10,793,330 | \$ 11,276,954 | \$ 11,443,301 | \$ 11,641,801 |

BIENNIAL BUDGET SUMMARY

**Counseling Clinic
(Name of CMHC)**

| LINE ITEM TITLE | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| Personal Services: | | | | |
| Regular Salaries | \$ 2,289,754.00 | \$ 2,220,228.00 | \$ 2,286,834.84 | \$ 2,355,439.89 |
| Fringe Benefits | \$ 529,355.00 | \$ 553,368.00 | \$ 569,969.04 | \$ 587,068.11 |
| Total Personal Services | \$ 2,819,109.00 | \$ 2,773,596.00 | \$ 2,856,803.88 | \$ 2,942,508.00 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 436,150.00 | \$ 573,089.00 | \$ 588,150.00 | \$ 585,850.00 |
| Conference Fees & Travel | \$ - | \$ - | \$ - | \$ - |
| Professional Fees | \$ 714,313.00 | \$ 670,260.00 | \$ 674,200.00 | \$ 678,200.00 |
| Capital Outlay | \$ 127,481.00 | \$ 118,588.00 | \$ 115,000.00 | \$ 115,000.00 |
| Total Maint. & Operation | \$ 1,277,944.00 | \$ 1,361,937.00 | \$ 1,377,350.00 | \$ 1,379,050.00 |
| TOTAL EXPENSES | \$ 4,097,053.00 | \$ 4,135,533.00 | \$ 4,234,153.88 | \$ 4,321,558.00 |
| Funding Sources: | | | | |
| Fund Balances | | | | |
| General Revenues | \$ 1,641,717.00 | \$ 1,613,602.00 | \$ 1,616,710.10 | \$ 1,619,880.36 |
| Federal Revenues | \$ 1,170,309.00 | \$ 1,264,670.00 | \$ 1,298,174.45 | \$ 1,332,684.03 |
| Fees for Service | \$ 129,192.00 | \$ 131,277.00 | \$ 142,515.31 | \$ 153,790.77 |
| Other Contracts | \$ - | \$ - | \$ - | \$ - |
| Other Revenues | \$ 1,206,531.00 | \$ 1,227,756.00 | \$ 1,264,588.68 | \$ 1,302,526.34 |
| TOTAL FUNDING | \$ 4,147,749.00 | \$ 4,237,305.00 | \$ 4,321,988.54 | \$ 4,408,881.51 |

FUNDING SOURCES DETAIL

**Counseling Clinic
(Name of CMHC)**

| FUNDING SOURCES | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|---------------------------|--------------------|------------------------|----------------------|----------------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 209,420 | \$ 209,420 | \$ 209,420 | \$ 209,420 |
| CSP Part B | \$ 63,045 | \$ 63,045 | \$ 63,045 | \$ 63,045 |
| Per Capita | \$ 255,599 | \$ 255,598 | \$ 255,598 | \$ 255,598 |
| State Match | \$ 18,747 | \$ 18,747 | \$ 18,747 | \$ 18,747 |
| Forensic Evaluations | \$ 12,200 | \$ 12,000 | \$ 12,000 | \$ 12,000 |
| CASSP | \$ 92,500 | \$ 92,500 | \$ 92,500 | \$ 92,500 |
| Youth Services Contracts | \$ 806,887 | \$ 806,887 | \$ 806,887 | \$ 806,887 |
| Other General Revenue | \$ 183,319 | \$ 155,405 | \$ 158,513 | \$ 161,683 |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 110,081 | \$ 110,081 | \$ 110,081 | \$ 110,081 |
| Medicaid | \$ 979,697 | \$ 1,076,496 | \$ 1,108,791 | \$ 1,142,055 |
| Medicare | \$ 42,758 | \$ 40,319 | \$ 41,529 | \$ 42,774 |
| Title XX | \$ 18,215 | \$ 18,216 | \$ 18,216 | \$ 18,216 |
| AR Kids | | | | |
| Homeless Grant | | | | |
| HUD | | | | |
| USDA | | | | |
| Title III | | | | |
| FEMA | | | | |
| RSVP & VA | | | | |
| Food Program | \$ 19,558 | \$ 19,558 | \$ 19,558 | \$ 19,558 |
| Transitional Housing | | | | |
| Other Federal Revenue | | | | |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 88,580 | \$ 90,000 | \$ 100,000 | \$ 110,000 |
| Self Pay | \$ 40,612 | \$ 41,277 | \$ 42,515 | \$ 43,791 |
| Other | | | | |
| OTHER CONTRACTS: | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| OTHER REVENUES: | | | | |
| | \$ 1,206,531 | \$ 1,227,756 | \$ 1,264,589 | \$ 1,302,526 |
| | | | | |
| TOTAL FUNDING: | \$ 4,147,749 | \$ 4,237,305 | \$ 4,321,989 | \$ 4,408,882 |

BIENNIAL BUDGET SUMMARY
Counseling Services of Eastern Arkansas
(Name of CMHC)

| LINE ITEM TITLE | 2006 Actual | 2007 Allocation | 2008 Estimate | 2009 Estimate |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Personal Services: | | | | |
| Regular Salaries | \$ 6,119,643.81 | \$ 6,368,051.66 | \$ 6,558,695.61 | \$ 6,755,054.07 |
| Fringe Benefits | \$ 1,945,068.00 | \$ 2,045,216.00 | \$ 2,106,572.48 | \$ 2,169,769.65 |
| Total Personal Services | \$ 8,064,711.81 | \$ 8,413,267.66 | \$ 8,665,268.09 | \$ 8,924,823.72 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 2,087,147.00 | \$ 2,143,164.00 | \$ 2,159,779.56 | \$ 2,170,573.80 |
| Conference Fees & Travel | \$ 391,268.00 | \$ 415,000.00 | \$ 415,000.00 | \$ 415,000.00 |
| Professional Fees | \$ 2,311,591.00 | \$ 2,304,139.00 | \$ 2,335,319.17 | \$ 2,367,434.75 |
| Capital Outlay | \$ 409,274.00 | \$ 1,480,000.00 | \$ 418,000.00 | \$ 408,000.00 |
| Total Maint. & Operation | \$ 5,199,280.00 | \$ 6,342,303.00 | \$ 5,328,098.73 | \$ 5,361,008.54 |
| TOTAL EXPENSES | \$ 13,263,991.81 | \$ 14,755,570.66 | \$ 13,993,366.82 | \$ 14,285,832.26 |
| Funding Sources: | | | | |
| Fund Balances | | | | |
| General Revenues | \$ 2,566,508.00 | \$ 2,580,647.00 | \$ 2,605,116.05 | \$ 2,630,808.55 |
| Federal Revenues | \$ 9,813,630.00 | \$ 10,244,135.00 | \$ 10,270,135.00 | \$ 10,512,904.00 |
| Fees for Service | \$ 162,216.00 | \$ 167,142.00 | \$ 180,000.00 | \$ 195,000.00 |
| Other Contracts | \$ 270,990.00 | \$ 384,975.00 | \$ 392,674.50 | \$ 400,527.99 |
| Other Revenues | \$ 821,063.00 | \$ 386,399.00 | \$ 394,126.98 | \$ 402,009.52 |
| TOTAL FUNDING | \$ 13,634,407.00 | \$ 13,763,298.00 | \$ 13,842,052.53 | \$ 14,141,250.06 |

FUNDING SOURCES DETAIL
Counseling Services of Eastern Arkansas
(Name of CMHC)

| FUNDING SOURCES | 2006 Actual | 2007 Allocation | 2008 Estimate | 2009 Estimate |
|---------------------------|--------------------|------------------------|----------------------|----------------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 491,724 | \$ 491,724 | \$ 491,724 | \$ 491,724 |
| CSP Part B | \$ 189,187 | \$ 189,187 | \$ 189,187 | \$ 189,187 |
| Per Capita | \$ 489,381 | \$ 489,381 | \$ 513,850 | \$ 539,543 |
| State Match | | | | |
| Forensic Evaluations | \$ 13,500 | \$ 13,500 | \$ 13,500 | \$ 13,500 |
| CASSP | \$ 78,361 | \$ 92,500 | \$ 92,500 | \$ 92,500 |
| Youth Services Contracts | \$ 631,315 | \$ 631,315 | \$ 631,315 | \$ 631,315 |
| Other General Revenue | \$ 673,040 | \$ 673,040 | \$ 673,040 | \$ 673,040 |
| | | | | |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 218,176 | \$ 210,838 | \$ 210,838 | \$ 210,838 |
| Medicaid | \$ 9,381,134 | \$ 9,846,546 | \$ 9,846,546 | \$ 10,089,315 |
| Medicare | \$ 109,683 | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| Title XX | \$ 56,751 | \$ 56,751 | \$ 56,751 | \$ 56,751 |
| AR Kids | | | | |
| Homeless Grant | \$ 47,886 | \$ 30,000 | \$ 56,000 | \$ 56,000 |
| HUD | | | | |
| USDA | | | | |
| Title III | | | | |
| FEMA | | | | |
| RSVP & VA | | | | |
| Food Program | | | | |
| Transitional Housing | | | | |
| Other Federal Revenue | | | | |
| | | | | |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 27,603 | \$ 25,000 | \$ 30,000 | \$ 35,000 |
| Self Pay | \$ 134,613 | \$ 142,142 | \$ 150,000 | \$ 160,000 |
| Other | | | | |
| | | | | |
| OTHER CONTRACTS: | | | | |
| | \$ 270,990 | \$ 384,975 | \$ 392,675 | \$ 400,528 |
| | | | | |
| | | | | |
| | | | | |
| OTHER REVENUES: | | | | |
| | \$ 821,063 | \$ 386,399 | \$ 394,127 | \$ 402,010 |
| | | | | |
| TOTAL FUNDING: | \$ 13,634,407 | \$ 13,763,298 | \$ 13,842,053 | \$ 14,141,250 |

BIENNIAL BUDGET SUMMARY
Delta Counseling Associates, Inc.
(Name of CMHC)

| LINE ITEM TITLE | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| Personal Services: | | | | |
| Regular Salaries | \$ 2,850,738.31 | \$ 2,924,456.00 | \$ 2,983,124.00 | \$ 3,033,183.00 |
| Fringe Benefits | \$ 619,253.00 | \$ 650,121.00 | \$ 656,287.00 | \$ 664,942.00 |
| Total Personal Services | \$ 3,469,991.31 | \$ 3,574,577.00 | \$ 3,639,411.00 | \$ 3,698,125.00 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 1,060,020.00 | \$ 960,588.00 | \$ 937,631.00 | \$ 944,000.00 |
| Conference Fees & Travel | \$ 152,666.00 | \$ 163,800.00 | \$ 156,500.00 | \$ 157,000.00 |
| Professional Fees | \$ 589,073.00 | \$ 630,800.00 | \$ 622,800.00 | \$ 627,500.00 |
| Capital Outlay | \$ 98,006.00 | \$ 92,000.00 | \$ 84,000.00 | \$ 80,000.00 |
| Total Maint. & Operation | \$ 1,899,765.00 | \$ 1,847,188.00 | \$ 1,800,931.00 | \$ 1,808,500.00 |
| TOTAL EXPENSES | \$ 5,369,756.31 | \$ 5,421,765.00 | \$ 5,440,342.00 | \$ 5,506,625.00 |
| Funding Sources: | | | | |
| Fund Balances | | | | |
| General Revenues | \$ 966,060.00 | \$ 963,852.00 | \$ 959,852.00 | \$ 961,852.00 |
| Federal Revenues | \$ 3,410,405.00 | \$ 3,960,290.00 | \$ 3,984,290.00 | \$ 4,032,289.00 |
| Fees for Service | \$ 282,840.00 | \$ 175,000.00 | \$ 185,200.00 | \$ 196,484.00 |
| Other Contracts | \$ 209,571.00 | \$ 230,623.00 | \$ 230,000.00 | \$ 230,000.00 |
| Other Revenues | \$ 166,214.00 | \$ 92,000.00 | \$ 81,000.00 | \$ 86,000.00 |
| TOTAL FUNDING | \$ 5,035,090.00 | \$ 5,421,765.00 | \$ 5,440,342.00 | \$ 5,506,625.00 |

FUNDING SOURCES DETAIL
Delta Counseling Associates, Inc.
(Name of CMHC)

| FUNDING SOURCES | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|---|--------------|-----------------|---------------|---------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 411,975 | \$ 411,975 | \$ 411,975 | \$ 411,975 |
| CSP Part B | \$ 82,233 | \$ 82,233 | \$ 82,233 | \$ 82,233 |
| Per Capita | \$ 260,069 | \$ 260,069 | \$ 260,069 | \$ 260,069 |
| State Match | \$ 19,075 | \$ 19,075 | \$ 19,075 | \$ 19,075 |
| Forensic Evaluations | \$ 17,500 | \$ 14,000 | \$ 10,000 | \$ 12,000 |
| CASSP | \$ 85,660 | \$ 92,500 | \$ 92,500 | \$ 92,500 |
| Youth Services Contracts | \$ 89,548 | \$ 84,000 | \$ 84,000 | \$ 84,000 |
| Other General Revenue | | | | |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 112,901 | \$ 113,440 | \$ 113,440 | \$ 113,440 |
| Medicaid | \$ 2,800,923 | \$ 3,328,000 | \$ 3,350,000 | \$ 3,395,000 |
| Medicare | \$ 27,270 | \$ 20,000 | \$ 25,000 | \$ 28,000 |
| Title XX | \$ 32,993 | \$ 33,001 | \$ 33,001 | \$ 33,000 |
| AR Kids | | | | |
| Homeless Grant | | | | |
| HUD | | | | |
| USDA | | | | |
| Title III | | | | |
| FEMA | | | | |
| RSVP & VA | | | | |
| Food Program | \$ 50,319 | \$ 43,000 | \$ 40,000 | \$ 40,000 |
| Transitional Housing | | | | |
| Other Federal Revenue (Acute Care,DASEP) | \$ 385,999 | \$ 422,849 | \$ 422,849 | \$ 422,849 |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 66,144 | \$ 50,000 | \$ 54,000 | \$ 57,484 |
| Self Pay | \$ 161,017 | \$ 120,500 | \$ 125,000 | \$ 130,000 |
| Other | \$ 55,679 | \$ 4,500 | \$ 6,200 | \$ 9,000 |
| OTHER CONTRACTS: | | | | |
| Intake/Probation Contracts | \$ 209,571 | \$ 230,623 | \$ 230,000 | \$ 230,000 |
| OTHER REVENUES: | | | | |
| Miscellaneous Income | \$ 88,014 | \$ 41,000 | \$ 30,000 | \$ 35,000 |
| DASEP Fees | \$ 78,200 | \$ 51,000 | \$ 51,000 | \$ 51,000 |
| TOTAL FUNDING: | \$ 5,035,090 | \$ 5,421,765 | \$ 5,440,342 | \$ 5,506,625 |

| BIENNIAL BUDGET SUMMARY | | | | |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Health Resources of AR | | | | |
| (Name of CMHC) | | | | |
| LINE ITEM TITLE | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
| Personal Services: | | | | |
| Regular Salaries | \$ 7,399,629.00 | \$ 7,213,341.00 | \$ 7,574,008.00 | \$ 7,952,708.00 |
| Fringe Benefits | \$ 1,760,648.00 | \$ 1,752,842.00 | \$ 1,840,484.00 | \$ 1,932,508.00 |
| Total Personal Services | \$ 9,160,277.00 | \$ 8,966,183.00 | \$ 9,414,492.00 | \$ 9,885,216.00 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 3,480,867.00 | \$ 3,588,233.00 | \$ 3,659,995.00 | \$ 3,733,174.00 |
| Conference Fees & Travel | \$ 311,501.00 | \$ 302,487.00 | \$ 308,537.00 | \$ 314,707.00 |
| Professional Fees | \$ 3,146,995.00 | \$ 3,304,885.00 | \$ 3,370,983.00 | \$ 3,438,402.00 |
| Capital Outlay | \$ 530,512.00 | \$ 352,615.00 | \$ 359,667.00 | \$ 366,860.00 |
| Total Maint. & Operation | \$ 7,469,875.00 | \$ 7,548,220.00 | \$ 7,699,182.00 | \$ 7,853,143.00 |
| TOTAL EXPENSES | \$ 16,630,152.00 | \$ 16,514,403.00 | \$ 17,113,674.00 | \$ 17,738,359.00 |
| Funding Sources: | | | | |
| Fund Balances | | | | |
| General Revenues | \$ 3,676,017.00 | \$ 3,680,017.00 | \$ 3,716,244.00 | \$ 3,853,990.00 |
| Federal Revenues | \$ 8,797,939.00 | \$ 9,184,429.00 | \$ 9,520,251.00 | \$ 9,868,099.00 |
| Fees for Service | \$ 744,333.00 | \$ 746,664.00 | \$ 783,996.00 | \$ 818,485.00 |
| Other Contracts | \$ 2,249,025.00 | \$ 2,442,490.00 | \$ 2,564,614.00 | \$ 2,631,021.00 |
| Other Revenues | \$ 1,162,838.00 | \$ 460,803.00 | \$ 528,569.00 | \$ 566,764.00 |
| TOTAL FUNDING | \$ 16,630,152.00 | \$ 16,514,403.00 | \$ 17,113,674.00 | \$ 17,738,359.00 |

FUNDING SOURCES DETAIL

Health Resources of AR

(Name of CMHC)

| FUNDING SOURCES | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|---------------------------|--------------------|------------------------|----------------------|----------------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 651,356 | \$ 651,356 | \$ 651,356 | \$ 651,356 |
| CSP Part B | \$ 208,333 | \$ 208,333 | \$ 208,333 | \$ 208,333 |
| Per Capita | \$ 680,250 | \$ 680,250 | \$ 680,250 | \$ 680,250 |
| State Match | \$ 49,896 | \$ 49,896 | \$ 49,896 | \$ 49,896 |
| Forensic Evaluations | \$ 36,000 | \$ 40,000 | \$ 42,000 | \$ 45,000 |
| CASSP | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 |
| Youth Services Contracts | \$ 981,527 | \$ 981,527 | \$ 1,015,754 | \$ 1,150,500 |
| Other General Revenue | \$ 998,655 | \$ 998,655 | \$ 998,655 | \$ 998,655 |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 287,083 | \$ 287,083 | \$ 287,083 | \$ 287,083 |
| Medicaid | \$ 6,785,840 | \$ 7,360,511 | \$ 7,507,721 | \$ 7,557,875 |
| Medicare | \$ 301,874 | \$ 311,364 | \$ 326,932 | \$ 359,625 |
| Title XX | \$ 85,377 | \$ 85,377 | \$ 85,377 | \$ 85,377 |
| AR Kids | | | | |
| Homeless Grant | \$ 248,099 | | | \$ 161,700 |
| HUD | \$ 462,040 | \$ 402,202 | \$ 410,246 | \$ 430,758 |
| USDA | | | | |
| Title III | | | | |
| FEMA | \$ 68,118 | | | |
| RSVP & VA | \$ 30,714 | \$ 60,000 | \$ 62,000 | \$ 65,000 |
| Food Program | | | | |
| Transitional Housing | | | \$ 163,000 | \$ 175,000 |
| Other Federal Revenue | \$ 528,794 | \$ 677,892 | \$ 677,892 | \$ 745,681 |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 157,210 | \$ 246,758 | \$ 259,095 | \$ 285,004 |
| Self Pay | \$ 587,123 | \$ 499,906 | \$ 524,901 | \$ 533,481 |
| Other | | | | |
| OTHER CONTRACTS: | | | | |
| | \$ 2,249,025 | \$ 2,442,490 | \$ 2,564,614 | \$ 2,631,021 |
| OTHER REVENUES: | | | | |
| | \$ 597,228 | \$ 297,279 | \$ 303,225 | \$ 318,386 |
| | \$ 24,800 | \$ 23,000 | \$ 25,000 | \$ 28,000 |
| | \$ 540,810 | \$ 140,524 | \$ 200,344 | \$ 220,378 |
| TOTAL FUNDING: | \$ 16,630,152 | \$ 16,514,403 | \$ 17,113,674 | \$ 17,738,359 |

BIENNIAL BUDGET SUMMARY
LITTLE ROCK COMMUNITY MENTAL HEALTH CENTER, INC.
(Name of CMHC)

| LINE ITEM TITLE | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Personal Services: | | | | |
| Regular Salaries | \$ 3,951,210.00 | \$ 4,092,005.00 | \$ 4,092,005.00 | \$ 4,092,005.00 |
| Fringe Benefits | \$ 850,843.00 | \$ 905,242.00 | \$ 905,242.00 | \$ 905,242.00 |
| Total Personal Services | \$ 4,802,053.00 | \$ 4,997,247.00 | \$ 4,997,247.00 | \$ 4,997,247.00 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 5,053,591.89 | \$ 5,155,057.00 | \$ 5,209,784.00 | \$ 5,192,604.00 |
| Conference Fees & Travel | \$ 81,612.00 | \$ 97,120.00 | \$ 98,100.00 | \$ 98,100.00 |
| Professional Fees | \$ 2,881,314.00 | \$ 3,248,901.00 | \$ 3,306,500.00 | \$ 3,306,500.00 |
| Capital Outlay | \$ 256,497.00 | \$ 107,458.00 | \$ 142,500.00 | \$ 147,500.00 |
| Total Maint. & Operation | \$ 8,273,014.89 | \$ 8,608,536.00 | \$ 8,756,884.00 | \$ 8,744,704.00 |
| TOTAL EXPENSES | \$ 13,075,067.89 | \$ 13,605,783.00 | \$ 13,754,131.00 | \$ 13,741,951.00 |
| Funding Sources: | | | | |
| Fund Balances | | | | |
| General Revenues | \$ 3,408,179.00 | \$ 3,411,518.00 | \$ 3,414,623.00 | \$ 3,419,623.00 |
| Federal Revenues | \$ 8,632,680.00 | \$ 9,068,979.00 | \$ 9,066,692.00 | \$ 9,066,692.00 |
| Fees for Service | \$ 321,111.00 | \$ 424,944.00 | \$ 425,000.00 | \$ 425,000.00 |
| Other Contracts | \$ 41,969.00 | \$ 47,296.00 | \$ 47,300.00 | \$ 47,300.00 |
| Other Revenues | \$ 282,345.00 | \$ 267,041.00 | \$ 264,600.00 | \$ 264,600.00 |
| TOTAL FUNDING | \$ 12,686,284.00 | \$ 13,219,778.00 | \$ 13,218,215.00 | \$ 13,223,215.00 |

FUNDING SOURCES DETAIL
LITTLE ROCK COMMUNITY MENTAL HEALTH CENTER, INC.

(Name of CMHC)

| FUNDING SOURCES | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|---------------------------|---------------|-----------------|---------------|---------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 636,147 | \$ 636,147 | \$ 636,147 | \$ 636,147 |
| CSP Part B | \$ 284,858 | \$ 284,858 | \$ 284,858 | \$ 284,858 |
| Per Capita | \$ 553,055 | \$ 553,055 | \$ 553,055 | \$ 553,055 |
| State Match | \$ 40,563 | \$ 40,563 | \$ 40,563 | \$ 40,563 |
| Forensic Evaluations | \$ 62,500 | \$ 65,000 | \$ 65,000 | \$ 70,000 |
| CASSP | \$ 34,161 | \$ 35,000 | \$ 35,000 | \$ 35,000 |
| Youth Services Contracts | \$ - | \$ - | \$ - | \$ - |
| Other General Revenue | \$ 1,796,895 | \$ 1,796,895 | \$ 1,800,000 | \$ 1,800,000 |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 237,781 | \$ 238,917 | \$ 238,917 | \$ 238,917 |
| Medicaid | \$ 4,087,430 | \$ 4,110,000 | \$ 4,110,000 | \$ 4,110,000 |
| Medicare | \$ 2,418,175 | \$ 2,425,000 | \$ 2,425,000 | \$ 2,425,000 |
| Title XX | \$ 103,527 | \$ 111,775 | \$ 111,775 | \$ 111,775 |
| AR Kids | \$ - | \$ - | \$ - | \$ - |
| Homeless Grant | \$ 158,113 | \$ 156,229 | \$ 156,000 | \$ 156,000 |
| HUD | \$ 1,230,732 | \$ 1,630,670 | \$ 1,630,000 | \$ 1,630,000 |
| USDA | \$ - | \$ - | \$ - | \$ - |
| Title III | \$ - | \$ - | \$ - | \$ - |
| FEMA | \$ - | \$ - | \$ - | \$ - |
| RSVP & VA | \$ - | \$ - | \$ - | \$ - |
| Food Program | \$ 32,644 | \$ 30,000 | \$ 30,000 | \$ 30,000 |
| Transitional Housing | \$ - | \$ - | \$ - | \$ - |
| Other Federal Revenue | \$ 364,278 | \$ 366,388 | \$ 365,000 | \$ 365,000 |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 20,247 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Self Pay | \$ 300,864 | \$ 404,944 | \$ 405,000 | \$ 405,000 |
| Other | \$ - | \$ - | \$ - | \$ - |
| OTHER CONTRACTS: | | | | |
| Jericho | \$ 41,969 | \$ 47,296 | \$ 47,300 | \$ 47,300 |
| OTHER REVENUES: | | | | |
| Rental Income | \$ 135,585 | \$ 114,631 | \$ 114,600 | \$ 114,600 |
| Miscellaneous Other | \$ 146,760 | \$ 152,410 | \$ 150,000 | \$ 150,000 |
| TOTAL FUNDING: | \$ 12,686,284 | \$ 13,219,778 | \$ 13,218,215 | \$ 13,223,215 |

BIENNIAL BUDGET SUMMARY
Mid-South Health Systems, Inc.
(Name of CMHC)

| LINE ITEM TITLE | 2006 Actual | 2007 Allocation | 2008 Estimate | 2009 Estimate |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Personal Services: | | | | |
| Regular Salaries | \$ 11,897,986.77 | \$ 12,561,779.28 | \$ 12,938,634.00 | \$ 13,326,820.00 |
| Fringe Benefits | \$ 3,449,555.00 | \$ 3,377,219.00 | \$ 3,478,535.57 | \$ 3,582,891.64 |
| Total Personal Services | \$ 15,347,541.77 | \$ 15,938,998.28 | \$ 16,417,169.57 | \$ 16,909,711.64 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 4,185,577.00 | \$ 4,143,852.00 | \$ 4,282,146.10 | \$ 4,372,899.49 |
| Conference Fees & Travel | \$ 401,107.00 | \$ 401,344.00 | \$ 411,884.32 | \$ 411,884.32 |
| Professional Fees | \$ 956,949.00 | \$ 868,572.00 | \$ 849,800.00 | \$ 849,800.00 |
| Capital Outlay | \$ 361,730.00 | \$ 514,000.00 | \$ 513,000.00 | \$ 512,000.00 |
| Total Maint. & Operation | \$ 5,905,363.00 | \$ 5,927,768.00 | \$ 6,056,830.42 | \$ 6,146,583.81 |
| TOTAL EXPENSES | \$ 21,252,904.77 | \$ 21,866,766.28 | \$ 22,473,999.99 | \$ 23,056,295.45 |
| Funding Sources: | | | | |
| Fund Balances | | | | |
| General Revenues | \$ 3,745,699.00 | \$ 3,693,712.00 | \$ 3,776,901.15 | \$ 3,820,121.41 |
| Federal Revenues | \$ 13,742,773.00 | \$ 14,794,621.00 | \$ 15,368,487.36 | \$ 15,965,269.63 |
| Fees for Service | \$ 375,249.00 | \$ 380,000.00 | \$ 385,000.00 | \$ 390,000.00 |
| Other Contracts | \$ 3,392,882.00 | \$ 2,781,420.00 | \$ 2,781,420.00 | \$ 2,781,420.00 |
| Other Revenues | \$ - | \$ - | \$ - | \$ - |
| TOTAL FUNDING | \$ 21,256,603.00 | \$ 21,649,753.00 | \$ 22,311,808.51 | \$ 22,956,811.04 |

FUNDING SOURCES DETAIL
Mid-South Health Systems, Inc.
(Name of CMHC)

| FUNDING SOURCES | 2006 Actual | 2007 Allocation | 2008 Estimate | 2009 Estimate |
|---------------------------|--------------------|------------------------|----------------------|----------------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 674,280 | \$ 674,280 | \$ 674,280 | \$ 674,280 |
| CSP Part B | \$ 295,716 | \$ 295,716 | \$ 295,716 | \$ 295,716 |
| Per Capita | \$ 823,243 | \$ 823,243 | \$ 864,405 | \$ 907,625 |
| State Match | | | | |
| Forensic Evaluations | \$ 15,500 | \$ 17,000 | \$ 15,000 | \$ 15,000 |
| CASSP | \$ 92,500 | \$ 92,500 | \$ 92,500 | \$ 92,500 |
| Youth Services Contracts | \$ 746,237 | \$ 733,371 | \$ 735,000 | \$ 735,000 |
| Other General Revenue | \$ 1,098,223 | \$ 1,057,602 | \$ 1,100,000 | \$ 1,100,000 |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 351,522 | \$ 344,723 | \$ 344,723 | \$ 344,723 |
| Medicaid | \$ 13,192,124 | \$ 14,249,807 | \$ 14,819,799 | \$ 15,412,591 |
| Medicare | \$ 128,172 | \$ 129,136 | \$ 133,010 | \$ 137,000 |
| Title XX | \$ 70,955 | \$ 70,955 | \$ 70,955 | \$ 70,955 |
| AR Kids | | | | |
| Homeless Grant | | | | |
| HUD | | | | |
| USDA | | | | |
| Title III | | | | |
| FEMA | | | | |
| RSVP & VA | | | | |
| Food Program | | | | |
| Transitional Housing | | | | |
| Other Federal Revenue | | | | |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 74,994 | \$ 75,000 | \$ 75,000 | \$ 75,000 |
| Self Pay | \$ 300,255 | \$ 305,000 | \$ 310,000 | \$ 315,000 |
| Other | | | | |
| OTHER CONTRACTS: | | | | |
| | \$ 3,392,882 | \$ 2,781,420 | \$ 2,781,420 | \$ 2,781,420 |
| OTHER REVENUES: | | | | |
| | | | | |
| TOTAL FUNDING: | \$ 21,256,603 | \$ 21,649,753 | \$ 22,311,809 | \$ 22,956,811 |

BIENNIAL BUDGET SUMMARY
Ozark Counseling Services, Inc.
(Name of CMHC)

| LINE ITEM TITLE | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| Personal Services: | | | | |
| Regular Salaries | \$ 1,996,342.18 | \$ 1,828,026.52 | \$ 1,943,498.00 | \$ 1,997,298.00 |
| Fringe Benefits | \$ 432,899.76 | \$ 241,918.00 | \$ 241,918.00 | \$ 241,918.00 |
| Total Personal Services | \$ 2,429,241.94 | \$ 2,069,944.52 | \$ 2,185,416.00 | \$ 2,239,216.00 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 819,491.95 | \$ 773,607.00 | \$ 800,427.00 | \$ 803,477.00 |
| Conference Fees & Travel | \$ 33,765.10 | \$ 18,204.00 | \$ 21,800.00 | \$ 22,000.00 |
| Professional Fees | \$ 527,392.46 | \$ 908,227.00 | \$ 908,299.00 | \$ 930,000.00 |
| Capital Outlay | \$ 73,756.68 | \$ 83,028.00 | \$ 120,000.00 | \$ 122,000.00 |
| Total Maint. & Operation | \$ 1,454,406.19 | \$ 1,783,066.00 | \$ 1,850,526.00 | \$ 1,877,477.00 |
| TOTAL EXPENSES | \$ 3,883,648.13 | \$ 3,853,010.52 | \$ 4,035,942.00 | \$ 4,116,693.00 |
| Funding Sources: | | | | |
| Fund Balances | | | | |
| General Revenues | \$ 926,549.75 | \$ 1,010,854.00 | \$ 1,010,854.00 | \$ 1,010,854.00 |
| Federal Revenues | \$ 1,556,222.42 | \$ 2,106,065.00 | \$ 2,133,799.00 | \$ 2,213,799.00 |
| Fees for Service | \$ 270,804.38 | \$ 167,490.00 | \$ 328,740.00 | \$ 330,740.00 |
| Other Contracts | \$ 568,526.00 | \$ 569,172.00 | \$ 570,172.00 | \$ 571,172.00 |
| Other Revenues | \$ - | \$ - | \$ - | \$ - |
| TOTAL FUNDING | \$ 3,322,102.55 | \$ 3,853,581.00 | \$ 4,043,565.00 | \$ 4,126,565.00 |

FUNDING SOURCES DETAIL
Ozark Counseling Services, Inc.
(Name of CMHC)

| FUNDING SOURCES | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|---------------------------|--------------------|------------------------|----------------------|----------------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 277,724 | \$ 277,728 | \$ 277,728 | \$ 277,728 |
| CSP Part B | \$ 90,837 | \$ 90,840 | \$ 90,840 | \$ 90,840 |
| Per Capita | \$ 322,350 | \$ 322,356 | \$ 322,356 | \$ 322,356 |
| State Match | \$ 23,642 | \$ 23,640 | \$ 23,640 | \$ 23,640 |
| Forensic Evaluations | \$ 7,000 | \$ - | | |
| CASSP | \$ 42,937 | \$ 37,512 | \$ 37,512 | \$ 37,512 |
| Youth Services Contracts | \$ 162,060 | \$ 258,778 | \$ 258,778 | \$ 258,778 |
| Other General Revenue | | | | |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 135,196 | \$ 135,840 | \$ 135,840 | \$ 135,840 |
| Medicaid | \$ 1,357,220 | \$ 1,872,266 | \$ 1,900,000 | \$ 1,980,000 |
| Medicare | \$ 35,796 | \$ 53,716 | \$ 53,716 | \$ 53,716 |
| Title XX | \$ 28,010 | \$ 44,243 | \$ 44,243 | \$ 44,243 |
| AR Kids | | | | |
| Homeless Grant | | | | |
| HUD | | | | |
| USDA | | | | |
| Title III | | | | |
| FEMA | | | | |
| RSVP & VA | | | | |
| Food Program | | | | |
| Transitional Housing | | | | |
| Other Federal Revenue | | | | |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 31,659 | \$ 33,676 | \$ 40,000 | \$ 42,000 |
| Self Pay | \$ 150,760 | \$ 48,600 | \$ 203,526 | \$ 203,526 |
| Other | \$ 85,838 | \$ 82,115 | \$ 82,115 | \$ 82,115 |
| | \$ 2,548 | \$ 3,099 | \$ 3,099 | \$ 3,099 |
| OTHER CONTRACTS: | | | | |
| Inpatient | \$ 466,921 | \$ 466,932 | \$ 466,932 | \$ 466,932 |
| DASEP | \$ 101,605 | \$ 102,240 | \$ 103,240 | \$ 104,240 |
| OTHER REVENUES: | | | | |
| | | | | |
| | | | | |
| TOTAL FUNDING: | \$ 3,322,103 | \$ 3,853,581 | \$ 4,043,565 | \$ 4,126,565 |

BIENNIAL BUDGET SUMMARY
OZARK GUIDANCE CENTER, INC.
(Name of CMHC)

| LINE ITEM TITLE | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Personal Services: | | | | |
| Regular Salaries | \$ 17,467,787.00 | \$ 18,730,763.23 | \$ 19,479,993.76 | \$ 20,259,193.51 |
| Fringe Benefits | \$ 4,417,634.00 | \$ 4,811,416.00 | \$ 5,003,872.64 | \$ 5,204,027.55 |
| Total Personal Services | \$ 21,885,421.00 | \$ 23,542,179.23 | \$ 24,483,866.40 | \$ 25,463,221.06 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 3,364,043.00 | \$ 3,603,599.00 | \$ 3,747,742.96 | \$ 3,897,652.68 |
| Conference Fees & Travel | \$ 161,102.00 | \$ 134,718.00 | \$ 140,106.72 | \$ 145,710.99 |
| Professional Fees | \$ 2,237,066.00 | \$ 2,087,841.00 | \$ 2,171,354.64 | \$ 2,258,208.83 |
| Capital Outlay | \$ 898,180.00 | \$ 1,083,102.00 | \$ 1,131,880.00 | \$ 1,154,355.20 |
| Total Maint. & Operation | \$ 6,660,391.00 | \$ 6,909,260.00 | \$ 7,191,084.32 | \$ 7,455,927.69 |
| TOTAL EXPENSES | \$ 28,545,812.00 | \$ 30,451,439.23 | \$ 31,674,950.72 | \$ 32,919,148.75 |
| Funding Sources: | | | | |
| Fund Balances | | | | |
| General Revenues | \$ 3,823,963.00 | \$ 3,729,048.00 | \$ 3,823,963.00 | \$ 3,823,963.00 |
| Federal Revenues | \$ 19,284,913.00 | \$ 21,151,528.00 | \$ 21,944,421.80 | \$ 22,765,893.67 |
| Fees for Service | \$ 1,210,312.00 | \$ 1,676,018.00 | \$ 1,743,058.72 | \$ 1,812,781.07 |
| Other Contracts | \$ 2,001,061.00 | \$ 2,159,372.00 | \$ 2,245,746.88 | \$ 2,335,576.76 |
| Other Revenues | \$ 2,014,017.00 | \$ 1,839,448.00 | \$ 1,850,000.00 | \$ 1,850,000.00 |
| TOTAL FUNDING | \$ 28,334,266.00 | \$ 30,555,414.00 | \$ 31,607,190.40 | \$ 32,588,214.50 |

**FUNDING SOURCES DETAIL
OZARK GUIDANCE CENTER, INC.**

(Name of CMHC)

| FUNDING SOURCES | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|---------------------------|--------------------|------------------------|----------------------|----------------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 678,600 | \$ 678,600 | \$ 678,600 | \$ 678,600 |
| CSP Part B | \$ 245,017 | \$ 245,016 | \$ 245,017 | \$ 245,017 |
| Per Capita | \$ 1,073,206 | \$ 1,073,208 | \$ 1,073,206 | \$ 1,073,206 |
| State Match | \$ 78,713 | \$ 78,708 | \$ 78,713 | \$ 78,713 |
| Forensic Evaluations | \$ 115,500 | \$ 112,500 | \$ 115,500 | \$ 115,500 |
| CASSP | \$ 72,072 | \$ 63,984 | \$ 72,072 | \$ 72,072 |
| Youth Services Contracts | | | | |
| Other General Revenue | \$ 1,560,855 | \$ 1,477,032 | \$ 1,560,855 | \$ 1,560,855 |
| | | | | |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 463,035 | \$ 465,252 | \$ 465,252 | \$ 465,252 |
| Medicaid | \$ 17,722,771 | \$ 19,479,979 | \$ 20,259,178 | \$ 21,069,545 |
| Medicare | \$ 241,080 | \$ 266,941 | \$ 277,619 | \$ 288,723 |
| Title XX | \$ 70,762 | \$ 70,673 | \$ 70,673 | \$ 70,673 |
| AR Kids | | | | |
| Homeless Grant | \$ 57,399 | \$ 59,700 | \$ 59,700 | \$ 59,700 |
| HUD | | | | |
| USDA | | | | |
| Title III | | | | |
| FEMA | | | | |
| RSVP & VA | | | | |
| Food Program | \$ 115,408 | \$ 137,847 | \$ 140,000 | \$ 140,000 |
| Transitional Housing | | | | |
| Other Federal Revenue | \$ 614,458 | \$ 671,136 | \$ 672,000 | \$ 672,000 |
| | | | | |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 521,902 | \$ 636,400 | \$ 661,856 | \$ 688,330 |
| Self Pay | \$ 672,842 | \$ 1,015,844 | \$ 1,056,478 | \$ 1,098,737 |
| Other | \$ 15,568 | \$ 23,774 | \$ 24,725 | \$ 25,714 |
| | | | | |
| OTHER CONTRACTS: | | | | |
| Various | \$ 2,001,061 | \$ 2,159,372 | \$ 2,245,747 | \$ 2,335,577 |
| | | | | |
| | | | | |
| OTHER REVENUES: | | | | |
| | \$ 2,014,017 | \$ 1,839,448 | \$ 1,850,000 | \$ 1,850,000 |
| | | | | |
| TOTAL FUNDING: | \$ 28,334,266 | \$ 30,555,414 | \$ 31,607,190 | \$ 32,588,214 |

BIENNIAL BUDGET SUMMARY
Professional Counseling Associates
(Name of CMHC)

| LINE ITEM TITLE | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| Personal Services: | | | | |
| Regular Salaries | \$ 3,355,591.00 | \$ 3,668,947.15 | \$ 3,779,015.56 | \$ 3,892,386.03 |
| Fringe Benefits | \$ 989,446.00 | \$ 1,081,100.00 | \$ 1,124,344.00 | \$ 1,169,317.76 |
| Total Personal Services | \$ 4,345,037.00 | \$ 4,750,047.15 | \$ 4,903,359.56 | \$ 5,061,703.79 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 1,003,421.43 | \$ 1,075,263.60 | \$ 1,172,732.55 | \$ 1,190,463.54 |
| Conference Fees & Travel | \$ 12,664.00 | \$ 22,550.00 | \$ 22,888.25 | \$ 23,231.57 |
| Professional Fees | \$ 525,310.00 | \$ 703,625.00 | \$ 705,104.38 | \$ 706,605.94 |
| Capital Outlay | \$ 377,165.85 | \$ 256,441.00 | \$ 558,941.00 | \$ 357,000.00 |
| Total Maint. & Operation | \$ 1,918,561.28 | \$ 2,057,879.60 | \$ 2,459,666.18 | \$ 2,277,301.06 |
| TOTAL EXPENSES | \$ 6,263,598.28 | \$ 6,807,926.75 | \$ 7,363,025.74 | \$ 7,339,004.85 |
| Funding Sources: | | | | |
| Fund Balances | | | | |
| General Revenues | \$ 2,978,315.00 | \$ 2,979,315.00 | \$ 2,979,315.00 | \$ 2,979,315.00 |
| Federal Revenues | \$ 2,790,396.53 | \$ 3,366,572.80 | \$ 3,543,075.48 | \$ 3,728,768.20 |
| Fees for Service | \$ 202,088.00 | \$ 280,090.00 | \$ 302,062.90 | \$ 325,069.19 |
| Other Contracts | \$ 36,814.50 | \$ 16,000.00 | \$ - | \$ - |
| Other Revenues | \$ 124,449.86 | \$ 108,400.00 | \$ 110,000.00 | \$ 115,000.00 |
| TOTAL FUNDING | \$ 6,132,063.89 | \$ 6,750,377.80 | \$ 6,934,453.38 | \$ 7,148,152.39 |

FUNDING SOURCES DETAIL
Professional Counseling Associates
(Name of CMHC)

| FUNDING SOURCES | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|---------------------------|--------------------|------------------------|----------------------|----------------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 569,321 | \$ 569,321 | \$ 569,321 | \$ 569,321 |
| CSP Part B | \$ 221,227 | \$ 221,227 | \$ 221,227 | \$ 221,227 |
| Per Capita | \$ 743,898 | \$ 743,898 | \$ 743,898 | \$ 743,898 |
| State Match | \$ 54,561 | \$ 54,561 | \$ 54,561 | \$ 54,561 |
| Forensic Evaluations | \$ 34,000 | \$ 35,000 | \$ 35,000 | \$ 35,000 |
| CASSP | \$ 92,500 | \$ 92,500 | \$ 92,500 | \$ 92,500 |
| Youth Services Contracts | \$ 372,078 | \$ 372,078 | \$ 372,078 | \$ 372,078 |
| Other General Revenue | \$ 890,730 | \$ 890,730 | \$ 890,730 | \$ 890,730 |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 321,473 | \$ 323,008 | \$ 323,008 | \$ 323,008 |
| Medicaid | \$ 2,324,513 | \$ 2,886,678 | \$ 3,059,879 | \$ 3,243,471 |
| Medicare | \$ 49,763 | \$ 61,798 | \$ 65,100 | \$ 67,200 |
| Title XX | \$ 70,089 | \$ 70,089 | \$ 70,089 | \$ 70,089 |
| AR Kids | | | | |
| Homeless Grant | | | | |
| HUD | | | | |
| USDA | | | | |
| Title III | | | | |
| FEMA | | | | |
| RSVP & VA | | | | |
| Food Program | \$ 24,559 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Transitional Housing | | | | |
| Other Federal Revenue | | | | |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 56,450 | \$ 78,239 | \$ 86,063 | \$ 94,669 |
| Self Pay | \$ 145,638 | \$ 201,851 | \$ 216,000 | \$ 230,400 |
| Other | | | | |
| OTHER CONTRACTS: | | | | |
| | \$ 36,815 | \$ 16,000 | \$ - | \$ - |
| OTHER REVENUES: | | | | |
| | \$ 124,450 | \$ 108,400 | \$ 110,000 | \$ 115,000 |
| TOTAL FUNDING: | \$ 6,132,064 | \$ 6,750,378 | \$ 6,934,453 | \$ 7,148,152 |

BIENNIAL BUDGET SUMMARY
South Arkansas Regional Health Center

| LINE ITEM TITLE | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| Personal Services: | | | | |
| Regular Salaries | \$ 4,448,979.48 | \$ 4,153,322.00 | \$ 4,277,921.66 | \$ 4,406,259.31 |
| Fringe Benefits | \$ 1,203,268.00 | \$ 1,287,454.00 | \$ 1,326,077.62 | \$ 1,365,859.95 |
| Total Personal Services | \$ 5,652,247.48 | \$ 5,440,776.00 | \$ 5,603,999.28 | \$ 5,772,119.26 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 1,996,128.00 | \$ 1,836,116.00 | \$ 1,891,199.48 | \$ 1,947,935.46 |
| Conference Fees & Travel | \$ 13,941.00 | \$ 12,400.00 | \$ 12,772.00 | \$ 13,155.16 |
| Professional Fees | \$ 305,455.00 | \$ 362,100.00 | \$ 372,963.00 | \$ 384,151.89 |
| Capital Outlay | \$ 282,897.00 | \$ 281,500.00 | \$ 289,945.00 | \$ 298,643.35 |
| Total Maint. & Operation | \$ 2,598,421.00 | \$ 2,492,116.00 | \$ 2,566,879.48 | \$ 2,643,885.86 |
| TOTAL EXPENSES | \$ 8,250,668.48 | \$ 7,932,892.00 | \$ 8,170,878.76 | \$ 8,416,005.12 |
| Funding Sources: | | | | |
| Fund Balances | | | | |
| General Revenues | \$ 1,937,255.00 | \$ 1,974,600.00 | \$ 2,033,838.00 | \$ 2,094,853.14 |
| Federal Revenues | \$ 4,375,128.00 | \$ 4,820,500.00 | \$ 4,929,065.00 | \$ 5,076,936.95 |
| Fees for Service | \$ 283,789.00 | \$ 294,000.00 | \$ 302,820.00 | \$ 311,904.60 |
| Other Contracts | \$ 22,261.00 | \$ 30,000.00 | \$ 30,900.00 | \$ 31,827.00 |
| Other Revenues | \$ 1,182,420.00 | \$ 813,792.00 | \$ 838,206.00 | \$ 863,352.00 |
| TOTAL FUNDING | \$ 7,800,853.00 | \$ 7,932,892.00 | \$ 8,134,829.00 | \$ 8,378,873.69 |

FUNDING SOURCES DETAIL
South Arkansas Regional Health Center

| FUNDING SOURCES | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|---------------------------|--------------------|------------------------|----------------------|----------------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 540,269 | \$ 540,300 | \$ 556,509 | \$ 573,204 |
| CSP Part B | \$ 207,695 | \$ 270,700 | \$ 278,821 | \$ 287,186 |
| Per Capita | \$ 382,289 | \$ 382,300 | \$ 393,769 | \$ 405,582 |
| State Match | \$ 28,039 | \$ 28,000 | \$ 28,840 | \$ 29,705 |
| Forensic Evaluations | \$ 27,000 | \$ 26,000 | \$ 26,780 | \$ 27,583 |
| CASSP | \$ 76,606 | \$ 70,000 | \$ 72,100 | \$ 74,263 |
| Youth Services Contracts | | | | |
| Other General Revenue | \$ 675,357 | \$ 657,300 | \$ 677,019 | \$ 697,330 |
| | | | | |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 164,849 | \$ 165,800 | \$ 170,774 | \$ 175,897 |
| Medicaid | \$ 3,542,524 | \$ 3,960,000 | \$ 4,078,800 | \$ 4,201,164 |
| Medicare | \$ 157,124 | \$ 175,000 | \$ 180,250 | \$ 185,658 |
| Title XX | \$ 136,149 | \$ 131,100 | \$ 135,033 | \$ 139,084 |
| AR Kids | \$ 85,762 | \$ 90,000 | \$ 92,700 | \$ 95,481 |
| Homeless Grant | | | | |
| HUD | | | | |
| USDA | | | | |
| Title III | | | | |
| FEMA | | | | |
| RSVP & VA | \$ 223,573 | \$ 227,600 | \$ 234,428 | \$ 241,461 |
| Food Program | \$ 38,557 | \$ 36,000 | \$ 37,080 | \$ 38,192 |
| Transitional Housing | | | | |
| Other Federal Revenue | \$ 26,590 | \$ 35,000 | | |
| | | | | |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 148,011 | \$ 150,000 | \$ 154,500 | \$ 159,135 |
| Self Pay | \$ 132,144 | \$ 140,000 | \$ 144,200 | \$ 148,526 |
| Other | \$ 3,634 | \$ 4,000 | \$ 4,120 | \$ 4,244 |
| | | | | |
| OTHER CONTRACTS: | | | | |
| | \$ 22,261 | \$ 30,000 | \$ 30,900 | \$ 31,827 |
| | | | | |
| | | | | |
| | | | | |
| OTHER REVENUES: | \$ 1,182,420 | \$ 813,792 | \$ 838,206 | \$ 863,352 |
| | | | | |
| TOTAL FUNDING: | \$ 7,800,853 | \$ 7,932,892 | \$ 8,134,829 | \$ 8,378,874 |

BIENNIAL BUDGET SUMMARY
Southeast AR Behavioral Healthcare System, Inc.
(Name of CMHC)

| LINE ITEM TITLE | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|-------------------------------------|------------------|------------------|------------------|------------------|
| Personal Services: | | | | |
| Regular Salaries | \$ 3,965,897.00 | \$ 5,246,258.00 | \$ 5,349,250.00 | \$ 5,519,584.00 |
| Fringe Benefits | \$ 823,933.00 | \$ 1,029,346.00 | \$ 1,015,694.00 | \$ 1,039,313.00 |
| Total Personal Services | \$ 4,789,830.00 | \$ 6,275,604.00 | \$ 6,364,944.00 | \$ 6,558,897.00 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 1,195,553.00 | \$ 1,205,775.00 | \$ 1,205,300.00 | \$ 1,241,459.00 |
| Conference Fees & Travel | \$ 5,076.00 | \$ 10,000.00 | \$ 6,000.00 | \$ 6,180.00 |
| Professional Fees | \$ 347,383.00 | \$ 230,000.00 | \$ 230,000.00 | \$ 230,000.00 |
| Capital Outlay | \$ 612,117.00 | \$ 305,000.00 | \$ 270,000.00 | \$ 275,000.00 |
| Total Maint. & Operation | \$ 2,160,129.00 | \$ 1,750,775.00 | \$ 1,711,300.00 | \$ 1,752,639.00 |
| TOTAL EXPENSES | \$ 6,949,959.00 | \$ 8,026,379.00 | \$ 8,076,244.00 | \$ 8,311,536.00 |
| Funding Sources: | | | | |
| Fund Balances | \$ 5,281,548.00 | \$ 5,098,285.00 | \$ 5,098,285.00 | \$ 5,098,285.00 |
| General Revenues | \$ 1,230,361.00 | \$ 1,233,861.00 | \$ 1,233,861.00 | \$ 1,233,861.00 |
| Federal Revenues | \$ 4,331,687.00 | \$ 5,877,023.00 | \$ 5,943,888.00 | \$ 6,159,180.00 |
| Fees for Service | \$ 279,826.00 | \$ 321,200.00 | \$ 316,200.00 | \$ 336,200.00 |
| Other Contracts | \$ 253,935.00 | \$ 287,295.00 | \$ 277,295.00 | \$ 277,295.00 |
| Other Revenues | \$ 250,332.00 | \$ 207,000.00 | \$ 255,000.00 | \$ 255,000.00 |
| TOTAL FUNDING | \$ 11,627,689.00 | \$ 13,024,664.00 | \$ 13,124,529.00 | \$ 13,359,821.00 |

FUNDING SOURCES DETAIL
Southeast AR Behavioral Healthcare System, Inc.
(Name of CMHC)

| FUNDING SOURCES | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|---------------------------|---------------------|------------------------|----------------------|----------------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 523,240 | \$ 523,240 | \$ 523,240 | \$ 523,240 |
| CSP Part B | \$ 139,843 | \$ 139,843 | \$ 139,843 | \$ 139,843 |
| Per Capita | \$ 442,335 | \$ 442,335 | \$ 442,335 | \$ 442,335 |
| State Match | \$ 32,443 | \$ 32,443 | \$ 32,443 | \$ 32,443 |
| Forensic Evaluations | \$ 22,500 | \$ 26,000 | \$ 26,000 | \$ 26,000 |
| CASSP | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 |
| Youth Services Contracts | | | | |
| Other General Revenue | | | | |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 190,708 | \$ 191,619 | \$ 191,619 | \$ 191,619 |
| Medicaid | \$ 3,918,547 | \$ 5,444,032 | \$ 5,510,897 | \$ 5,726,189 |
| Medicare | \$ 131,536 | \$ 150,000 | \$ 150,000 | \$ 150,000 |
| Title XX | \$ 51,372 | \$ 51,372 | \$ 51,372 | \$ 51,372 |
| AR Kids | | | | |
| Homeless Grant | | | | |
| HUD | | | | |
| USDA | \$ 39,524 | \$ 40,000 | \$ 40,000 | \$ 40,000 |
| Title III | | | | |
| FEMA | | | | |
| RSVP & VA | | | | |
| Food Program | | | | |
| Transitional Housing | | | | |
| Other Federal Revenue | | | | |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 120,417 | \$ 130,000 | \$ 140,000 | \$ 150,000 |
| Self Pay | \$ 147,177 | \$ 175,000 | \$ 160,000 | \$ 170,000 |
| Other | \$ 12,232 | \$ 16,200 | \$ 16,200 | \$ 16,200 |
| OTHER CONTRACTS: | | | | |
| Acute Inpatient Admin Fee | \$ 18,288 | \$ 18,288 | \$ 18,288 | \$ 18,288 |
| Drug Contract | \$ 70,239 | \$ 70,239 | \$ 70,239 | \$ 70,239 |
| DASEP | \$ 105,383 | \$ 80,768 | \$ 80,768 | \$ 80,768 |
| DASEP- Fees | \$ 25 | \$ 48,000 | \$ 48,000 | \$ 48,000 |
| Acute Inpatient Revenue | \$ 60,000 | \$ 70,000 | \$ 60,000 | \$ 60,000 |
| OTHER REVENUES: | | | | |
| United Way | \$ 72,500 | \$ 75,000 | \$ 75,000 | \$ 75,000 |
| Misc | \$ 177,832 | \$ 132,000 | \$ 180,000 | \$ 180,000 |
| TOTAL FUNDING: | \$ 6,346,141 | \$ 7,926,379 | \$ 8,026,244 | \$ 8,261,536 |

BIENNIAL BUDGET SUMMARY
Southwest Arkansas Counseling & Mental Health Center, Inc.

| LINE ITEM TITLE | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|-------------------------------------|------------------|------------------|------------------|------------------|
| Personal Services: | | | | |
| Regular Salaries | \$ 8,220,312.17 | \$ 8,466,921.96 | \$ 8,720,928.89 | \$ 8,982,557.01 |
| Fringe Benefits | \$ 1,576,074.90 | \$ 1,623,357.15 | \$ 1,672,057.86 | \$ 1,722,219.60 |
| Total Personal Services | \$ 9,796,387.07 | \$ 10,090,279.10 | \$ 10,392,986.76 | \$ 10,704,776.61 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 2,176,582.56 | \$ 2,285,411.69 | \$ 2,399,682.27 | \$ 2,519,666.39 |
| Conference Fees & Travel | \$ 308,764.00 | \$ 324,202.20 | \$ 340,412.31 | \$ 357,432.93 |
| Professional Fees | \$ 576,881.00 | \$ 605,725.05 | \$ 636,011.30 | \$ 667,811.87 |
| Capital Outlay | \$ 429,279.00 | \$ 450,742.95 | \$ 473,280.10 | \$ 496,944.10 |
| Total Maint. & Operation | \$ 3,491,506.56 | \$ 3,666,081.89 | \$ 3,849,385.98 | \$ 4,041,855.28 |
| TOTAL EXPENSES | \$ 13,287,893.63 | \$ 13,756,360.99 | \$ 14,242,372.74 | \$ 14,746,631.89 |
| Funding Sources: | | | | |
| Fund Balances | | | | |
| General Revenues | \$ 1,746,050.00 | \$ 1,742,550.00 | \$ 1,824,576.78 | \$ 1,936,575.55 |
| Federal Revenues | \$ 9,200,176.00 | \$ 9,836,557.00 | \$ 10,043,487.00 | \$ 10,303,487.00 |
| Fees for Service | \$ 585,842.00 | \$ 727,675.00 | \$ 770,000.00 | \$ 810,000.00 |
| Other Contracts | \$ 1,176,787.00 | \$ 1,202,170.00 | \$ 1,250,000.00 | \$ 1,300,000.00 |
| Other Revenues | \$ 189,005.00 | \$ 200,500.00 | \$ 205,000.00 | \$ 210,000.00 |
| TOTAL FUNDING | \$ 12,897,860.00 | \$ 13,709,452.00 | \$ 14,093,063.78 | \$ 14,560,062.55 |

FUNDING SOURCES DETAIL
Southwest Arkansas Counseling & Mental Health Center, Inc.

| FUNDING SOURCES | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|---------------------------|--------------------|------------------------|----------------------|----------------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 337,649 | \$ 337,649 | \$ 361,284 | \$ 386,574 |
| CSP Part B | \$ 108,211 | \$ 108,211 | \$ 115,786 | \$ 123,891 |
| Per Capita | \$ 355,798 | \$ 355,798 | \$ 380,704 | \$ 407,353 |
| State Match | \$ 26,096 | \$ 26,096 | \$ 27,923 | \$ 29,877 |
| Forensic Evaluations | \$ 24,500 | \$ 21,000 | \$ 21,000 | \$ 21,000 |
| CASSP | \$ 17,880 | \$ 17,880 | \$ 17,880 | \$ 17,880 |
| Youth Services Contracts | \$ 875,916 | \$ 875,916 | \$ 900,000 | \$ 950,000 |
| Other General Revenue | | | | |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 154,609 | \$ 154,609 | \$ 154,609 | \$ 154,609 |
| Medicaid | \$ 8,519,342 | \$ 9,045,070 | \$ 9,200,000 | \$ 9,400,000 |
| Medicare | \$ 85,692 | \$ 130,000 | \$ 150,000 | \$ 200,000 |
| Title XX | \$ 38,878 | \$ 38,878 | \$ 38,878 | \$ 38,878 |
| AR Kids | \$ 401,655 | \$ 468,000 | \$ 500,000 | \$ 510,000 |
| Homeless Grant | | | | |
| HUD | | | | |
| USDA | | | | |
| Title III | | | | |
| FEMA | | | | |
| RSVP & VA | | | | |
| Food Program | | | | |
| Transitional Housing | | | | |
| Other Federal Revenue | | | | |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 66,888 | \$ 109,752 | \$ 140,000 | \$ 160,000 |
| Self Pay | \$ 95,883 | \$ 240,958 | \$ 250,000 | \$ 250,000 |
| Other | \$ 423,071 | \$ 376,965 | \$ 380,000 | \$ 400,000 |
| OTHER CONTRACTS: | | | | |
| | \$ 1,176,787 | \$ 1,202,170 | \$ 1,250,000 | \$ 1,300,000 |
| OTHER REVENUES: | | | | |
| | \$ 189,005 | \$ 200,500 | \$ 205,000 | \$ 210,000 |
| TOTAL FUNDING: | \$ 12,897,860 | \$ 13,709,452 | \$ 14,093,064 | \$ 14,560,063 |

BIENNIAL BUDGET SUMMARY
Western Arkansas Counseling & Guidance
(Name of CMHC)

| LINE ITEM TITLE | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Personal Services: | | | | |
| Regular Salaries | \$ 6,268,883.00 | \$ 7,420,222.92 | \$ 8,249,684.84 | \$ 8,497,175.38 |
| Fringe Benefits | \$ 1,221,823.00 | \$ 1,369,098.00 | \$ - | \$ - |
| Total Personal Services | \$ 7,490,706.00 | \$ 8,789,320.92 | \$ 8,249,684.84 | \$ 8,497,175.38 |
| Maintenance & Operation: | | | | |
| Operating Expense | \$ 1,509,665.00 | \$ 1,898,992.00 | \$ 2,258,400.00 | \$ 2,345,916.00 |
| Conference Fees & Travel | \$ 55,143.00 | \$ 76,750.00 | \$ 82,000.00 | \$ 84,000.00 |
| Professional Fees | \$ 1,246,173.00 | \$ 1,267,349.00 | \$ 1,276,000.00 | \$ 1,296,000.00 |
| Capital Outlay | \$ 677,178.00 | \$ 2,237,861.00 | \$ 435,000.00 | \$ 435,000.00 |
| Total Maint. & Operation | \$ 3,488,159.00 | \$ 5,480,952.00 | \$ 4,051,400.00 | \$ 4,160,916.00 |
| TOTAL EXPENSES | \$ 10,978,865.00 | \$ 14,270,272.92 | \$ 12,301,084.84 | \$ 12,658,091.38 |
| Funding Sources: | | | | |
| Fund Balances | \$ 9,346,572.00 | \$ 9,245,767.00 | \$ 6,862,461.08 | \$ 6,703,583.24 |
| General Revenues | \$ 2,813,000.00 | \$ 2,730,214.00 | \$ 2,730,214.00 | \$ 2,730,214.00 |
| Federal Revenues | \$ 5,834,399.00 | \$ 6,354,230.00 | \$ 6,789,785.00 | \$ 6,817,868.00 |
| Fees for Service | \$ 300,961.00 | \$ 294,598.00 | \$ 306,000.00 | \$ 315,000.00 |
| Other Contracts | \$ 1,555,110.00 | \$ 1,975,746.00 | \$ 2,165,208.00 | \$ 2,165,208.00 |
| Other Revenues | \$ 374,590.00 | \$ 532,179.00 | \$ 151,000.00 | \$ 151,000.00 |
| TOTAL FUNDING | \$ 20,224,632.00 | \$ 21,132,734.00 | \$ 19,004,668.08 | \$ 18,882,873.24 |

FUNDING SOURCES DETAIL
Western Arkansas Counseling & Guidance
(Name of CMHC)

| FUNDING SOURCES | 2008 Actual | 2009 Allocation | 2010 Estimate | 2011 Estimate |
|---------------------------|----------------------|------------------------|----------------------|----------------------|
| GENERAL REVENUES: | | | | |
| CSP Part A | \$ 514,800 | \$ 514,800 | \$ 514,800 | \$ 514,800 |
| CSP Part B | \$ 199,500 | \$ 199,500 | \$ 199,500 | \$ 199,500 |
| Per Capita | \$ 733,788 | \$ 733,788 | \$ 733,788 | \$ 733,788 |
| State Match | \$ 53,819 | \$ 53,819 | \$ 53,819 | \$ 53,819 |
| Forensic Evaluations | | | | |
| CASSP | \$ 92,500 | \$ 92,500 | \$ 92,500 | \$ 92,500 |
| Youth Services Contracts | \$ 431,997 | \$ 357,420 | \$ 357,420 | \$ 357,420 |
| Other General Revenue | \$ 786,596 | \$ 778,387 | \$ 778,387 | \$ 778,387 |
| FEDERAL REVENUES: | | | | |
| Mental Health Block Grant | \$ 318,292 | \$ 318,292 | \$ 318,292 | \$ 318,292 |
| Medicaid | \$ 5,280,490 | \$ 5,790,703 | \$ 6,222,117 | \$ 6,250,000 |
| Medicare | \$ 71,534 | \$ 78,084 | \$ 80,000 | \$ 80,000 |
| Title XX | \$ 66,606 | \$ 66,606 | \$ 66,606 | \$ 66,606 |
| AR Kids | | | | |
| Homeless Grant | | | | |
| HUD | | | | |
| USDA | | | | |
| Title III | | | | |
| FEMA | | | | |
| RSVP & VA | \$ 79,500 | \$ 78,970 | \$ 78,970 | \$ 78,970 |
| Food Program | \$ 17,977 | \$ 21,575 | \$ 23,800 | \$ 24,000 |
| Transitional Housing | | | | |
| Other Federal Revenue | | | | |
| FEES FOR SERVICE: | | | | |
| Private Insurance | \$ 102,980 | \$ 108,925 | \$ 109,000 | \$ 110,000 |
| Self Pay | \$ 197,981 | \$ 183,454 | \$ 197,000 | \$ 205,000 |
| Other | | \$ 2,219 | | |
| OTHER CONTRACTS: | | | | |
| Acute Hospitalization | \$ 999,708 | \$ 999,708 | \$ 999,708 | \$ 999,708 |
| Schools | \$ 115,750 | \$ 473,215 | \$ 673,000 | \$ 673,000 |
| RSVP | \$ 17,500 | \$ 17,500 | \$ 7,500 | \$ 7,500 |
| EAPs, etc | \$ 422,152 | \$ 485,323 | \$ 485,000 | \$ 485,000 |
| OTHER REVENUES: | | | | |
| Sales | \$ 16,033 | \$ 15,800 | \$ 16,000 | \$ 16,000 |
| Investment Income | \$ 322,991 | \$ 482,249 | \$ 100,000 | \$ 100,000 |
| Rents | \$ 35,566 | \$ 34,130 | \$ 35,000 | \$ 35,000 |
| TOTAL FUNDING: | \$ 10,878,060 | \$ 11,886,967 | \$ 12,142,207 | \$ 12,179,290 |

DHS - MEDICAL SERVICES

Enabling Laws

Act 1236 of 2007
Act 1284 of 2007
A.C.A. §25-10-102
A.C.A. §20-77-All subsections

History and Organization

MEDICAID PROGRAM OVERVIEW

Medicaid is a joint federal-state program of medical assistance for eligible individuals based on financial need and/or health status.

LEGAL STRUCTURE AND HISTORY

Title XIX of the Social Security Act created grant programs popularly called "Medicaid" in 1965. Medicaid furnishes medical assistance to those who have insufficient incomes and resources to meet the costs of necessary medical services. Medicaid provides rehabilitation and other services to help families and individuals become or remain independent and able to care for themselves.

Section 7 of Arkansas Act 280 (1939) and Act 416 (1977) authorized the State of Arkansas to establish and maintain a medical care program for the indigent and vested responsibility for regulating and administering the program in the Department of Human Services (DHS).

ADMINISTRATION

Arkansas Medicaid was implemented on January 1, 1970.

- DHS administers the Medicaid Program through the Division of Medical Services (DMS).
- The Arkansas Medicaid program is detailed in the Arkansas Medicaid State Plan and through Provider Manuals.
- The Centers for Medicare and Medicaid Services (CMS) administers the Medicaid Program for the U.S. Department of Health and Human Services. CMS authorizes federal funding levels and approves each state's State Plan, ensuring compliance with human services federal regulations.

ELIGIBILITY

SSI individuals are deemed Medicaid eligible by District Social Security Offices. Non-SSI individuals are certified as eligible for Medicaid Services by DHS field staff located in county offices throughout the state.

FUNDING

Funding is shared between the federal government and the states, with the federal government matching the state share at an authorized rate between 50 and 90 percent, depending on the program.

The federal participation rate is adjusted each year to compensate for changes in the per capita income of each state relative to the nation as a whole.

- Arkansas funds approximately 27% of Arkansas Medicaid Program-related Costs; the federal

government funds approximately 73%. State funds are drawn from directly appropriated state general revenues, license fees, drug rebates, recoveries and the Medicaid Trust Fund.

- Administrative Costs for Arkansas Medicaid are generally funded 50% by Arkansas and 50% by the federal government, although some specialized costs are funded 75% or 90% by the federal government.

SERVICES

Medicaid covered services may be rendered by both private and public providers.

- Mandatory Services are specific services required by the federal government. They include such things as child health services, family planning, home health, in-patient and out-patient hospital services, physician services, and others.
- Optional Services are services beyond the mandatory services which the state has elected to provide. Many of these optional services enable recipients to receive care in less costly home or community based settings. The Arkansas Medicaid program includes over 45 optional services which are approved in advance by CMS. Optional services are federally funded at the same level as mandatory services.
- Waiver and Demonstration Services are CMS approved services that, by design, waive one or more of the basic tenets of the federal Medicaid program, such as the requirement that benefits must be uniform throughout all geographic areas of the state or must be comparable in amount, duration, and scope for all population groups. Waiver and demonstration services allow states to provide services in different or more creative ways. Arkansas has approximately ten active waiver or demonstration programs including such programs as ARKids First, ARHealthNetworks, IndependentChoices, and Women's Health.

ORGANIZATION

The Division of Medical Services consists of five (5) administrative and program areas :

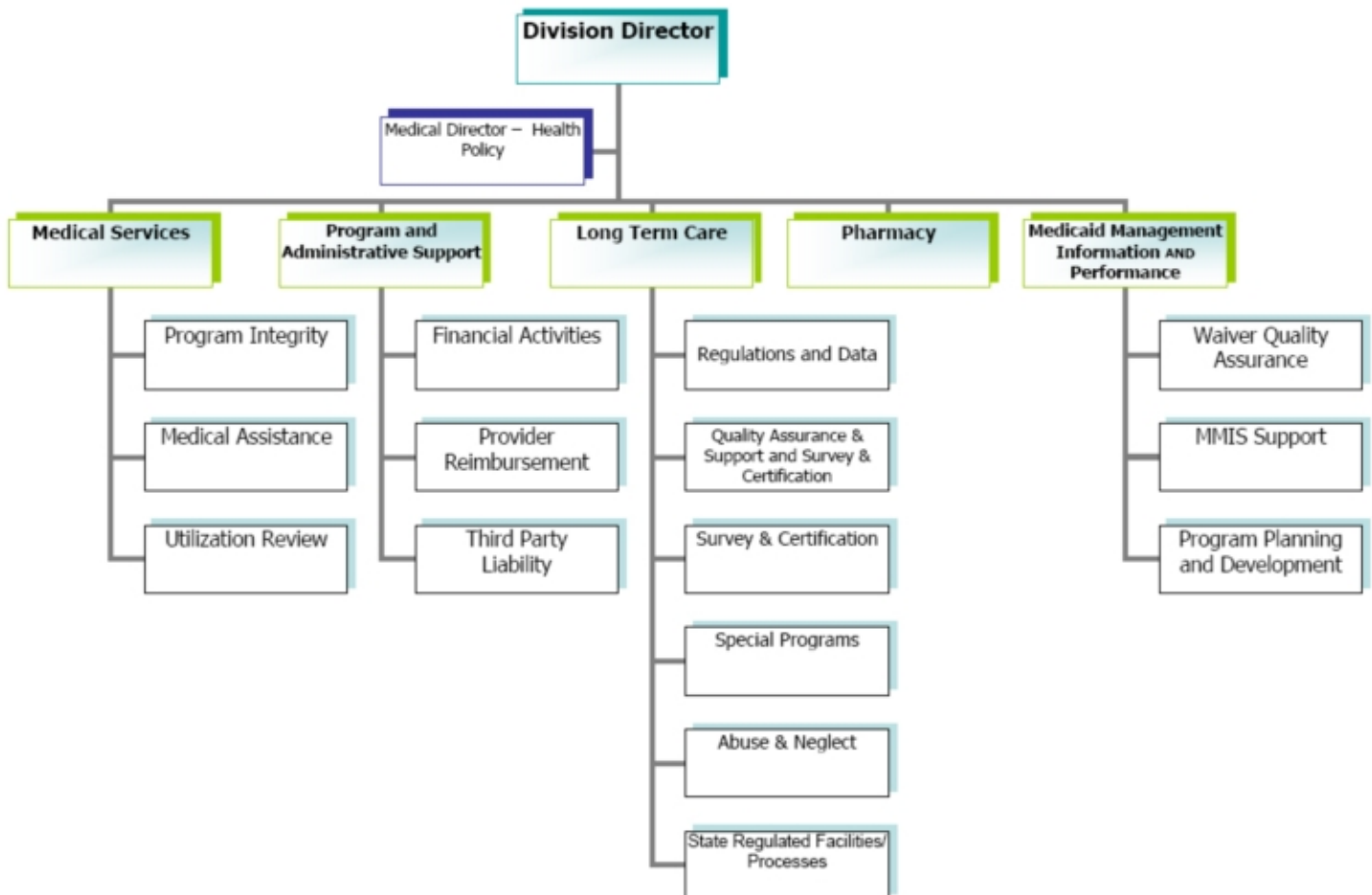
- Medical Services
- Prescription Drugs
- Office of Long Term Care
- Medicaid Management Information and Performance
- Program and Administrative Support

DMS operations are administered by approximately 270 employees--145 long-term care employees and 125 employees in the remaining four areas. Each of the five program areas provides a variety of informational resources concerning the delivery of program services, and monitors program performance to ensure that resources are utilized in the most cost effective and efficient manner.

PROGRAM ACHIEVEMENTS

- Automated Eligibility Verification & Claims Submission Systems (AEVCS) - Enables providers to electronically confirm each patient's eligibility and submit claims
- Assisted Living - This waiver offers certain individuals an alternative to remaining in their private dwelling or going to a nursing home
- TEFRA Waiver - Parents above a certain income level pay a premium for the Medicaid services for their child(ren)
- Non-Emergency Transportation Services - Regionalized transportation services at capitated rates to reduce costs and control fraud and abuse

- Independent Choices - Demonstration program that allows recipients to make decisions regarding their personal care by offering a cash allowance and counseling service
- ConnectCare Primary Care Case Management Program - An award-winning primary care physician program that has accomplished cost containment goals while maintaining provider and recipient satisfaction
- ARKids First B - Allows uninsured children of working families to access health insurance by providing primary-care coverage in Medicaid with slightly fewer benefits and cost-sharing for most services
- Medicaid Infrastructure Grant (MIG) - In SFY 2005, the CMS awarded Arkansas a MIG with which the state will work to expand and improve the Medicaid Buy-In Program known as Working Disabled. CMS has renewed this grant each year.



Agency Commentary

The Division of Medical Services (DMS) of the Department of Human Services (DHS) provides financial assistance for necessary medical services to families and individuals whose incomes and/or resources are insufficient to meet the costs of those services or who otherwise meet Arkansas Medicaid eligibility requirements. The Division of Medical Services administers the Arkansas Medicaid Program including the State Child Health Insurance Program (SCHIP), and the Office of Long Term Care.

The Division of Medical Services is financed by a mixture of funding sources, including: State General Revenues, prescription drug rebates, Tobacco Settlement Funds, Tobacco Tax Revenues, Quality Assurance Fees, Arkansas Soft Drink Tax Revenues, transfers from other State Agencies for services to specific Medicaid eligibility population groups, and Federal Medicaid funds (Social Security Title XIX) and SCHIP funds (Social Security title XXI).

Medicaid

Medicaid services are organized in four general program areas:

1. Prescription Drugs
2. Long Term Care
3. Hospital and Medical Services
4. Tobacco Settlement Medicaid Expansion

These four general program areas encompass 67 different programs and services offered through the Medicaid Program. The relative distribution of Medicaid funds to the four general areas are depicted in the chart at the end of the Commentary (see chart Medicaid Expenditures SFY 08).

The Medicaid Program was implemented in Arkansas on January 1, 1970. Individuals are certified as eligible for Medicaid Services by DHS Field Staff located in County Offices or by District Social Security Offices.

Growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation. The increases in the Medicaid eligibility population as well as the number and types of services utilized by the population influences the rise in expenditures. Growth in the Hospital Medical Program expenditures is due in part to an increase in eligibles, medical inflation, and increased utilization in specific areas, i.e. Mental Health services, therapy services, and the various waiver programs.

The Division of Medical Services is on the cutting edge of discovering efficiencies to improve access to programs while containing program costs. Faced with the challenge of promoting the efficiency of the Medicaid Program, Arkansas Medicaid has improved the access of Medicaid recipients to mainstream private-sector medical care by combining state of the art technology with a self-administered managed-care program that provides health care innovations to citizens of Arkansas.

Current Innovations:

Inpatient Quality Incentive (IQI) program was implemented in SFY 2007 awarding about \$4.8 million in incentive payment to 29 qualifying hospitals and July 2008, Medicaid awarded \$4.9 million in incentive payments to 34 qualifying hospitals and another \$900,000 is expected to be paid out to these same 34 qualifying hospitals during the remainder of SFY 2009. IQI payments are available to in-state and border city acute care hospitals that are subject to the \$850 per diem cost limit. To qualify for the 2008 incentive payments, a hospital had to comply with at least one of two separate performance thresholds. New for 2008 is a special recognition available for hospitals such as Critical Access Hospitals and others

which are not eligible for the IQI payment due to a different inpatient reimbursement methodology.

Early Periodic Screening Diagnosis and Treatment (EPSDT) Quality Incentive payments are planned to be implemented in SFY 2009. These incentive payments will be a two tiered bonus system as recommended by the Arkansas Medical Society. Tier 1 payment will be based on the number of medical screens provided to beneficiaries by any qualifying EPSDT/Medical provider. Tier 2 payment will be payable to qualifying PCPs only and will be based on the ratio of actual medical screens performed compared to expected medical screens given the number of beneficiaries and the length of enrollment.

Also planned for SFY09 is a Pay-For-Performance program for speech, occupational, and physical therapist involving an online course and exam to promote better understanding of and compliance with the Medicaid program and related procedures.

The ARHealthNetworks waiver program provides a "safety net" benefits package for working uninsured Arkansans age 19 through 64 with family income at or below 200% of the Federal Poverty Level.

The Evidence Based Prescription Drug Program is a program utilized by the Division of Medical Services Pharmacy unit providing the best selection of prescription drugs in a given class, based on efficacy and cost minimization to the state.

Another innovation utilized by the pharmacy unit is the Smart PA. This program verifies prior authorization (PA) eligibility by reading a recipient's Medicaid profile, including medications, procedures, and diagnosis, at the Point of Sale (POS). If criteria are met a PA is setup automatically.

In State Fiscal Year 2007 and 2008, Centers for Medicare and Medicaid Services awarded a Medicaid Transformation Grant to develop and implement an electronic verification of proof of citizenship.

Long Term Care

The Office of Long Term Care (OLTC) is the unit of state government responsible for the regulation of long term care facilities in Arkansas. These facilities include Nursing Homes, Intermediate Care Facilities for the Mentally Retarded (ICF/MR), Residential Care Facilities (RCF), Adult Day Care, Adult Day Health Care, Post-Acute Head Injury Facilities, Assisted Living Facilities (ALF) and Psychiatric Residential Treatment Facilities (PRTF). In total, OLTC is responsible for regulating approximately 450 facilities, serving in excess of 22,000 disabled Arkansans daily. This regulation of facilities includes conducting on-site inspections of facilities (which frequently occurs multiple times in a year), investigations of complaints against facilities, medical need determinations for placement into facilities, and licensure of facilities and facility administrators. For the calendar year 2007, the Office of Long Term Care performed approximately 1,000 state and federal surveys and complaint investigations of long term care facilities.

The Office of Long Term Care also performs criminal record background checks on the employees and applicants of facilities the Office regulates, and the Office is responsible for the administration of the training and certification of Certified Nursing Assistance (CNAs), who are long term care facility caregivers that are employed in long term care facilities and hospital-based facilities.

Current Innovation: The Arkansas Innovative Performance Program for Nursing Homes offers extensive quality improvement assistance to Arkansas' Medicaid certified nursing homes through on-site facility consultation and training.

PROGRAM REQUESTS

While understanding there is a limited amount of State dollars available for additional funding levels, the following requests are required to maintain critical programs and provide for the inescapable increases and federal mandates of the Medicaid Program:

Request #1 - Growth: The growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation and which are generally unaffected by DMS policy decisions. For example, if the Medicaid eligible population increases as a result of a declining economy, the number of individuals accessing services will increase--without any changes in Medicaid policy. Likewise, because Medicaid is an entitlement program, if (for whatever reason) the number and/or types of services utilized by the eligible population changes, the cost to the Arkansas Medicaid program could increase accordingly. Finally, there are a significant number of facilities that receive reimbursement for services to Medicaid recipients using a cost-based methodology. For these facilities (UAMS, ACH, nursing homes, the State Hospital, etc.), as medical costs continue to climb, so to do DMS expenditures.

DMS change level requests, which are based on historical cost trends and anticipated socioeconomic conditions, provide for modest growth rates in all program categories. Growth rates anticipated and requested are stable or below the 2008/2009 biennial budget requests for this type of growth factor in all categories.

Request #2 - FMAP Rate Change: This request results from a recent change in the Federal Medical Assistance Percentage of .01% for SFY 2010 and .07% for SFY 2011. This decrease in federal matching affects almost all Medicaid programs.

Request #3 - Unfunded Appropriation: Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only.

Request #4 - Prescription Drugs (Medication Therapy Management): Medication Therapy Management (MTM) is a comprehensive patient centered service that focuses on the patient's total drug therapy needs. The intention of MTM is to optimize the patient's drug regimen to best achieve appropriate therapeutic goals for the patient in the specific subset identified, to improve that patient's health outcome, and to reduce the risks of adverse events. While there is a small funding request to initiate and operate this program, it is anticipated that, in the long run, MTM may decrease Medicaid medical expenses such as ER visits, hospitalization, physician visits, etc.

Request #5 - Hospital/Medical (Replace Trust Fund): The Medicaid Trust Fund had accumulated a balance which was used in place of additional general revenue in funding the SFY 2008 and SFY 2009 budgets. Because the Medicaid Trust Fund balance will be depleted during SFY10, the Trust Fund will not be available as a funding source to the extent that it was in the base year (SFY 2009). Therefore, this request is to replace the Trust Fund balance with State General Revenue.

Request #6 - Hospital/Medical (Various Rate Changes): This request relates to presently contemplated rate increases for such things as physician rates, the establishment of a ventilator unit at the state nursing facility, as well as various court-mandated increases. The request also provides for rate increases that are not specifically known or approved at this time, but that based on previous years operations, DMS management knows will be necessary. DMS must have some budget flexibility to address increases in reimbursement rates to ensure that Medicaid recipients have appropriate access to medical services. In addition, it may be necessary to add services and/or increase rates for certain

services to support the development and operation of a statewide trauma system.

Request #7 - Hospital/Medical (Optometric Rate Change): This request is for increases in the reimbursement rates for eye exams, spectacle prescription services, and contact lens exams to bring the rates to or near the current Medicare reimbursement rates. This request also supports an increase in the contact lens material reimbursement rate for Keratoconic lenses, adds a code for an external photo of the eye necessary for diagnosis of specific ocular problems, and expands sensorimotor testing to include adults, as medically necessary.

Request #8 - Hospital/Medical (ACS Waivers): This request pertains to the three line items titled ACS Waivers - COLA, Transportation, and Expansion and will provide for increases due to the cost of living, gasoline and other transportation costs, and the number of waiver slots filled. The request is for appropriation only. The funding is being requested by the DHS Division of Developmental Disability Services.

Request #9 - Hospital/Medical Expansion (ARHealthNetworks): The increase in the requested appropriation and non SGR funding for Medicaid Expansion programs is primarily attributable to the planned growth in the ARHealthNetworks program. This program has had several changes related to eligibility and program cost that will likely cause the program to grow in the future. In addition, the upcoming Health Risk Assessment and Feasibility Study will provide management with information to further grow the program. The aggressive growth planned for ARHealthNetworks in both the Hospital/Medical and Prescription Drug categories, drives this biennial budget request.

Request #10 - Medicaid Expansion (Breast & Cervical Cancer): This request will reclassify the Breast and Cervical Cancer program administered by the Arkansas Department of Health from "regular" Medicaid to Medicaid Expansion. DMS management believes that this program is an extension of services to the 19-64 year old population and, therefore, is more appropriately classified as an Expansion program.

Request #11 - Hospital/Medical (Substance Abuse): DMS, in conjunction with the DHS Division of Behavioral Health Services, continues to develop a program to address substance abuse by Medicaid recipients. It is anticipated that the plan development will be complete during SFY09 and the program could become operational during SFY09 or SFY10, assuming a funding source is identified. This request is for appropriation only.

Request #12 - Hospital/Medical PEER (MITA): DMS requires additional SGR to match federal funds in order to take advantage of enhanced funding opportunities from CMS. With access to enhanced federal funding, DMS will develop Medicaid Information Technology Architecture (MITA) projects and lead collaborative efforts with key stakeholders to develop and implement several major health information technology (HIT) projects including health information exchange, electronic health records, etc. DMS anticipates 75% and 90% federal funding for most of the costs, and the requested SGR will provide matching funds to access the federal funds. In addition, in the near future, unless specified MITA work is completed, CMS will cease all funding for MMIS enhancements.

Request #13 - Hospital/Medical Contract (Policy Manual Review): DMS will outsource the technical writing of all Medicaid provider manuals and automate the process as much as possible for policy review, approval, cross-referencing to rules and regulations, and retaining history of policy changes. DMS currently has 57 provider manuals. DMS will require an initial review and reconciliation of existing policies, so the first year will be more costly than subsequent years.

ADMINISTRATIVE REQUESTS

The Division of Medical Services' (DMS) primary responsibility is the management of the Arkansas Medicaid Program. DMS consists of five organizational units: (1) Medical Services (2) Pharmacy (3) Office of Long-Term Care (4) Medicaid Management Information and Performance (5) Program and Administrative Support. These units set policy and manage funding for the delivery of health services to Medicaid recipients. In addition, the Office of Long Term Care sets policy and monitors the delivery of services in private nursing homes. Collectively, the units of DMS provide program information and monitor program performance to ensure that resources are utilized in the most cost effective and efficient manner.

Request #1 -Position Restorations: The Division of Medical Services requests the restoration of two (2) unbudgeted positions. This will allow DMS the flexibility to fill these positions if the funds become available during the biennium.

Request #2 - New Positions: The Division of Medical Services requests appropriation only for 28 new positions. All 28 positions will be funded by a mixture of Third Party Liability collections and federal funds. No state funds are requested for these positions.

The two (2) Health Research Analyst positions are designated for performing research and analysis activities to support the DMS Medical Director for Policy, specifically, and Medicaid policy making generally. These positions will project spending trends, identify met and unmet program needs, conduct and/or evaluate impact studies for various program and policies, perform data mining activities in MMIS, data warehouse, and other data resources, prepare statistical analysis and produce written reports of findings.

Five (5) positions are requested to form a Behavior Health Unit within DMS. This unit will be responsible for recommending policies and procedures relative to behavioral health services under the Arkansas Medicaid State Plan as well as monitoring and managing those services to ensure the most efficient and effective use of Medicaid funds. This unit will perform such duties as researching current behavioral health care issues and programming, developing and coordinating contract activities, addressing provider and beneficiary issues and appeals, maintaining relevant parts of policy manuals while ensuring compliance with state and federal regulations, and representing DMS in various departmental and public venues. The positions consist of one Medical Assistance Manager, one Nursing Services Unit Manager, two Program Administrators, and one Program Manager.

Two (2) positions are related to a new Contract Oversight Unit that is being established within DMS. In SFY08, the Division of Medical Services entered into contracts with a dollar value of \$84,121,482, exclusive of the EDS contract. This Unit will be responsible for DMS contract performance monitoring and evaluation as well as determining and implementing corrective action, if appropriate. These two positions which consist of an Assistant Director and a licensed Mental Health Practitioner, will supplement existing positions within the unit.

One position requested is for a Chief Program Administrator to oversee the Medicaid Dental and Visual programs and consultant contracts with EDS, Connect Care, Arkansas Healthcare Access and the Optometric and Arkansas State Dental Associations. This position will also oversee the Medicaid Managed Care Services contract which includes ambulance and nonemergency transportation, primary physicians and early periodic screening diagnosis and treatment (EPSDT).

One position requested is for a Systems/Data Analyst II. The Program Integrity (PI) unit of DMS recently began the Medi/Medi project which takes Medicaid data and compares it to Medicare data to identify outliers in provider billings. This project will require someone to extract and coordinate data with CMS contractors. Under the DRA, CMS has also created MIG (Medicaid Integrity Group) and 1Stop which also requires data sharing and coordination. In addition, this position will gather and research data for the PERM project. This position would also extract and analyze data for PI reviews as well as analyze data for Pharmacy reviews, which appears to be a growing trend in provider fraud and abuse.

The Information Systems Coordinator position is requested to take advantage of opportunities offered by MITA (Medicaid Information Technology Architecture) for Division and Department IT initiatives and needs. This requires a high level staff dedicated primarily to researching, designing, and developing MITA initiatives as well as writing APDs, RFPs, and contracts related to MITA. This position would also assist with other APDs, RFPs, and contracts for MMIS enhancements and changes.

The Waiver Quality Assurance position is currently part of a grant within the Division of Aging and Adult Services. This request would make the grant position, which expires September 30, 2009, permanent. This position assists with Quality Management tasks including the creation and distribution of Quality Management reports and monitoring of Quality Management strategies for each Home and Community Based Services Waiver.

The Assistant Chief Program Administrator for Long Term Care Programs is a position that will be part of the Provider Reimbursement unit of DMS. This position will assist the Program Administrator by assessing current reimbursement methodologies used in reimbursing Long Term Care providers to ensure that the mission and goals of DMS are met. This position will be responsible for establishing rates in accordance with applicable state and federal laws and rules, supervising desk reviews and on-site audit functions, and resolving reimbursement issues that arise with Long Term Care providers. This additional position will ensure continued timely and accurate rate setting and financial oversight of this very important Medicaid program.

The Pharmacy Program Analyst position will assist in the development of cost containment strategies such as establishing generic upper limits, assisting in data research for the PDL, assisting providers with product availability, and working closely with state agencies and associations in setting acceptable pricing strategies. The position will also be responsible for reporting the effect of cost containment strategies on expenditures and assisting with inquiries from outside agencies and public officials. Other responsibilities include researching and analyzing errors or inconsistencies within a data base and determining appropriate corrective action, discussing problems and solutions with database users, generating and review of system reports, maintaining the documentation on system files and reports, recommending data base improvements and coordination of system modifications with the appropriate personnel.

The Nursing Services Unit Manager position for the Office of Long Term Care (OLTC) will provide oversight of the Assisted Living and Residential Care Unit and be responsible for the licensure and inspection of 175 facilities that house the aged and disabled. The position will supervise sixteen (16) positions, including the nurses and life safety code surveyors who perform the inspections. The position is responsible for ensuring that facilities are licensed appropriately, that staff is trained and that staff performs inspections in accordance with applicable state laws and regulations. With Assisted Living in its relative infancy, it is expected that the number of such facilities will increase by approximately 95% over the next few years. This is based on the number of Assisted Living Permits of Approval sought through, or approved by, the Health Services Permit Agency. With this growth rate, the complexity of managing the Assisted Living licensing will magnify and require adequate managers. This management position

requires that the incumbent be familiar with regulations applicable to both facility types, survey protocol, and state law governing the program, and the ability to supervise to ensure that the unit's functions are carried out in mandated timeframes and in the mandated processes. Given the scope of duties as well as the dramatic increase in the numbers of facilities, the Office of Long Care requires an additional position at a Nursing Services Unit Manager level to ensure that the required functions can be performed in a timely and professional manner.

The OLTC Engineer Supervisor position will assure that long term care facilities are inspected for compliance with life safety code standards. Prior to a long term care facility receiving a license, the facility must be constructed in strict adherence to the applicable building codes. Under federal requirement, once a facility is licensed it must undergo periodic review of the facility's adherence to those codes. As has been demonstrated by the news reports of resident deaths in long term care facilities due to fires resulting from the lack of adherence to those standards, the Office of Long Term Care must ensure that the individuals who perform the inspections are properly trained and certified and perform their functions timely and correctly. In addition, the failure to perform these federally mandated functions could result in penalties being assessed the State of Arkansas, including fines that would come from General Revenue. The dramatic increase in the number of new Assisted Living Facilities, coupled with the condition of older facilities, necessitates that this position be in place to provide for appropriate supervision and training of Life Safety.

One of the requested positions is for a Special Projects Manager (DHS Program Administrator) within the Program and Administrative Support Section of DMS. DMS operates in a dynamic environment with strong interrelationships with other divisions within DHS and other state agencies. DMS officials are also often involved in work groups involving a variety of constituents. Examples of this include the System of Care, Long-Term Care Planning Commission, etc. This position would serve to support the Division's role in these groups by providing financial and other analysis on an as-needed basis. This position would also serve as a liaison to other divisions within DHS and provide analysis and support to a variety of ad hoc projects that are an inherent part of operating in the dynamic world of health policy.

DMS requests a Senior Auditor position to support the Provider Reimbursement unit. This position performs desk reviews of annual and semi-annual cost reports submitted by 225 nursing facilities, 35 ICF's/MR, and 6 Human Development Centers, who receive reimbursement through the Division of Medical Services. Federal law requires that the Medicaid agency provide for periodic audits of Medicaid providers. In addition to the desk reviews mentioned above, onsite reviews of 10 to 15 percent of the nursing facility cost reports are completed each year. It is the auditor's responsibility to ensure that the cost report desk and onsite reviews are completed accurately and in compliance with all State and Federal regulations and requirements. Currently the Provider Reimbursement audit unit which has five Junior Auditor positions only has one Senior Auditor position.

A DMS Business Operations Manager position is requested for the Third Party Liability unit of DMS. This unit is currently staffed by 10-12 employees and generated (health & casualty insurance collections) or saved (cost avoidance) the Medicaid program approximately \$42,000,000.00 in SFY08. The activities of the unit are very complicated, often involving complex legal issues and requiring frequent interaction with providers, contractors, and a variety of lawyers and other court officials. This position is requested to provide leadership to this unit and oversee its operations and staff. The goal is to provide leadership that will take the unit to the next level of performance and increase revenue to the division. The objective of this position is to attract someone with a legal and managerial background. Currently, the highest grade working in the unit is a 23.

DMS is requesting two Research Project Analyst positions for its Program Integrity (PI) unit. PI is implementing a new enrollment disclosure process as required by 42CFR Section 455.104-106. This will require PI to research information on disclosure forms which have negative feedback from preliminary research by our contractor. We are also required under the False Claims Act to monitor the compliance of the Act for providers receiving funding of \$5 million or greater. These positions will perform these functions and will also cross train with the Data Analyst II and assist in the coordination and reporting of data.

The Utilization Review unit of DMS requests two Nursing Services Unit Manager positions to be responsible for planning, coordination, scheduling and directing utilization management activities. Also, these positions will be responsible for formulating and recommending Medicaid policy changes as a result of identified issues. In the last two years, the job duties of these positions have significantly increased in scope, responsibility, and number. Job duties have increased due to additional educational activities for physicians and providers, brought on by increased demand from these entities as well as increased supervision resulting from additional staff to handle the increased duties and workload. As demonstrated, the duties and responsibilities for this position - and the increase in the scope of the units' work and personnel - clearly warrant these additional positions. The additional positions would be able to supervise the performance of each aspect of the unit without being burdened by direct program requirements that are handled by the Registered Nurse Supervisors. Further, the increase in duties assigned to the unit and the additional supervisory duties and requirements would make it difficult, if not impossible, to fill the current positions should they be vacated. The additional positions would alleviate that problem by providing positions that are commensurate with the duties and scope of work.

One of the positions requested is a Computer Support Specialist to fill the role of a Desktop PC Technician. The typical tech to PC ratio is 1:100. DMS has approximately 250 staff members, but has only one PC technician. One extra tech would provide quicker response times and would provide backup coverage when the other technician is away from the office or otherwise engaged. This position is also identified as being the one to facilitate the planned e-Doc work involving the scanning of paper files and creation of retrievable electronic files for DMS, thus freeing up storage/office space and better complying with security rules.

The Medicaid Management Information and Performance section of DMS requests a DHS Program Administrator to assist with program development and oversight responsibilities. As DMS outsources policy clean up, development, and maintenance, it retains the need for contractor oversight as well as program development responsibilities. This position will work closely with DMS and other Department or Division staff to develop new Medicaid programs or enhance, expand, or alter existing programs. The position would also oversee policy development and approval, including APD and legislative processes and have responsibility for maintaining and updating the Medicaid State Plan, required by CMS for federal funding.

The Office of Long Term Care requests a DHS Program Manager position to function as an Abuse/Neglect Unit Manager. Pursuant to federal requirements, states must have a means of making "findings" or administrative determinations as to whether Certified Nurse Aides (CNAs) have committed abuse or neglect of long term care residents, or have misappropriated the property of long term care residents. Under state requirements, these findings are extended to all employees of long term care facilities. Once a determination is made that results in a finding of abuse, neglect or misappropriation, the affected long term care employee is entitled to a hearing on the merits. These functions require the person in the OLTC Abuse/Neglect Unit making the determinations to have an in-depth knowledge and understanding of federal and state laws and regulations concerning abuse, neglect and misappropriation to be able to

understand, evaluate and accord the appropriate weight to give the evidence to make a determination; and to be able to present the case to a hearing officer when the case is appealed. This position receives approximately three thousand (3,000) reports per year that must be evaluated. In 1999, the position handled seventy-four appeals, but has increased to as many as one hundred forty appeals. The number of reports that must be evaluated to determine whether a long term care facility employee committed abuse, neglect or misappropriation, coupled with the increase in appeals demonstrates that an additional, higher graded position is required to fully create and staff an abuse/neglect unit. At present, the current Grade 20, Program Coordinator is perilously close to not being able to conduct all hearings that are being requested. The DHS Program Manager position is necessary to assure that appeals are handled timely and professionally.

The Office of Long Term Care requests a DHS Program Administrator in the Survey and Certification unit. The Office of Long Term Care must assure that all long term care facility surveyors are trained appropriately according to federal Centers for Medicare and Medicaid Services requirements and that surveyors successfully pass the federal certification examination within six to twelve months of employment. Additionally, CMS requires continuous training regarding federal survey standards to all nursing facility and ICF/MR certified surveyors. This position is requested to accomplish this training and to organize a training academy for surveyors. Failure to obtain and maintain an educator possessing federal surveyor trainer qualifications will jeopardize Arkansas' long term care certification.

Request #3 - Transfer of Positions: The Division requests the transfer of one unneeded Document Examiner II position to OCC which has a need for the position. This transfer request is for both appropriation and funds. In addition, the Division requests the transfer of five positions to DMS as follows: Two positions to the newly created Contract Oversight Unit responsible for contract performance monitoring and evaluation of approximately \$84 million in contracts, exclusive of the EDS contract (appropriation only). One position to act as a liaison to the DHS Office of Finance and Administration to ensure accurate and timely federal reporting and also to prepare and analyze data for internal reporting of financial data (restoration of appropriation). Two positions to be utilized in the DMS Third Party Liability unit to ensure third parties are identified, medical histories are reviewed, and appropriate parties are notified that monies are due (restoration of appropriation/one position was unbudgeted).

Request #4 - Equipment & Vehicles: DMS requests appropriation only to purchase ten (10) new vehicles each year of the biennium. About half of these vehicles will be replacement vehicles and half would be additional. DMS currently has thirteen vehicles that meet the criteria for replacement, but have not been replaced through the DFA MMV Fund. DMS has concern about the safety of staff in these vehicles and the increased liability to the state. This request also includes monies for the purchase of equipment to implement a document imaging system and fund other equipment needs of the division.

Request #5 - Data Processing: This request is made to ensure funding for anticipated additional costs of data processing services billed through the Department of Information Services. This request is included in the Information Technology Plan for the division. This request is for appropriation only.

Request #6 - Maintenance and Operations: DMS requests appropriation and funds for Maintenance and Operating costs to support staff. These requests include the following:
3% increase in rent of office space for the Donaghey Plaza anticipated for the biennial period. This request will be 50% general revenue and 50% federal funds.
\$50,000 for office restructuring to increase usage of existing space. This request will be 50% general revenue and 50% federal funds.

The remaining requests are travel-related and primarily result from required statewide travel to perform such functions as surveying nursing homes for compliance with state and federal guidelines for Medicaid and Medicare certification, performing on-site financial reviews of cost reports for nursing homes, and performing Program Integrity reviews. These costs are anticipated to increase due to the cost of gasoline and other travel-related cost increases:

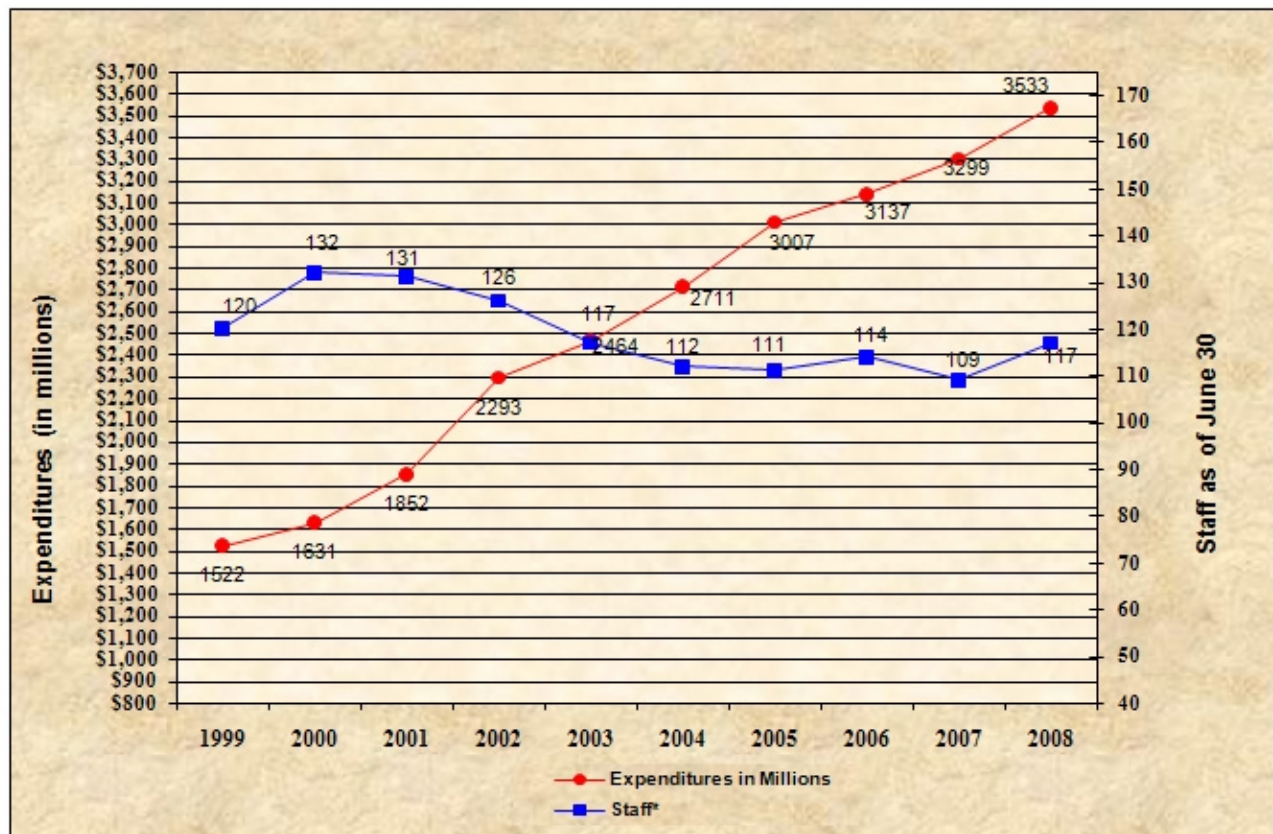
25% increase in fuel purchases for state vehicles for each year of the biennium

20% increase in mileage reimbursement for each year of the biennium

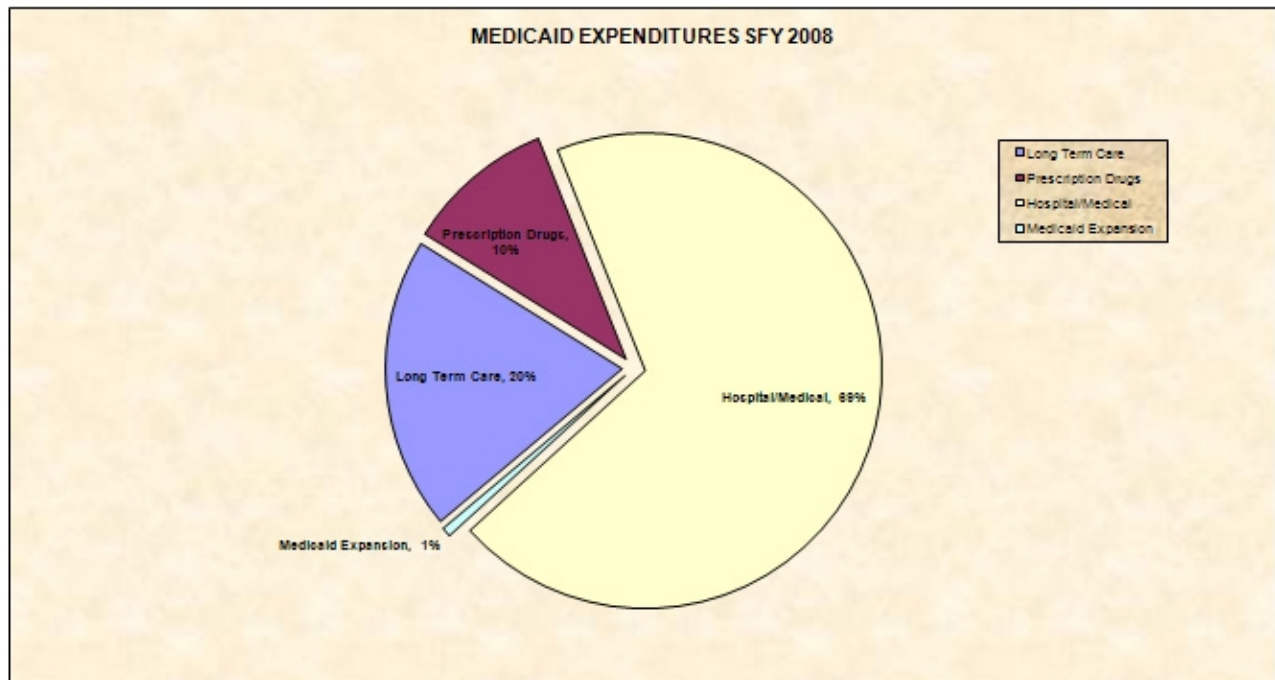
15% increase in meals and lodging reimbursement for each year of the biennium

These travel expenses are requested to be funded at 25% general revenue and 75% federal funds.

MEDICAID STAFFING COMPARED TO EXPENDITURES



Staff above reflect DMS filled positions excluding OLTC staff.



Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR THE YEAR ENDED JUNE 30, 2006

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 35 | 157 | 192 | 72 % |
| Black Employees | 6 | 65 | 71 | 27 % |
| Other Racial Minorities | 2 | 0 | 2 | 1 % |
| Total Minorities | | | 73 | 28 % |
| Total Employees | | | 265 | 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 | |
| 36E DMS-Alcohol Drug Prevention Waiver | 0 | 0 | 0 | 0 | 1,250,000 | 0 | 0 | 0 | 20,000,000 | 0 | 0 | 0 | 0 | 0 | 30,000,000 | 0 | 0 | 0 | 0 |
| 4KS Nursing Home Quality | 289,491 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 0 |
| 642 DHS Medicaid Expansion Program | 103,955 | 2 | 117,264 | 2 | 103,342 | 2 | 122,793 | 2 | 122,793 | 2 | 122,793 | 2 | 125,069 | 2 | 125,069 | 2 | 125,069 | 2 | 0 |
| 648 Medicaid Exp-Prescription Drugs | 2,725,825 | 0 | 2,845,491 | 0 | 6,080,000 | 0 | 2,845,491 | 0 | 6,541,937 | 0 | 6,541,937 | 0 | 2,845,491 | 0 | 27,471,014 | 0 | 12,845,491 | 0 | 0 |
| 648 Medicaid Exp-Hospital & Medical Services | 20,686,379 | 0 | 31,164,332 | 0 | 60,556,174 | 0 | 31,164,332 | 0 | 74,479,346 | 0 | 74,479,346 | 0 | 31,164,332 | 0 | 211,238,137 | 0 | 131,164,332 | 0 | 0 |
| 876 Nursing Home Closure Costs | 0 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 0 |
| 878 Long Term Care Facility Receivership | 0 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 0 |
| 896 Division of Medical Services | 19,678,852 | 284 | 21,821,300 | 300 | 21,576,581 | 302 | 22,653,854 | 300 | 25,298,205 | 334 | 24,169,088 | 320 | 22,985,808 | 300 | 25,979,826 | 334 | 24,521,810 | 320 | 0 |
| 897 ARKIDS B Program | 95,236,267 | 0 | 111,561,360 | 0 | 116,703,139 | 0 | 111,561,360 | 0 | 137,495,216 | 0 | 137,495,216 | 0 | 111,561,360 | 0 | 157,738,482 | 0 | 157,738,482 | 0 | 0 |
| 897 Hospital & Medical Services | 2,408,153,725 | 0 | 2,634,264,168 | 0 | 2,897,206,587 | 0 | 2,634,264,168 | 0 | 2,999,642,523 | 0 | 2,999,642,523 | 0 | 2,634,264,168 | 0 | 3,224,177,831 | 0 | 3,224,177,831 | 0 | 0 |
| 897 Prescription Drugs | 340,641,183 | 0 | 385,263,250 | 0 | 440,746,167 | 0 | 385,263,250 | 0 | 439,819,588 | 0 | 439,819,588 | 0 | 385,263,250 | 0 | 475,423,172 | 0 | 475,423,172 | 0 | 0 |
| 897 Private Nursing Home Care | 534,359,123 | 0 | 548,872,748 | 0 | 627,094,449 | 0 | 548,872,748 | 0 | 592,888,856 | 0 | 592,888,856 | 0 | 548,872,748 | 0 | 618,038,129 | 0 | 618,038,129 | 0 | 0 |
| 898 Child & Family Life Inst | 0 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 0 |
| 898 Infant Infirmary | 19,544,582 | 0 | 19,971,685 | 0 | 21,338,175 | 0 | 19,971,685 | 0 | 22,130,751 | 0 | 22,130,751 | 0 | 19,971,685 | 0 | 22,931,565 | 0 | 22,931,565 | 0 | 0 |
| 898 Public Nursing Home Care | 162,058,661 | 0 | 166,564,251 | 0 | 170,497,211 | 0 | 166,564,251 | 0 | 184,273,474 | 0 | 184,273,474 | 0 | 166,564,251 | 0 | 193,145,084 | 0 | 193,145,084 | 0 | 0 |
| Total | 3,603,478,043 | 286 | 3,926,195,849 | 302 | 4,366,901,825 | 304 | 3,927,033,932 | 302 | 4,506,442,689 | 336 | 4,485,313,572 | 322 | 3,927,368,162 | 302 | 4,990,018,309 | 336 | 4,863,860,965 | 322 | 0 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | | % |
|--------------------------------|---------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------|
| General Revenue | 4000010 | 675,208,553 | 18.7 | 714,396,942 | 18.2 | 714,581,739 | 18.2 | 807,796,426 | 18.9 | 773,091,475 | 18.6 | 714,655,422 | 18.2 | 919,195,601 | 20.0 | 885,845,545 | 20.0 | |
| Federal Revenue | 4000020 | 2,596,894,010 | 72.1 | 2,817,473,636 | 71.8 | 2,817,993,423 | 71.8 | 3,063,657,595 | 71.8 | 2,962,680,511 | 71.4 | 2,818,200,706 | 71.8 | 3,299,942,549 | 71.9 | 3,157,814,084 | 71.4 | |
| Trust Fund | 4000050 | 69,504,661 | 1.9 | 157,368,800 | 4.0 | 157,368,800 | 4.0 | 111,777,789 | 2.6 | 129,639,582 | 3.1 | 157,368,800 | 4.0 | 50,250,000 | 1.1 | 50,250,000 | 1.1 | |
| Drug Rebates | 4000200 | 29,765,477 | 0.8 | 27,160,000 | 0.7 | 27,160,000 | 0.7 | 27,160,000 | 0.6 | 29,512,056 | 0.7 | 27,160,000 | 0.7 | 27,160,000 | 0.6 | 31,937,947 | 0.7 | |
| Insurance Premium Tax | 4000298 | 6,923,958 | 0.2 | 0 | 0.0 | 0 | 0.0 | 5,124,419 | 0.1 | 5,124,419 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Miscellaneous Transfers | 4000355 | 115,000 | 0.0 | 115,000 | 0.0 | 115,000 | 0.0 | 115,000 | 0.0 | 115,000 | 0.0 | 115,000 | 0.0 | 115,000 | 0.0 | 115,000 | 0.0 | |
| Quality Assurance Fee | 4000395 | 64,756,303 | 1.8 | 56,544,651 | 1.4 | 56,544,651 | 1.4 | 60,589,214 | 1.4 | 60,589,214 | 1.5 | 56,544,651 | 1.4 | 62,947,653 | 1.4 | 62,947,653 | 1.4 | |
| Reimbursement | 4000425 | 0 | 0.0 | 100,000 | 0.0 | 100,000 | 0.0 | 100,000 | 0.0 | 100,000 | 0.0 | 100,000 | 0.0 | 100,000 | 0.0 | 100,000 | 0.0 | |
| Tobacco Settlement | 4000495 | 8,025,170 | 0.2 | 10,491,607 | 0.3 | 10,494,371 | 0.3 | 19,216,727 | 0.5 | 19,216,727 | 0.5 | 10,495,509 | 0.3 | 60,927,976 | 1.3 | 60,926,977 | 1.4 | |
| Various Program Support | 4000730 | 152,284,911 | 4.2 | 142,545,213 | 3.6 | 142,675,948 | 3.6 | 169,109,506 | 4.0 | 168,940,372 | 4.1 | 142,728,074 | 3.6 | 170,966,937 | 3.7 | 170,793,250 | 3.9 | |
| Total Funds | | 3,603,478,043 | 100.0 | 3,926,195,849 | 100.0 | 3,927,033,932 | 100.0 | 4,264,646,676 | 100.0 | 4,149,009,356 | 100.0 | 3,927,368,162 | 100.0 | 4,591,605,716 | 100.0 | 4,420,730,456 | 100.0 | 0 |
| Excess Appropriation/(Funding) | | 0 | | 0 | | 0 | | 241,796,013 | | 336,304,216 | | 0 | | 398,412,593 | | 443,130,509 | | |
| Grand Total | | 3,603,478,043 | | 3,926,195,849 | | 3,927,033,932 | | 4,506,442,689 | | 4,485,313,572 | | 3,927,368,162 | | 4,990,018,309 | | 4,863,860,965 | | 0 |

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 | |
| 292 | 257 | 37 | 294 | -2 | 11.99 % | 305 | 257 | 43 | 300 | 5 | 15.74 % | 305 | 265 | 37 | 302 | 3 | 13.11 % |

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 1279 of 2007 section 18(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-214(5)(A)).

Analysis of Budget Request

Appropriation: 36E - DMS-Alcohol Drug Prevention Waiver

Funding Sources: PWF - Grants Paying

The Alcohol and Drug Abuse Prevention appropriation was created by Act 1236 of 2007 section 8 to allow for future Medicaid waivers for substance abuse services. The goal was to utilize the appropriation in support of an affordable substance abuse benefit package for both adult and adolescent services. However, this appropriation was not funded in the current 2007-2009 biennium.

The Agency Change Level request for this appropriation is \$20,000,000 in FY2010 and \$30,000,000 in FY2011 in unfunded appropriation.

The Executive Recommendation does not provide for continuing this appropriation into the 2009-2011 biennium.

Appropriation Summary

Appropriation: 36E - DMS-Alcohol Drug Prevention Waiver

Funding Sources: PWF - Grants Paying

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 | 0 | 0 | 1,250,000 | 0 | 20,000,000 | 0 | 0 | 30,000,000 | 0 |
| Total | 0 | 0 | 1,250,000 | 0 | 20,000,000 | 0 | 0 | 30,000,000 | 0 |

The Executive Recommendation does not provide for continuing this appropriation into the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 36E - DMS-Alcohol Drug Prevention Waiver

Funding Sources: PWF - Grants Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|------------|-----|------------|---------|------------|-----|------------|---------|
| C05 | Unfunded Appropriation | 20,000,000 | 0 | 20,000,000 | 100.0 | 30,000,000 | 0 | 30,000,000 | 100.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| C05 | Unfunded Appropriation | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0.0 |

Justification

| | | | | | | | | | |
|-----|--|--|--|--|--|--|--|--|--|
| C05 | DMS, in conjunction with the DHS Division of Behavioral Health Services, continues to develop a program to address substance abuse by Medicaid recipients. It is anticipated that the plan development will be complete during SFY09 and the program could become operational during SFY09 or SFY10, assuming a funding source identified. This request is for appropriation only. | | | | | | | | |
|-----|--|--|--|--|--|--|--|--|--|

Analysis of Budget Request

Appropriation: 4KS - Nursing Home Quality

Funding Sources: TLT - Long Term Care Trust Fund

The Nursing Home Quality of Life appropriation provides for two (2) new approaches to nursing home care. These approaches are as follows:

- Eden Alternative approach
- Greenhouse Project approach

Both the Eden Alternative and the Greenhouse Project are attempts to create a new model for long term care facilities that emphasizes a more home-like environment over traditional institutional settings. Evidence indicates that residents of facilities operated under either approach perform significantly better than residents of traditional long term care facilities.

The Eden Alternative approach allows residents choices in their everyday living that are traditionally dictated to the resident by the facility. These choices include, among others, the choice of meals (what is served and when) and the care routine. It also utilizes permanent assignments of caregivers to create familiarity and trust.

The Greenhouse Project approach utilizes Eden Alternative principals, but with a strikingly different physical plant. Greenhouse Project facilities are constructed on the premise that the elders will thrive in a nursing home if it's built to resemble living in one's own house. This means that facilities are built in small, separate units with each unit housing its own kitchen and laundry, and with no more than ten (10) beds - all of which are private rooms. This gives residents more privacy and more control over their lives. Additionally, Greenhouse Project facilities stress resident participation. This is performed in a number of ways. For example:

1. Residents are encouraged to participate in meal planning and preparation. The facility is constructed so that residents can both gather around the kitchen and observe or participate in meal preparation. This gives them meaningful experiences and allows a time for interaction between the elders and the staff.
2. Residents are encouraged to use their skills and interests for the benefit of other residents. An emphasis is placed on what residents can do rather than just their physical ailments and disabilities.
3. The use of "universal" workers. Under this concept, each unit or house is staffed by the same CNAs and nurses who not only perform traditional care, but also perform laundry and meal preparation. This aids in worker retention by varying the duties of the workers. It also allows the workers to better learn the desires and abilities of residents, and to encourage their participation in various aspects of their own care, as if they were home. The staffs are assigned only to one particular unit or house allowing the elders to become better acquainted with their caregivers.

Facilities that adopt the Eden Alternative/Greenhouse Project model are operated at the same cost as traditional facilities. Once a facility has adopted the model, there is no additional cost, making the ongoing project cost-neutral. The cost of building a facility to meet Greenhouse Project requirements are approximately the same as for a traditional facility.

There are, however, one-time or initial startup costs for training and physical plant changes for existing facilities. In order to encourage the adoption of the Eden Alternative/Greenhouse Project model, the U. S. Department of Health and Human Services' proposed that the Arkansas Department of Human Services utilize some of the funding collected that is associated with the imposition of civil penalties levied on long-term care facilities in the Long-Term Care Trust Fund.

As the licensing and regulatory agency, the Office of Long Term Care believes that encouraging the adoption of these models benefits the State of Arkansas in a number of ways. First, the models provide a higher level of care for residents, at little or no cost to the State. Second, the adoption of these models results in an inarguable increase in the quality of life for residents. Third, adoption of this proposal places Arkansas in a leadership role in remaking the long-term care model, and demonstrates the State's commitment to seeking improvement in long-term care.

Funding for this program is derived from other revenues which are indicated as the Long-Term Care Trust Fund. This fund consist of all moneys and interest received from the imposition of civil penalties levied by the state on long-term care facilities found to be out of compliance with the requirements of federal or state law or regulations. Under this appropriation, funds are targeted for Eden Alternative/Greenhouse Project related grants to facilities. The funding would be provided by grants for:

- Eden Alternative Associate Training to providers; and
- Greenhouse Project development for new construction of facilities.

The Agency Base Level and total request for this appropriation is \$1,500,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 4KS - Nursing Home Quality

Funding Sources: TLT - Long Term Care 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 |
| Grants and Aid | 5100004 | 289,491 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Total | | 289,491 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Funding Sources | | | | | | | | | | |
| Trust Fund | 4000050 | 289,491 | 1,500,000 | | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Total Funding | | 289,491 | 1,500,000 | | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 289,491 | 1,500,000 | | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |

Analysis of Budget Request

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

The Medicaid Expansion Program provides appropriation for the administration component of the Medicaid Expansion Program established by Initiated Act 1 of 2000 for the Division of Medical Services. The expanded Medicaid programs are as follows:

1. Expansion of Medicaid coverage and benefits to pregnant women with incomes up to 200 percent of the Federal Poverty Level (approved for implementation November 1, 2001);
2. Expansion of inpatient and outpatient hospital reimbursements and benefits to adults age 19 to 64 to reduce coinsurance payment from 22 percent to 10 percent of the cost of the first Medicaid covered day of each admission and cover additional medically necessary days in the hospital from 20 days up to 24 allowed days per State Fiscal Year (approved for implementation November 1, 2001);
3. Expansion of non-institutional coverage and benefits to adults aged 65 and over. Referred to as ARSeniors, this program extends full Medicaid benefits to adults age 65 and over who have been identified as Qualified Medicare Beneficiaries (QMB) and meet specific income limits (approved for implementation October 1, 2002); and
4. Creation of a limited benefit package to assist adults age 19 to 64 who are uninsured low-wage employees of small Arkansas businesses. This program, ARHealthNetworks, was approved by the Centers for Medicare and Medicaid Services (CMS) as a Section 1115 demonstration waiver through the Health Insurance Flexibility and Accountability (HIFA) office of the Secretary of the federal Department of Health and Human Services. Enrollment in the program began December 20, 2006 with coverage effective January 2007.

Funding for this appropriation is derived from tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

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 may include board member Stipend payments and 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 for this appropriation is \$122,793 in FY2010 and \$125,069 in FY2011 with 2 budgeted Base Level positions. There is no Change Level request.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program
Funding Sources: PTA - Medicaid Expansion Program Account

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 | 74,025 | 76,167 | 63,896 | 79,293 | 79,293 | 79,293 | 81,200 | 81,200 | 81,200 |
| #Positions | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Personal Services Matching | 5010003 | 24,067 | 23,124 | 21,473 | 25,527 | 25,527 | 25,527 | 25,896 | 25,896 | 25,896 |
| Operating Expenses | 5020002 | 5,863 | 15,973 | 15,973 | 15,973 | 15,973 | 15,973 | 15,973 | 15,973 | 15,973 |
| Conference & Travel Expenses | 5050009 | 0 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Professional Fees | 5060010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 103,955 | 117,264 | 103,342 | 122,793 | 122,793 | 122,793 | 125,069 | 125,069 | 125,069 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 51,978 | 58,632 | | 61,397 | 61,397 | 61,397 | 62,535 | 62,535 | 62,535 |
| Tobacco Settlement | 4000495 | 51,977 | 58,632 | | 61,396 | 61,396 | 61,396 | 62,534 | 62,534 | 62,534 |
| Total Funding | | 103,955 | 117,264 | | 122,793 | 122,793 | 122,793 | 125,069 | 125,069 | 125,069 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 103,955 | 117,264 | | 122,793 | 122,793 | 122,793 | 125,069 | 125,069 | 125,069 |

Tobacco Settlement Funds do not carry forward into the new biennium unless criteria is met as prescribed in Initiated Act 1 of 2000.
 FY2009 Appropriation Carry Forward Amount is \$12,110.26.

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

Agency: Human Services Department-MEDICAL SERVICES

Program: DHS Medicaid Expansion Program

Act #: 1284 of 2007 Section(s) #: 4 & 6

Estimated Carry Forward Amount \$ 11,600.00 Appropriation Funds

Funding Source: Tobacco Settlement

Accounting Information:

Business Area: 0710 Funds Center: 642 Fund: PTA Functional Area: HHS

| Line Item | Commitment Item | Estimated Carry Forward Amount | Actual Carry Forward Amount |
|------------------------------|-----------------|--------------------------------|-----------------------------|
| Operating Expenses | 5020002 | 9,600.00 | 10,110.26 |
| Conference & Travel Expenses | 5050009 | 2,000.00 | 2,000.00 |
| Total | | \$ 11,600.00 | \$ 12,110.26 |

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:

To ensure the agency has adequate appropriation available to meet any changes to the Medicaid Expansion Program.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

Currently, Carry Forward appropriation is blocked. However, the appropriation is available if Medical Expansion Program changes require additional appropriation.

John Selig
Director

08-08-2008
Date

Analysis of Budget Request

Appropriation: 648 - Tobacco-Delay Draw-Paying

Funding Sources: PTD - Medicaid Expansion Program Account

Medicaid Expansion Program - Prescription Drugs referenced on page 263

The Medicaid Expansion Program - Prescription Drugs provides appropriation for the prescription drugs component of the Medicaid Expansion Program established by Initiated Act 1 of 2000. This appropriation is funded through tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Base Level request for this appropriation is \$2,845,491 each year of the biennium.

The Agency Change Level request for this appropriation is \$3,696,446 in FY2010 and \$24,625,523 in FY2011 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$246,420 in FY2010 and \$500,575 in FY2011 for growth.
- \$1,502,261 in FY2010 and \$1,756,594 in FY2011 to reclassify the Breast and Cervical Cancer program to the Medicaid Expansion program.
- \$947,765 in FY2010 and \$2,288,354 in FY2011 for program expansion.
- \$1,000,000 in FY2010 and \$20,080,000 in FY2011 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for Base Level. Additionally, \$3,696,446 in FY2010 and \$10,000,000 in FY2011 in additional appropriation is provided for to allow for growth and unfunded appropriation which allows the Division the capability to respond to federal and/or state mandates.

Medicaid Expansion Program - Hospital and Medical Services referenced on page 264

The Medicaid Expansion Program - Hospital and Medical Services provides appropriation for the Hospital/Medical component of the Medicaid Expansion Program established by Initiated Act 1 of 2000. This appropriation is funded through tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Base Level request for this appropriation is \$31,164,332 each year of the biennium.

The Agency Change Level request for this appropriation is \$43,315,014 in FY2010 and \$180,073,805 in FY2011 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$2,273,484 in FY2010 and \$4,843,778 in FY2011 for growth.
- \$10,970,807 in FY2010 and \$11,738,763 in FY2011 to reclassify the Breast and Cervical Cancer program to the Medicaid Expansion program.

- \$18,070,723 in FY2010 and \$42,991,264 in FY2011 for program expansion.
- \$12,000,000 in FY2010 and \$120,500,000 in FY2011 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for Base Level. Additionally, \$43,315,014 in FY2010 and \$100,000,000 in FY2011 in additional appropriation is provided for to allow for growth and unfunded appropriation which allows the Division the capability to respond to federal and/or state mandates.

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying / Medicaid Expansion Program - Prescription Drugs

Funding Sources: PTD - Medicaid Expansion Program Account

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 |
| Medicaid Exp-Prescrip Drugs 5100004 | 2,725,825 | 2,845,491 | 6,080,000 | 2,845,491 | 6,541,937 | 6,541,937 | 2,845,491 | 27,471,014 | 12,845,491 |
| Total | 2,725,825 | 2,845,491 | 6,080,000 | 2,845,491 | 6,541,937 | 6,541,937 | 2,845,491 | 27,471,014 | 12,845,491 |
| Funding Sources | | | | | | | | | |
| Federal Revenue 4000020 | 319,276 | 375,408 | | 375,408 | 2,155,450 | 407,862 | 375,408 | 3,295,028 | 441,025 |
| Tobacco Settlement 4000495 | 2,406,549 | 2,470,083 | | 2,470,083 | 3,386,487 | 2,684,049 | 2,470,083 | 4,095,986 | 2,905,041 |
| Total Funding | 2,725,825 | 2,845,491 | | 2,845,491 | 5,541,937 | 3,091,911 | 2,845,491 | 7,391,014 | 3,346,066 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 1,000,000 | 3,450,026 | 0 | 20,080,000 | 9,499,425 |
| Grand Total | 2,725,825 | 2,845,491 | | 2,845,491 | 6,541,937 | 6,541,937 | 2,845,491 | 27,471,014 | 12,845,491 |

Tobacco Settlement Funds do not carry forward into the new biennium unless criteria is met as prescribed in Initiated Act 1 of 2000.

FY2009 Appropriation Carry Forward Amount is \$3,274,175.41.

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying / Medicaid Expansion Program - Hospital and Medical Services

Funding Sources: PTD - Medicaid Expansion Program Account

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 |
| Medicaid Exp-Hosp/Med Svcs 5100004 | 20,686,379 | 31,164,332 | 60,556,174 | 31,164,332 | 74,479,346 | 74,479,346 | 31,164,332 | 211,238,137 | 131,164,332 |
| Total | 20,686,379 | 31,164,332 | 60,556,174 | 31,164,332 | 74,479,346 | 74,479,346 | 31,164,332 | 211,238,137 | 131,164,332 |
| Funding Sources | | | | | | | | | |
| Federal Revenue 4000020 | 15,119,735 | 23,201,440 | | 23,201,440 | 46,710,502 | 24,889,990 | 23,201,440 | 68,188,182 | 26,789,459 |
| Tobacco Settlement 4000495 | 5,566,644 | 7,962,892 | | 7,962,892 | 15,768,844 | 8,547,826 | 7,962,892 | 22,549,955 | 9,218,651 |
| Total Funding | 20,686,379 | 31,164,332 | | 31,164,332 | 62,479,346 | 33,437,816 | 31,164,332 | 90,738,137 | 36,008,110 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 12,000,000 | 41,041,530 | 0 | 120,500,000 | 95,156,222 |
| Grand Total | 20,686,379 | 31,164,332 | | 31,164,332 | 74,479,346 | 74,479,346 | 31,164,332 | 211,238,137 | 131,164,332 |

Tobacco Settlement Funds do not carry forward into the new biennium unless criteria is met as prescribed in Initiated Act 1 of 2000.

FY2009 Appropriation Carry Forward Amount is \$27,604,955.59

Change Level by Appropriation

Appropriation: 648 - Tobacco-Delay Draw-Paying / Medicaid Expansion Program - Prescription Drugs

Funding Sources: PTD - Medicaid Expansion Program Account

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 2,845,491 | 0 | 2,845,491 | 100.0 | 2,845,491 | 0 | 2,845,491 | 100.0 |
| C01 | Existing Program | 1,194,185 | 0 | 4,039,676 | 142.0 | 2,788,929 | 0 | 5,634,420 | 198.0 |
| C05 | Unfunded Appropriation | 1,000,000 | 0 | 5,039,676 | 177.1 | 20,080,000 | 0 | 25,714,420 | 903.7 |
| C07 | Agency Transfer | 1,502,261 | 0 | 6,541,937 | 229.9 | 1,756,594 | 0 | 27,471,014 | 965.4 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 2,845,491 | 0 | 2,845,491 | 100.0 | 2,845,491 | 0 | 2,845,491 | 100.0 |
| C01 | Existing Program | 1,194,185 | 0 | 4,039,676 | 142.0 | 2,788,929 | 0 | 5,634,420 | 198.0 |
| C05 | Unfunded Appropriation | 2,502,261 | 0 | 6,541,937 | 229.9 | 7,211,071 | 0 | 12,845,491 | 451.4 |
| C07 | Agency Transfer | 0 | 0 | 6,541,937 | 229.9 | 0 | 0 | 12,845,491 | 451.4 |

Justification

| | |
|-----|--|
| C01 | Growth - The growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation and which are generally unaffected by DMS policy decisions. Examples are, Medicaid eligible population increases as a result of a declining economy, the number of eligibles accessing services increases, the number and type of services utilized changes, reimbursement for services that use a cost based methodology increase. FMAP Rate Adjustment – This request results from a recent change in the Federal Medical Assistance Percentage of 0.01% for SFY 2010 and 0.07% for SFY 2011. This decrease in federal matching affects all Medicaid programs. Program Expansion - The increase in the requested growth rates for Medicaid Expansion programs is primarily attributable to the planned growth in the ARHealthNetworks program. This program has had several changes related to eligibility and program cost that will likely cause the program to grow in the future. In addition, the upcoming Health Risk Assessment and Feasibility Study will provide management with information to further grow the program. The aggressive growth planned for ARHealthNetworks in both the Hospital/Medical and Prescription Drug categories, drives this biennial budget request. |
| C05 | Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only. |
| C07 | This request is to reclassify the Breast and Cervical Cancer program administered by the Arkansas Department of Health from 'regular' Medicaid to Medicaid Expansion. DMS management believes that this program is an extension of services to the 19-64 year old population and therefore, is more appropriately classified as an Expansion program. |

Change Level by Appropriation

Appropriation: 648 - Tobacco-Delay Draw-Paying / Medicaid Expansion Program - Hospital and Medical Services

Funding Sources: PTD - Medicaid Expansion Program Account

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 31,164,332 | 0 | 31,164,332 | 100.0 | 31,164,332 | 0 | 31,164,332 | 100.0 |
| C01 | Existing Program | 20,344,207 | 0 | 51,508,539 | 165.3 | 47,835,042 | 0 | 78,999,374 | 253.5 |
| C05 | Unfunded Appropriation | 12,000,000 | 0 | 63,508,539 | 203.8 | 120,500,000 | 0 | 199,499,374 | 640.2 |
| C07 | Agency Transfer | 10,970,807 | 0 | 74,479,346 | 239.0 | 11,738,763 | 0 | 211,238,137 | 677.8 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 31,164,332 | 0 | 31,164,332 | 100.0 | 31,164,332 | 0 | 31,164,332 | 100.0 |
| C01 | Existing Program | 20,344,207 | 0 | 51,508,539 | 165.3 | 47,835,042 | 0 | 78,999,374 | 253.5 |
| C05 | Unfunded Appropriation | 22,970,807 | 0 | 74,479,346 | 239.0 | 52,164,958 | 0 | 131,164,332 | 420.9 |
| C07 | Agency Transfer | 0 | 0 | 74,479,346 | 239.0 | 0 | 0 | 131,164,332 | 420.9 |

Justification

| | |
|-----|---|
| C01 | The growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation and which are generally unaffected by DMS policy decisions. Examples are, Medicaid eligible population increases as a result of a declining economy, the number of eligibles accessing services increases, the number and type of services utilized changes, reimbursement for services that use a cost based methodology increase. FMAP Rate Adjustment - This request results from a recent change in the Federal Medical Assistance Percentage of 0.01% for SFY 2010 and 0.07% for SFY 2011. This decrease in federal matching affects all Medicaid programs. Program Expansion - The increase in the requested growth rates for Medicaid Expansion programs is primarily attributable to the planned growth in the ARHealthNetworks program. This program has had several changes related to eligibility and program cost that will likely cause the program to grow in the future. In addition, the upcoming Health Risk Assessment and Feasibility Study will provide management with information to further grow the program. The aggressive growth planned for ARHealthNetworks in both the Hospital/Medical and Prescription Drug categories, drives this biennial budget request. |
| C05 | Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only. |
| C07 | This request is to reclassify the Breast and Cervical Cancer program administered by the Arkansas Department of Health from 'regular' Medicaid to Medicaid Expansion. DMS management believes that this program is an extension of services to the 19-64 year old population and therefore, is more appropriately classified as an Expansion program. |

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

Agency: Human Services Department-MEDICAL SERVICES

Program: Tobacco-Delay Draw-Paying

Act #: 1284 of 2007 Section(s) #: 5 & 6

Estimated Carry Forward Amount \$ 31,182,907.00 Appropriation Funds

Funding Source: Tobacco Settlement

Accounting Information:

Business Area: 0710 Funds Center: 648 Fund: PTD Functional Area: HHS

| Line Item | Commitment Item | Estimated Carry Forward Amount | Actual Carry Forward Amount |
|----------------|-----------------|--------------------------------|-----------------------------|
| Grants and Aid | 5100004 | 31,182,907.00 | 30,879,131.00 |
| Total | | \$ 31,182,907.00 | \$ 30,879,131.00 |

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 adequate appropriation available to meet any changes to the Medicaid Expansion Program.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

Currently, Carry Forward appropriation is blocked. However, the appropriation is available if Medical Expansion Program changes require additional appropriation.

John Selig
Director

08-08-2008
Date

Analysis of Budget Request

Appropriation: 876 - Nursing Home Closure Costs

Funding Sources: TLT - Long Term Care Trust Fund

Nursing Home Closure Costs appropriation is available in the event the Division of Medical Services finds it necessary to take over the operation of a nursing home in an emergency situation. The purpose of any take-over would be for the protection of the health or property of residents of long-term care facilities, including, but not limited to, the payment for the costs of relocation of residents to other facilities, maintenance and operation of a facility pending correction of deficiencies or closure, and reimbursement of residents for personal funds lost.

Funding for this appropriation is derived from other revenues which are indicated as the Long-Term Care Trust Fund. This fund consist of all moneys and interest received from the imposition of civil penalties levied by the state on long-term care facilities found to be out of compliance with the requirements of federal or state law or regulations.

The Agency Base Level and total request for this appropriation is \$50,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 876 - Nursing Home Closure Costs

Funding Sources: TLT - Long Term Care Trust 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 |
| Expenses 5900046 | 0 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Total | 0 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Funding Sources | | | | | | | | | |
| Trust Fund 4000050 | 0 | 50,000 | | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Total Funding | 0 | 50,000 | | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 50,000 | | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |

Analysis of Budget Request

Appropriation: 878 - Long Term Care Facility Receivership

Funding Sources: DLT - Long Term Care Facility Receivership Fund

As authorized by Arkansas Code Annotated §20-10-901 et seq., the Long Term Care Facility Receivership appropriation is used to pay the expenses of receivers appointed, if a nursing home is placed in receivership. Payment may not be made from this account until a court of law has found that a nursing home has insufficient funds to pay a receiver after all other operating expenses of the facility have been paid. The funding for this appropriation is from reimbursement for services provided by the agency.

The Agency Base Level and total request for this appropriation is \$100,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 878 - Long Term Care Facility Receivership

Funding Sources: DLT - Long Term Care Facility Receivership 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 |
| Expenses 5900046 | 0 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Total | 0 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Funding Sources | | | | | | | | | |
| Reimbursement 4000425 | 0 | 100,000 | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Total Funding | 0 | 100,000 | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 100,000 | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |

Analysis of Budget Request

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Act 348 of 1985 authorized the reorganization of the Department of Human Services. As part of this reorganization, the Division of Social Services became the Division of Economic and Medical Services. Act 164 of 1995 eliminated the Division of Economic and Medical Services, creating the Division of Medical Services, while functions at the county level were assigned to the Division of County Operations (formerly the Division of Program Operations). The Division of Medical Services' primary responsibility is management of the Arkansas Medicaid program, which was created by the passage of Title XIX of the Social Security Act of 1965, with Arkansas implementing the program on January 1, 1970.

Medicaid enables states to furnish:

- medical assistance to those who have insufficient incomes and resources to meet the costs of necessary medical services
- rehabilitation and other services to help these families and individuals become or remain independent and able to care for themselves

Each state has some sort of Medicaid program to meet the federal mandates and requirements as laid out in Title XIX. Arkansas, however, established a medical care program 26 years before passage of the federal laws requiring health care for the needy: Section 7 of Act 280 of 1939 and Act 416 of 1977 authorized the State of Arkansas to establish and maintain a medical care program for the indigent and vested responsibility for regulating and administering the program in the Arkansas Department of Human Services. This program receives federal grants under Title XIX. Thus Arkansas Medicaid is a joint federal and state program that provides necessary medical services to eligible persons who are not able to pay for such services. Individuals are certified as eligible for Medicaid services through the state's county Human Services Offices or District Social Security Offices. The Social Security Administration automatically sends SSI recipient information to DHS.

The Arkansas Medicaid Program is divided into three (3) forms of services:

1. Services Mandated by the Federal Government
2. Optional Services Chosen by Arkansas
3. Waivers Approved by the Centers for Medicare and Medicaid Services (CMS)

These services are as follows:

Services Mandated by the Federal Government:

- Child Health Services (EPSDT - Early and Periodic Screening, Diagnosis and Treatment)
- Family Planning
- Federally Qualified Health Centers (FQHC)
- Home Health
- Hospital, Inpatient and Outpatient
- Laboratory and X-Ray
- Medical and Surgical Services of a Dentist
- Nurse Midwife

- Nurse Practitioner (Family and Pediatric)
- Nursing Facility Services (Age 21 or Older)
- Physician
- Rural Health Clinics

Optional Services Chosen by Arkansas:

- ✓ Ambulatory Surgical Center Services
- ✓ Audiological Services (Under Age 21)
- ✓ Certified Registered Nurse Anesthetist (CRNA)
- ✓ Child Health Management Services (CHMS) (Under Age 21)
- ✓ Chiropractic Services
- ✓ Dental Services (Under Age 21)
- ✓ Developmental Day Treatment Clinic Services (DDTCS) (Preschool and Age 18 or Older)
- ✓ Developmental Rehabilitation Services (Under Age 3)
- ✓ Domiciliary Care Services
- ✓ Durable Medical Equipment
- ✓ End-Stage Renal Disease (ESRD) Facility Services
- ✓ Hearing Aid Services (Under Age 21)
- ✓ Hospice Services
- ✓ Hyperalimentation Services
- ✓ Inpatient Psychiatric Services Under Age 21
- ✓ Intermediate Care Facility Services for Mentally Retarded
- ✓ Licensed Mental Health Practitioner Services (Under Age 21)
- ✓ Medical Supplies
- ✓ Nursing Facility Services (Under Age 21)
- ✓ Occupational, Physical, Speech Therapy Services (Under Age 21)
- ✓ Orthotic Appliances
- ✓ Personal Care Services
- ✓ Podiatrist Services
- ✓ Portable X-Ray Services
- ✓ Prescription Drugs
- ✓ Private Duty Nursing Services (for Ventilator-Dependent All Ages and High-Tech Non-Ventilator Dependent Persons (Under 21)
- ✓ Prosthetic Devices
- ✓ Radiation Therapy Center
- ✓ Rehabilitative Hospital Services
- ✓ Rehabilitative Services for Persons with Mental Illness (RSPMI)
- ✓ Rehabilitative Services for Persons with Physical Disabilities (RSPD) (Under Age 21)
- ✓ Rehabilitative Services for Youth and Children (RSYC) (Under Age 21)
- ✓ Respiratory Care Services (Under Age 21)
- ✓ School-Based Mental Health Services (Under Age 21)
- ✓ Targeted Case Management for Pregnant Women
- ✓ Targeted Case Management Beneficiaries Age 60 and Older
- ✓ Targeted Case Management for Beneficiaries of Children's Services (Under 21)
- ✓ Targeted Case Management for Beneficiaries of Children's Services who are SSI Beneficiaries or TEFRA Waiver Beneficiaries (Under Age 16)
- ✓ Targeted Case Management for Beneficiaries in the Division of Children and Family Services (Under Age 21)
- ✓ Targeted Case Management for Beneficiaries in the Division of Youth Services (Under Age 21)

- ✓ Targeted Case Management for Beneficiaries Age 21 and under with a Developmental Disability
- ✓ Targeted Case Management for Beneficiaries Age 22 and over with a Developmental Disability
- ✓ Targeted Case Management Services for other Beneficiaries Under Age 21
- ✓ Transportation Services (Ambulance, Non-Emergency)
- ✓ Ventilator Equipment
- ✓ Visual Services

Waivers Approved by the Centers for Medicare and Medicaid Services (CMS):

- ❖ Alternatives for Adults with Physical Disabilities Waiver
- ❖ AR HealthNet
- ❖ ArKids B Waiver
- ❖ DDS Alternative Community Services Waiver
- ❖ ElderChoices Waiver
- ❖ Living Choices (Assisted Living)
- ❖ Non-Emergency Transportation
- ❖ Tax Equity Fiscal Responsibility Act of 1982 (TEFRA)
- ❖ Women's Health (Family Planning)

The Arkansas Medicaid Program does have limitations on the services that are provided. The major benefit limitations on services for adults (age 21 and older) are as follows:

- Twelve visits to hospital outpatient departments allowed per state fiscal year.
- A total of twelve office visits allowed per state fiscal year for any combination of the following: certified nurse midwife, physician, medical services provided by a dentist, medical services furnished by an optometrist, and Rural Health Clinics.
- One basic family planning visit and three (3) periodic family planning visits per state fiscal year. Family planning visits are not counted toward other service limitations.
- Lab and x-ray services limited to total benefit payment of \$500 per state fiscal year, except for EPSDT beneficiaries.
- Three pharmaceutical prescriptions are allowed per month (family planning and smoking cessation prescriptions are not counted against benefit limit; unlimited prescriptions for nursing facility beneficiaries and EPSDT beneficiaries under age 21). Extensions will be considered up to a maximum of six (6) prescriptions per month for beneficiaries at risk of institutionalization. Beneficiaries receiving services through the Independent Choices waiver may receive up to nine (9) medically necessary prescriptions per month. Medicare-Medicaid beneficiaries (dual eligibles) are no longer eligible for Medicaid prescription drug benefits after January 1, 2006.
- Inpatient hospital days limited to 24 per state fiscal year, except for EPSDT beneficiaries and certain organ transplant patients.
- Co-insurance: Some beneficiaries must pay 10% of first Medicaid covered day of hospital stay.
- Beneficiaries in the Working Disabled aid category must pay 25% of the charges for the first Medicaid covered day of inpatient hospital services and must also pay co-insurance for some additional services.
- Some beneficiaries must pay \$.50 - \$3 of every prescription, and \$2 on the dispensing fee for prescription services for eyeglasses. Beneficiaries in the Working Disabled aid category must pay a higher co-payment for these services and also must pay co-payments for some additional services.

Additional information for limitations relating to children:

- The families of some children are responsible for coinsurance, co-payments, or premiums.
- Co-insurance: Arkids B beneficiaries must pay 20% of the charges for the first Medicaid covered

- day of inpatient hospital services and must also pay co-insurance for some outpatient services.
- Co-Pay: Arkids B beneficiaries must pay a higher co-payment for these services and also must pay co-payments for some outpatient services.
 - Premiums: Based on family income certain TEFRA beneficiaries must pay a premium.

Any and all exceptions to benefit limits are based on medical necessity.

The Division consists of the Director's Office and five (5) distinct organizational units:

Medical Services: The Office of Medical Services includes the following operations: Program Integrity, Medical Assistance and Utilization Review. The Program Integrity section is federally mandated to comply with federal regulations outlined in 42 CFR Part 455 and 456. The goal of the Program Integrity section is to ensure payments are consistent with the quality of care being provided, verify that medical services are medically necessary and rendered as billed, payments for services are correct and funds identified for collection are pursued. Program Integrity performs on site reviews to ensure providers are in compliance with Medicaid policy. The Medical Assistance section administers the Dental, Visual and Child Health Services (EPSDT) Medicaid programs and oversees the non-emergency transportation program, Medicaid Managed Care Systems and ConnectCare programs. This section also assists providers and beneficiaries in resolving matters related to billing and coverage. The Utilization Review section develops healthcare policies based on recognized standards of care, current healthcare initiatives and participation from community stakeholders to ensure adequate coverage benefits for Medicaid beneficiaries. Utilization review monitors the quality and medical necessity of services delivered by Medicaid health care providers. In addition this section is responsible for the prior authorization of medically necessary services such as transplants, extension of benefits, prosthetics, hearing aids, hyperalimentation services and out of state transportation.

Medicaid Management, Information, and Performance (MMIP): The Office of Medicaid Management, Information, and Performance is responsible for developing and maintaining the Medicaid State Plan and provider policy, administering the Medicaid Management Information System (MMIS) which processes all Medicaid claims, and assuring quality in the Medicaid waivers approved by CMS. The MMIP Section consists of three Units. The Program Planning and Development (PPD) Unit develops and maintains the Medicaid State Plan and the State's Child Health Insurance Program Plan, both required by CMS. This Unit develops and maintains 57 different Medicaid provider policy manuals, which include information on covered services, benefit limits, prior approvals, and billing procedures. The MMIS Systems and Support Unit procures and administers the contracted fiscal agent that operates the MMIS. This Unit also monitors the fiscal agent's contract compliance, performs quality assurance reviews on how the MMIS operates, manages requests for modifications to the MMIS, develops enhancements to the MMIS, and develops and produces reports from the Medicaid data warehouse. The Waiver Quality Assurance Unit is responsible for monitoring operation of the Medicaid waiver programs. The Waiver QA Unit assures compliance with CMS requirements for operating the waivers through case reviews, data analysis, technical assistance to operating agencies, communication and coordination with CMS, developing new waivers and amendments to existing waivers, and developing QA strategies and interagency agreements for the waivers.

Long Term Care: The Office of Long Term Care (OLTC) is the unit of state government responsible for the regulation of long term care facilities in Arkansas. These facilities include Nursing Homes, Intermediate Care Facilities for the Mentally Retarded (ICF/MR), Residential Care Facilities (RCF), Adult Day Care, Adult Day Health Care, Post-Acute Head Injury Facilities, Assisted Living Facilities (ALF) and Psychiatric Residential Treatment Facilities (PRTF). This regulation of facilities includes conducting on-site

inspections of facilities, investigations of complaints against facilities, medical need determinations for placement into facilities, and licensure of facilities and facility administrators. In addition, the Office of Long Term Care administers a criminal record background check on the employees and applicants and of facilities the Office regulates, and the Office is responsible for the administration of the training and certification of Certified Nursing Assistance (CNAs), who are long term care facility caregivers that are employed in long term care facilities and hospital-based facilities. The Office of Long Term Care includes the following operations: Quality Assurance & Support, Survey & Certification, Special Programs, Abuse & Neglect, and State Regulated Facilities.

Program and Administrative Support: The Office of Program and Administrative Support includes the following operations: Financial Activities, Provider Reimbursement and Third Party Liability. The Financial Activities unit performs such functions as program and operational budgeting, expenditure monitoring and evaluation, federal and state reporting, and administrative support such as personnel management, contract issuance and management, requests for proposals, and the preparation of interagency agreements. The Provider Reimbursement unit is responsible for maintaining rate files, establishing and administering methodologies for provider reimbursements, including cost reports and cost settlements, and financial aspects of the Office of Long-Term Care such as budgeting, reimbursement, and audits of provider cost reports. The Third Party Liability area is responsible for implementing cost-avoidance procedures to prevent the payment of Medicaid money when other (third) parties such as private insurance companies should pay the claim. In addition, in those instances where cost-avoidance is not successful, the Third Party Liability unit is responsible for pursuing recoupment of Medicaid monies.

Pharmacy: The Pharmacy Office is responsible for assuring that medically necessary pharmaceutical therapy is provided to Arkansas Medicaid recipients. It seeks to deliver these services cost effectively while complying with all state and federal requirements. The OBRA 90 statute requires states to cover all outpatient drugs by a manufacturer who signs a rebate agreement with the Centers for Medicare / Medicaid (CMS) as well as to establish a Drug Utilization Review (DUR) Board which is under the direction of the Pharmacy Office. The Office researches clinical data, develops the clinical criteria and edits for various drugs and drug classes, then works directly with the states fiscal agent to apply the criteria and edits within the software, is the project manager for the stated Evidenced-based prescription drug program, researches and reviews claims information to assist providers, beneficiaries and interested parties and researches exception criteria to assist physicians.

The Agency is funded through general revenue (DEM - Medical Services Fund Account), federal and other revenues. Federal revenue is provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as various program support are derived from Third Party Liability Recovery, Nurse Aide Training and Long Term Care Licensure Fees.

Base level positions were changed from unclassified to Professional and Executive Pay Plan to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. 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 may include board member Stipend payments and 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 for this appropriation is \$22,653,854 in FY2010 and \$22,985,808 in FY2011 with 300 budgeted base level positions.

The Agency Change Level request for this appropriation is \$2,644,351 in FY2010 and \$2,994,018 in FY2011 with a general revenue request of \$144,980 in FY2010 and \$222,949 in FY2011. The general revenue request consists of the following components:

- \$158,781 in FY2010 and \$237,007 in FY2011 in new general revenue for the state match on the operating expenses line item; and
- (\$13,801) in FY2010 and (\$14,058) requested to be transferred to the DHS Administration Fund Account which is associated with a request to transfer one (1) position to the Office of Chief Counsel.

The following delineates the agency request:

- 28 new positions with salary and matching appropriation to allow the Division to design programs, perform analysis and research to keep up with the ever changing public health care issues.
- Transfer 2 positions from the Office of Chief Counsel with salary and matching appropriation only to assist with contract oversight.
- Transfer 1 position from the Division of Behavioral Health Services with salary and matching appropriation only to perform research and analysis of innovations.
- Transfer 2 positions from the Division of Children and Family Services with salary and matching appropriation only to assist the Third Party Liability unit to ensure third parties are identified.
- Transfer 1 position with salary and matching appropriation and general revenue (noted above) to the Office of Chief Counsel to perform receptionist duties for the appeals and hearings section.
- Restoration of 2 positions that are authorized but not budgeted with salary and matching appropriation only to assist in meeting established staffing patterns.
- \$561,753 in FY2010 and \$874,661 in FY2011 for the Operating Expenses line item for building and grounds maintenance, rent of facilities, mileage, meal and lodging, and fuel purchases.
- \$195,000 each year of the biennium for the Capital Outlay line item to allow for the purchase of 10 vehicles each year. 5 vehicles would be replacements and 5 would be additional vehicles each year.
- \$30,000 each year of the biennium for the Data Processing Services line item to allow for increased costs of data processing services from the Department of Information Services.

The Executive Recommendation provides for Base Level. Additionally, 14 new positions with salary and matching appropriation have been provided for, of which, 5 of these new positions will create the new behavior health unit within DMS. The transfer of positions, as well as, the restoration of positions has been provided for with salary and matching appropriation. The transfer of general revenue (noted above) to the Office of Chief Counsel associated with the request to transfer 1 position has been recommended. \$200,000 each year of the biennium in additional appropriation for the Operating Expenses line item, as well as, \$100,000 in new general revenue each year of the biennium has been recommended. Finally, the \$195,000 each year of the biennium for the Capital Outlay line item and the \$30,000 each year of the biennium for the Data Processing Services line item is recommended.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$100,000 each year of the biennium associated with the request for additional Operating Expenses appropriation; and
- (\$13,801) in FY2010 and (\$14,058) in FY2011 requested to be transferred to the DHS Administration Fund Account which is associated with a request to transfer one (1) position to the Office of Chief Counsel.

The above General Revenue transfer that the Executive Recommendation has provided for is from existing allocation of General Revenue from the Division of Medical Services to the Director Office's/Office of Chief Counsel.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

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 | 12,194,659 | 13,849,258 | 13,341,592 | 14,345,945 | 15,757,318 | 15,174,095 | 14,623,050 | 16,065,227 | 15,468,601 |
| #Positions | | 284 | 300 | 302 | 300 | 334 | 320 | 300 | 334 | 320 |
| Extra Help | 5010001 | 88,697 | 126,892 | 126,892 | 126,892 | 126,892 | 126,892 | 126,892 | 126,892 | 126,892 |
| #Extra Help | | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Personal Services Matching | 5010003 | 3,640,440 | 3,781,515 | 4,044,462 | 4,312,382 | 4,758,607 | 4,574,466 | 4,367,231 | 4,819,411 | 4,632,682 |
| Overtime | 5010006 | 0 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Operating Expenses | 5020002 | 3,022,160 | 3,152,863 | 3,152,863 | 3,152,863 | 3,714,616 | 3,352,863 | 3,152,863 | 4,027,524 | 3,352,863 |
| Conference & Travel Expenses | 5050009 | 156,932 | 235,840 | 235,840 | 235,840 | 235,840 | 235,840 | 235,840 | 235,840 | 235,840 |
| Professional Fees | 5060010 | 269,608 | 355,132 | 355,132 | 355,132 | 355,132 | 355,132 | 355,132 | 355,132 | 355,132 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 198,035 | 195,000 | 195,000 | 0 | 195,000 | 195,000 | 0 | 195,000 | 195,000 |
| Data Processing Services | 5900044 | 108,321 | 119,800 | 119,800 | 119,800 | 149,800 | 149,800 | 119,800 | 149,800 | 149,800 |
| Total | | 19,678,852 | 21,821,300 | 21,576,581 | 22,653,854 | 25,298,205 | 24,169,088 | 22,985,808 | 25,979,826 | 24,521,810 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 4,621,975 | 4,843,573 | | 5,028,370 | 5,173,350 | 5,114,569 | 5,102,053 | 5,325,002 | 5,187,995 |
| Federal Revenue | 4000020 | 8,117,737 | 13,551,183 | | 14,068,205 | 15,321,457 | 14,727,123 | 14,274,350 | 15,780,082 | 14,943,909 |
| Various Program Support | 4000730 | 6,939,140 | 3,426,544 | | 3,557,279 | 4,271,530 | 4,102,396 | 3,609,405 | 4,338,593 | 4,164,906 |
| Total Funding | | 19,678,852 | 21,821,300 | | 22,653,854 | 24,766,337 | 23,944,088 | 22,985,808 | 25,443,677 | 24,296,810 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 531,868 | 225,000 | 0 | 536,149 | 225,000 |
| Grand Total | | 19,678,852 | 21,821,300 | | 22,653,854 | 25,298,205 | 24,169,088 | 22,985,808 | 25,979,826 | 24,521,810 |

The FY2009 Budgeted amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 896 - DHS—Admin Paying Account

Funding Sources: PWP - Administration Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 22,653,854 | 300 | 22,653,854 | 100.0 | 22,985,808 | 300 | 22,985,808 | 100.0 |
| C01 | Existing Program | 1,865,500 | 23 | 24,519,354 | 108.2 | 2,205,677 | 23 | 25,191,485 | 109.6 |
| C02 | New Program | 274,584 | 5 | 24,793,938 | 109.4 | 280,309 | 5 | 25,471,794 | 110.8 |
| C05 | Unfunded Appropriation | 253,746 | 2 | 25,047,684 | 110.6 | 254,862 | 2 | 25,726,656 | 111.9 |
| C07 | Agency Transfer | 220,521 | 4 | 25,268,205 | 111.5 | 223,170 | 4 | 25,949,826 | 112.9 |
| C08 | Technology | 30,000 | 0 | 25,298,205 | 111.7 | 30,000 | 0 | 25,979,826 | 113.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 22,653,854 | 300 | 22,653,854 | 100.0 | 22,985,808 | 300 | 22,985,808 | 100.0 |
| C01 | Existing Program | 736,383 | 9 | 23,390,237 | 103.3 | 747,661 | 9 | 23,733,469 | 103.3 |
| C02 | New Program | 274,584 | 5 | 23,664,821 | 104.5 | 280,309 | 5 | 24,013,778 | 104.5 |
| C05 | Unfunded Appropriation | 253,746 | 2 | 23,918,567 | 105.6 | 254,862 | 2 | 24,268,640 | 105.6 |
| C07 | Agency Transfer | 220,521 | 4 | 24,139,088 | 106.6 | 223,170 | 4 | 24,491,810 | 106.6 |
| C08 | Technology | 30,000 | 0 | 24,169,088 | 106.7 | 30,000 | 0 | 24,521,810 | 106.7 |

Justification

| | |
|-----|---|
| C01 | <p>The Division of Medical Services requests appropriation only for 23 new positions to be funded by a mixture of Third Party Liability collections and federal funds with no state funds required. An Assistant Director Medical Services - Grade N906 to directly supervise the new Contract Oversight Unit. Licensed Certified Social Worker C121 to perform as a Licensed Mental Health Practitioner to monitor quality assurance, prior authorization and retrospective review contracts. Three DHS DMS Business Operations Manager C127. One to direct the Medicaid Dental and Visual program. One for the pharmacy program to identify and implement cost containment strategies. One to provide leadership to the Third Party Liability Unit to take the unit to the next level. Two DHS DMS Medical Assistance Manager C125 positions. One for MITA Planning and Implementation to take advantage of the opportunities offered by MITA for Division and Department IT. One for directing the financial and rate setting activities for Long Term Care Programs. One Engineer, PE C124 for the Office of Long Term Care to adequately assure that facilities are inspected for compliance with life safety code standards. Three Nursing Services Unit Manager C123. Two for Utilization Review to plan, coordinate, schedule and direct utilization management activities. One for the Office of Long Term Care to provide oversight of the Assisted Living and Residential Care Unit and licensure and inspection of 175 facilities. Five DHS Program Administrator C122. One for the Office of Long Term Care to accomplish required training and to organize a training academy for surveyors. Two to act as Health Research Analysts. One for Policy Planning & Development to work with others to develop new Medicaid programs or enhance existing programs. One position for Financial Activities to serve as a liaison to other divisions and provide analysis and support to a variety of ad hoc projects. One Computer Support Specialist C119 to provide quicker response times, backup coverage, assist with e-Doc to scan paper files and complying with security rules. One Information Systems Coordination Specialist C119 for Program Integrity to begin Medi/Medi project which bumps Medicaid data up to Medicare data to look at outliers. Two DHS Program Manager C119. One to lead the OLTC Abuse/Neglect Unit to handle appeals in accordance with state and federal requirements. One for Waiver Quality Assurance to assist with the creation and distribution of Quality Management reports and monitoring of Quality Management strategies for each Home and Community Based Waiver. One Senior Auditor for Provider Reimbursement to perform desk reviews of annual and semi-annual cost reports. Two Research Project Analyst, C117 for Program Integrity to implement a new enrollment disclosure process as required by federal regulations. Maintenance and operations is requested to restructure space, increase for rent and travel expenses.</p> |
| C02 | <p>Five (5) positions for a new Behavioral Health Unit within DMS. Behavioral Health is a growing concern and issue facing health care today. This unit will be established to research, develop and manage program issues, policy development, coordinate activities, respond to provider/beneficiary issues, appeals, participate in expansion of services such as substance abuse. The unit will have involvement with CMS both regional and central offices, Governor's office, legislative entities, and DHS staff. The new positions requested for this unit are as follows: one (1) DHS DMS Medical Assistance Manager - C125; one (1) Nursing Services Unit Manager - C123; two (2) DHS Program Administrator - C122; one (1) DHS Program Manager - C119. These positions will be funded by a mixture of Third Party Liability collections and federal funds. No State funds are requested to support these positions.</p> |
| C05 | <p>This is to request restoration of two (2) positions which will allow positions to be filled as necessary to meet the demands of the Division. This request is appropriation only. This request is to purchase ten (10) new vehicles each year of the biennium, half would be replacement vehicles and half would be additional vehicles. DMS currently has thirteen vehicles that meet the criteria for replacement but have not been replaced through DFA MMV Fund. DMS has concern about the safety of staff in these vehicles and the increased liability for the state. This request also includes \$45,000 for the purchase of equipment that may be necessary for the implementation of an image document system or other equipment needs for the Division. Request is for appropriation only.</p> |

Change Level by Appropriation

| Justification | |
|----------------------|---|
| C07 | The Division requests the transfer of one unneeded Document Examiner II position to the Office of Chief Counsel which has a need for the position. This transfer request is both appropriation and funds. In addition, the Division requests the transfer of five positions to DMS as follows: two positions to the newly created Contract Oversight Unit responsible for contract performance monitoring and evaluation; one position to act as a liaison to the DHS Office of Finance and Administration to ensure accurate and timely federal reporting and also to prepare and analyze data for internal reporting; two positions to be utilized in the DMS Third Party Liability unit to ensure third parties are identified, medical histories are reviewed, and appropriate parties are notified that monies are due. These five positions are transfer of appropriation only. |
| C08 | The Division of Medical Services is requesting additional purchase of Data Processing to cover anticipated increased costs of monthly billings from the Dept. of Information Services(DIS). This request is included in the Information Technology Plan (ITP) for the Division on page 7, section Major Application Information Medicaid MMIS- IT Services-DIS. This request is appropriation only. |

Analysis of Budget Request

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Private Nursing Home Care Appropriation referenced on page 286

The Private Nursing Home Care appropriation pays expenses for individuals who reside in nursing homes and are eligible to receive Medicaid Benefits. The residents in nursing home facilities have chronic, medical needs. The referring physician must certify medical need with documented evidence of why services are needed in order for a person to be admitted and remain in a nursing home. Each Medicaid certified nursing facility evaluates each nursing home applicant's need for nursing home services. A thorough and complete evaluation must be conducted to ensure that individuals who do not require nursing home services are not admitted to nursing facilities. For Medicaid eligible recipients, the Office of Long Term Care cannot guarantee Medicaid reimbursement for any applicant admitted prior to approval by the Office of Long Term Care Medical Needs Determination section. No applicant with diagnoses or other indicators of mental illness, mental retardation, or developmental disabilities may be admitted to nursing home care prior to evaluation and approval by the Office of Long Term Care.

In general, nursing homes provide total care for their residents--meeting needs from social to dietary to medical. They are staffed by licensed nurses and certified nursing assistants. Nursing homes accept a variety of payment methods, such as private pay (which includes insurance), Medicaid, and Medicare. No age requirement applies to nursing home placements.

In addition to the provider payments noted above, Act 689 of 1987 created the Long Term Care Aide Training program. Under this Act, the Office of Long Term Care was required to establish a training program to be completed by all aides in long term care facilities who provide personal care to residents. This program consists of 75 hours of training and is payable from the Private Nursing Home Care appropriation.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as quality assurance fee per Act 635 of 2001, various program support which can include nursing home administration fees and Medicaid match, and miscellaneous transfers derived from Act 1217 of 2007 section 7.

The Agency Base Level request for this appropriation is \$548,872,748 each year of the biennium with general revenue of \$93,680,072.

The Agency Change Level request for this appropriation is \$44,016,108 in FY2010 and \$69,165,381 in FY2011 with general revenue request of \$3,893,602 in FY2010 and \$8,400,884 in FY2011 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$29,016,108 in FY2010 and \$52,965,381 in FY2011 for growth.
- \$15,000,000 in FY2010 and \$16,200,000 in FY2011 in unfunded appropriation to allow the Division

the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$3,839,114 in FY2010 and \$8,019,471 in FY2011 for growth; and
- \$54,488 in FY2010 and \$381,413 in FY2011 for the FMAP change.

Prescription Drugs Appropriation referenced on page 287

The Prescription Drugs appropriation is an optional Medicaid service chosen by Arkansas. The program allows eligible recipients to obtain prescription medication through participating pharmacies in Arkansas. Reimbursement for the program is based on the drug cost and the fee for dispensing pharmaceuticals. The Omnibus Budget Reconciliation Act of 1990 authorized rebates from pharmaceutical manufacturers. The federal share is returned and the amount retained by the state is calculated based upon the state matching rate for Medicaid.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as drug rebates, and various program support which can include Medicaid match.

The Agency Base Level request for this appropriation is \$385,263,250 each year of the biennium with general revenue of \$101,909,220.

The Agency Change Level request for this appropriation is \$54,556,338 in FY2010 and \$90,159,922 in FY2011 with general revenue request of \$9,793,027 in FY2010 and \$19,300,423 in FY2011 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$34,458,599 in FY2010 and \$68,716,516 in FY2011 for growth.
- (\$1,502,261) in FY2010 and (\$1,756,594) in FY2011 to reclassify the Breast and Cervical Cancer program to the Medicaid Expansion program.
- \$1,600,000 each year of the biennium for a medication therapy management program.
- \$20,000,000 in FY2010 and \$21,600,000 in FY2011 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request for appropriation. Additionally, general revenue has been provided for in the amount of \$7,048,398 in FY2010 and \$14,199,931 in FY2011.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$7,010,345 in FY2010 and \$13,933,560 in FY2011 for growth; and
- \$38,053 in FY2010 and \$266,371 in FY2011 for the FMAP change.

Hospital and Medical Services Appropriation referenced on page 288

The Hospital and Medical Services appropriation is one of several federally supported and state administered assistance programs within the Medicaid program and consists of many services including inpatient and outpatient hospital, community mental health centers, community health centers, rural health clinics, home health, private duty nursing, personal care, hospice, practitioners such as physicians, dentists, audiologist, psychologist, speech, occupational and physical therapists, maternity clinics, family planning, laboratory and x-ray services, case management, transportation and Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for children under 21 years of age which is the Child Health Services Program. Waiver services are also included in this appropriation. Waiver services are those that the Centers for Medicare and Medicaid Services have waived traditional provisions of the Medicaid regulations and allow deviations in how and where the services are provided and include programs such as Elderchoices, DDS-Non-institutional Waiver and Adults with Physical Disabilities. Payments are made directly to providers for services for individuals who are eligible for Medicaid services. The State establishes reimbursement rates and the methodology for rate setting. However, the Centers for Medicare and Medicaid Services must approve the state's policy(ies) and regulations in order for the State to be in compliance with guidelines established in federal law.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as Medicaid trust fund, insurance premium tax per Act 2222 of 2005 and as various program support which can include matching funds from UAMS (from general revenue), Department of Education (from cash funds), Arkansas Children's Hospital, DHS Divisions (from general revenue) for services such as Therapies, Transportation, Waiver services, UPL-Upper Payment Limit match, DSH-Disproportionate Share Hospital payments, etc. Additionally, tobacco settlement funding can be utilized in this appropriation if Act 2 of the First Extraordinary Session of 2002 section 11 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$2,634,264,168 each year of the biennium with general revenue of \$469,208,860.

The Agency Change Level request for this appropriation is \$365,378,355 in FY2010 and \$589,913,663 in FY2011 with general revenue request of \$74,672,970 in FY2010 and \$166,050,057 in FY2011 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$178,111,661 in FY2010 and \$368,691,140 in FY2011 for growth.
- (\$10,970,807) in FY2010 and (\$11,738,763) in FY2011 to reclassify the Breast and Cervical Cancer program to the Medicaid Expansion program.
- \$48,237,501 in FY2010 and \$70,961,286 in FY2011 for various rate changes.
- \$150,000,000 in FY2010 and \$162,000,000 in FY2011 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request for appropriation. Additionally, general revenue is provided for in the amount of \$42,771,429 in FY2010 and \$137,937,500 in FY2011. Finally, the Executive Recommendation provides for the projected excess balance of \$7,923,456 in FY2010 and

\$48,740,751 in FY2011 in the Medicaid Expansion Program Account be used to fund the Hospital and Medical Services appropriation in the 2009-2011 Biennium and to offset the agency general revenue request. The agency will be complying with Section 8 of Initiated Act 1 of 2000 which provides for the carry forward Tobacco Settlement Fund balance into a new biennium. The agency will invoke section 11 of Act 2 of the First Extraordinary Session of 2002 (A.C.A. §19-12-119) to maximize Tobacco Settlement Fund usage.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$42,516,315 in FY2010 and \$136,151,701 in FY2011 for growth; and
- \$255,114 in FY2010 and \$1,785,799 in FY2011 for the FMAP change.

ARKIDS B Program Appropriation referenced on page 289

The ArKids B program appropriation provides medical services for children who are without medical insurance coverage. Many of the parents of these children are employed but are unable to afford the necessary coverage for their children. The parents earn sufficient salaries that make them ineligible for coverage by Medicaid, thereby leaving the children without medical care.

ArKids B Program is an optional Medicaid service chosen by Arkansas and is authorized through a federal waiver to the Medicaid program that expands coverage to children in families with income at or below 200 percent of the federal poverty level. Services are available only to children through 18 years of age and are otherwise ineligible to receive Medicaid benefits. Each child must have a Primary Care Physician who will either provide the needed services or make the appropriate referral for medically necessary treatment. A patient co-payment is required per physician visit and per prescription. Effective July 1, 2006, DHS set an annual cap on cost-sharing (co-payments and coinsurance) for ARKids B families. The annual cost-sharing cap is 5% of the family's annual gross (before taxes) income.

The ArKids B Program appropriation has two (2) components and they are as follows:

- Prescription Drugs
- Hospital/Medical

Prescription Drugs component has coverage limits based on medical necessity with a \$5 per prescription co-pay and the recipient must use generic and rebate manufactures.

Generally, the Hospital/Medical component benefits include such programs as inpatient hospital, physician visits, vision care (1 visit per year for routine exam and 1 pair of eyeglasses), dental services (2 visits per year for cleaning, x-rays, no orthodontia), medical supplies, home health services and emergency room services, ambulance (emergency only), ambulatory surgical center, durable medical equipment (\$500 per year), family planning, FQHC, nurse midwife, outpatient mental and behavior health (\$2,500 limit), podiatry, RHC and speech therapy with some form of co-pay required. Immunizations and preventative health screenings per protocols provided by the primary care physician or Division of Health require no patient co-payments.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues, which are indicated as various

program support, can include Medicaid match.

The Agency Base Level request for this appropriation is \$111,561,360 each year of the biennium with general revenue of \$30,300,065.

The Agency Change Level request for this appropriation is \$25,933,856 in FY2010 and \$46,177,122 in FY2011 with general revenue request of \$4,340,385 in FY2010 and \$9,711,283 in FY2011 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$1,663,187 in FY2010 and \$4,481,124 in FY2011 for growth for the prescription drugs component.
- \$14,270,669 in FY2010 and \$30,895,998 in FY2011 for growth for the Hospital/Medical component.
- \$10,000,000 in FY2010 and \$10,800,000 in FY2011 in unfunded appropriation for both the Prescription Drugs component and the Hospital/Medical component to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$451,888 in FY2010 and \$1,220,210 in FY2011 for growth for the Prescription Drugs component;
- \$2,507 in FY2010 and \$17,551 in FY2011 for the FMAP change for the Prescription Drugs component;
- \$3,877,341 in FY2010 and \$8,412,980 in FY2011 for growth for the Hospital/Medical component;
- and
- \$8,649 in FY2010 and \$60,542 in FY2011 for the FMAP change for the Hospital/Medical component.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account / Private Nursing Home Care

Funding Sources: PWD - Grants Paying

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 |
| Private Nursing Home Care | 5100004 | 534,359,123 | 548,872,748 | 627,094,449 | 548,872,748 | 592,888,856 | 592,888,856 | 548,872,748 | 618,038,129 | 618,038,129 |
| Total | | 534,359,123 | 548,872,748 | 627,094,449 | 548,872,748 | 592,888,856 | 592,888,856 | 548,872,748 | 618,038,129 | 618,038,129 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 75,001,753 | 93,680,072 | | 93,680,072 | 97,573,674 | 97,573,674 | 93,680,072 | 102,080,956 | 102,080,956 |
| Federal Revenue | 4000020 | 390,004,850 | 399,138,008 | | 399,138,008 | 420,215,951 | 420,215,951 | 399,138,008 | 437,299,503 | 437,299,503 |
| Miscellaneous Transfers | 4000355 | 115,000 | 115,000 | | 115,000 | 115,000 | 115,000 | 115,000 | 115,000 | 115,000 |
| Quality Assurance Fee | 4000395 | 63,760,074 | 55,656,095 | | 55,656,095 | 59,700,658 | 59,700,658 | 55,656,095 | 62,059,097 | 62,059,097 |
| Various Program Support | 4000730 | 5,477,446 | 283,573 | | 283,573 | 283,573 | 283,573 | 283,573 | 283,573 | 283,573 |
| Total Funding | | 534,359,123 | 548,872,748 | | 548,872,748 | 577,888,856 | 577,888,856 | 548,872,748 | 601,838,129 | 601,838,129 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 15,000,000 | 15,000,000 | 0 | 16,200,000 | 16,200,000 |
| Grand Total | | 534,359,123 | 548,872,748 | | 548,872,748 | 592,888,856 | 592,888,856 | 548,872,748 | 618,038,129 | 618,038,129 |

\$115,000 cash funds transfer from the State Board of Collection Agencies.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account / Prescription Drugs

Funding Sources: PWD - Grants Paying

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 |
| Prescription Drugs | 5100004 | 340,641,183 | 385,263,250 | 440,746,167 | 385,263,250 | 439,819,588 | 439,819,588 | 385,263,250 | 475,423,172 | 475,423,172 |
| Total | | 340,641,183 | 385,263,250 | 440,746,167 | 385,263,250 | 439,819,588 | 439,819,588 | 385,263,250 | 475,423,172 | 475,423,172 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 77,297,556 | 101,909,220 | | 101,909,220 | 111,702,247 | 108,957,618 | 101,909,220 | 121,209,643 | 116,109,151 |
| Federal Revenue | 4000020 | 224,917,094 | 256,194,030 | | 256,194,030 | 280,957,341 | 281,252,175 | 256,194,030 | 305,453,529 | 305,932,668 |
| Drug Rebates | 4000200 | 29,765,477 | 27,160,000 | | 27,160,000 | 27,160,000 | 29,512,056 | 27,160,000 | 27,160,000 | 31,937,947 |
| Various Program Support | 4000730 | 8,661,056 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | | 340,641,183 | 385,263,250 | | 385,263,250 | 419,819,588 | 419,721,849 | 385,263,250 | 453,823,172 | 453,979,766 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 20,000,000 | 20,097,739 | 0 | 21,600,000 | 21,443,406 |
| Grand Total | | 340,641,183 | 385,263,250 | | 385,263,250 | 439,819,588 | 439,819,588 | 385,263,250 | 475,423,172 | 475,423,172 |

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account / Hospital and Medical Services

Funding Sources: PWD - Grants Paying

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 |
| Hospital and Medical Services | 5100004 | 2,408,153,725 | 2,634,264,168 | 2,897,206,587 | 2,634,264,168 | 2,999,642,523 | 2,999,642,523 | 2,634,264,168 | 3,224,177,831 | 3,224,177,831 |
| Total | | 2,408,153,725 | 2,634,264,168 | 2,897,206,587 | 2,634,264,168 | 2,999,642,523 | 2,999,642,523 | 2,634,264,168 | 3,224,177,831 | 3,224,177,831 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 482,757,122 | 469,208,860 | | 469,208,860 | 543,881,830 | 511,980,289 | 469,208,860 | 635,258,917 | 607,146,360 |
| Federal Revenue | 4000020 | 1,755,964,328 | 1,907,820,865 | | 1,907,820,865 | 2,063,431,984 | 1,986,322,500 | 1,907,820,865 | 2,214,735,613 | 2,117,216,908 |
| Trust Fund | 4000050 | 69,215,170 | 155,818,800 | | 155,818,800 | 110,227,789 | 128,089,582 | 155,818,800 | 48,700,000 | 48,700,000 |
| Insurance Premium Tax | 4000298 | 6,923,958 | 0 | | 0 | 5,124,419 | 5,124,419 | 0 | 0 | 0 |
| Tobacco Settlement | 4000495 | 0 | 0 | | 0 | 0 | 7,923,456 | 0 | 34,219,501 | 48,740,751 |
| Various Program Support | 4000730 | 93,293,147 | 101,415,643 | | 101,415,643 | 125,212,356 | 125,212,356 | 101,415,643 | 124,987,356 | 124,987,356 |
| Total Funding | | 2,408,153,725 | 2,634,264,168 | | 2,634,264,168 | 2,847,878,378 | 2,764,652,602 | 2,634,264,168 | 3,057,901,387 | 2,946,791,375 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 151,764,145 | 234,989,921 | 0 | 166,276,444 | 277,386,456 |
| Grand Total | | 2,408,153,725 | 2,634,264,168 | | 2,634,264,168 | 2,999,642,523 | 2,999,642,523 | 2,634,264,168 | 3,224,177,831 | 3,224,177,831 |

Fund transfers from UAMS are from General Revenue.

Fund transfers from Department of Education are from Cash Funds.

Fund transfers from DHS Divisions are from General Revenue.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account / ARKids B Program

Funding Sources: PWD - Grants Paying

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 |
| ARKids B Program | 5100004 | 95,236,267 | 111,561,360 | 116,703,139 | 111,561,360 | 137,495,216 | 137,495,216 | 111,561,360 | 157,738,482 | 157,738,482 |
| Total | | 95,236,267 | 111,561,360 | 116,703,139 | 111,561,360 | 137,495,216 | 137,495,216 | 111,561,360 | 157,738,482 | 157,738,482 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 23,893,352 | 30,300,065 | | 30,300,065 | 34,640,450 | 34,640,450 | 30,300,065 | 40,011,348 | 40,011,348 |
| Federal Revenue | 4000020 | 69,746,488 | 81,261,295 | | 81,261,295 | 92,854,766 | 92,854,766 | 81,261,295 | 106,927,134 | 106,927,134 |
| Various Program Support | 4000730 | 1,596,427 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | | 95,236,267 | 111,561,360 | | 111,561,360 | 127,495,216 | 127,495,216 | 111,561,360 | 146,938,482 | 146,938,482 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 10,000,000 | 10,000,000 | 0 | 10,800,000 | 10,800,000 |
| Grand Total | | 95,236,267 | 111,561,360 | | 111,561,360 | 137,495,216 | 137,495,216 | 111,561,360 | 157,738,482 | 157,738,482 |

Change Level by Appropriation

Appropriation: 897 - DHS-Grants Paying Account / Private Nursing Home Care

Funding Sources: PWD - Grants Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|--------------------|----------|--------------------|--------------|--------------------|----------|--------------------|--------------|
| BL | Base Level | 548,872,748 | 0 | 548,872,748 | 100.0 | 548,872,748 | 0 | 548,872,748 | 100.0 |
| C01 | Existing Program | 29,016,108 | 0 | 577,888,856 | 105.3 | 52,965,381 | 0 | 601,838,129 | 109.6 |
| C05 | Unfunded Appropriation | 15,000,000 | 0 | 592,888,856 | 108.0 | 16,200,000 | 0 | 618,038,129 | 112.6 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|--------------------|----------|--------------------|--------------|--------------------|----------|--------------------|--------------|
| BL | Base Level | 548,872,748 | 0 | 548,872,748 | 100.0 | 548,872,748 | 0 | 548,872,748 | 100.0 |
| C01 | Existing Program | 29,016,108 | 0 | 577,888,856 | 105.3 | 52,965,381 | 0 | 601,838,129 | 109.6 |
| C05 | Unfunded Appropriation | 15,000,000 | 0 | 592,888,856 | 108.0 | 16,200,000 | 0 | 618,038,129 | 112.6 |

Justification

| | |
|-----|---|
| C01 | Growth - The growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation and which are generally unaffected by DMS policy decisions. Examples are, Medicaid eligible population increases as a result of a declining economy, the number of eligibles accessing services increases, the number and type of services utilized changes, reimbursement for services that use a cost based methodology increase. FMAP Rate Adjustment – This request results from a recent change in the Federal Medical Assistance Percentage of 0.01% for SFY 2010 and 0.07% for SFY 2011. This decrease in federal matching affects all Medicaid programs. |
| C05 | Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only. |

Change Level by Appropriation

Appropriation: 897 - DHS-Grants Paying Account / Prescription Drugs

Funding Sources: PWD - Grants Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|--------------------|----------|--------------------|--------------|--------------------|----------|--------------------|--------------|
| BL | Base Level | 385,263,250 | 0 | 385,263,250 | 100.0 | 385,263,250 | 0 | 385,263,250 | 100.0 |
| C01 | Existing Program | 36,058,599 | 0 | 421,321,849 | 109.4 | 70,316,516 | 0 | 455,579,766 | 118.3 |
| C05 | Unfunded Appropriation | 20,000,000 | 0 | 441,321,849 | 114.6 | 21,600,000 | 0 | 477,179,766 | 123.9 |
| C07 | Agency Transfer | (1,502,261) | 0 | 439,819,588 | 114.2 | (1,756,594) | 0 | 475,423,172 | 123.4 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|--------------------|----------|--------------------|--------------|--------------------|----------|--------------------|--------------|
| BL | Base Level | 385,263,250 | 0 | 385,263,250 | 100.0 | 385,263,250 | 0 | 385,263,250 | 100.0 |
| C01 | Existing Program | 36,058,599 | 0 | 421,321,849 | 109.4 | 70,316,516 | 0 | 455,579,766 | 118.3 |
| C05 | Unfunded Appropriation | 20,000,000 | 0 | 441,321,849 | 114.6 | 21,600,000 | 0 | 477,179,766 | 123.9 |
| C07 | Agency Transfer | (1,502,261) | 0 | 439,819,588 | 114.2 | (1,756,594) | 0 | 475,423,172 | 123.4 |

Justification

| | |
|-----|---|
| C01 | Growth - The growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation and which are generally unaffected by DMS policy decisions. Examples are, Medicaid eligible population increases as a result of a declining economy, the number of eligibles accessing services increases, the number and type of services utilized changes, reimbursement for services that use a cost based methodology increase. FMAP Rate Adjustment - This request results from a recent change in the Federal Medical Assistance Percentage of 0.01% for SFY 2010 and 0.07% for SFY 2011. This decrease in federal matching affects all Medicaid programs.-----Medication Therapy Management (MTM) is a comprehensive patient centered service that focuses on the patient's total drug therapy needs. The intention of MTM is to optimize the patient's drug regimen to best achieve appropriate therapeutic goals for the patient in the specific subset identified, to improve that patient's health outcome, and to reduce the risks of adverse events. Improving the long-range health outcomes by utilizing MTM for patients with chronic illnesses will improve the quality of life for that patient, decrease adverse events caused by medication over- or under- utilization, and may ultimately decrease the Medicaid medical expenses (ER visits, hospitalization, physician visits) triggered by that patient. |
| C05 | Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only. |
| C07 | This request is to reclassify the Breast and Cervical Cancer program administered by the Arkansas Department of Health from 'regular' Medicaid to Medicaid Expansion. DMS management believes that this program is an extension of services to the 19-64 year old population and therefore, is more appropriately classified as an Expansion program. |

Change Level by Appropriation

Appropriation: 897 - DHS-Grants Paying Account / Hospital and Medical Services

Funding Sources: PWD - Grants Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|----------------------|----------|----------------------|--------------|----------------------|----------|----------------------|--------------|
| BL | Base Level | 2,634,264,168 | 0 | 2,634,264,168 | 100.0 | 2,634,264,168 | 0 | 2,634,264,168 | 100.0 |
| C01 | Existing Program | 200,585,017 | 0 | 2,834,849,185 | 107.6 | 411,375,982 | 0 | 3,045,640,150 | 115.6 |
| C05 | Unfunded Appropriation | 151,764,145 | 0 | 2,986,613,330 | 113.4 | 166,276,444 | 0 | 3,211,916,594 | 121.9 |
| C07 | Agency Transfer | (10,970,807) | 0 | 2,975,642,523 | 113.0 | (11,738,763) | 0 | 3,200,177,831 | 121.5 |
| C08 | Technology | 24,000,000 | 0 | 2,999,642,523 | 113.9 | 24,000,000 | 0 | 3,224,177,831 | 122.4 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|----------------------|----------|----------------------|--------------|----------------------|----------|----------------------|--------------|
| BL | Base Level | 2,634,264,168 | 0 | 2,634,264,168 | 100.0 | 2,634,264,168 | 0 | 2,634,264,168 | 100.0 |
| C01 | Existing Program | 200,585,017 | 0 | 2,834,849,185 | 107.6 | 411,375,982 | 0 | 3,045,640,150 | 115.6 |
| C05 | Unfunded Appropriation | 151,764,145 | 0 | 2,986,613,330 | 113.4 | 166,276,444 | 0 | 3,211,916,594 | 121.9 |
| C07 | Agency Transfer | (10,970,807) | 0 | 2,975,642,523 | 113.0 | (11,738,763) | 0 | 3,200,177,831 | 121.5 |
| C08 | Technology | 24,000,000 | 0 | 2,999,642,523 | 113.9 | 24,000,000 | 0 | 3,224,177,831 | 122.4 |

Justification

| | |
|-----|---|
| C01 | The growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation and which are generally unaffected by DMS policy decisions. Examples are, Medicaid eligible population increases as a result of a declining economy, the number of eligibles accessing services increases, the number and type of services utilized changes, reimbursement for services that use a cost based methodology increase. FMAP Rate Adjustment - This request results from a recent change in the Federal Medical Assistance Percentage of 0.01% for SFY 2010 and 0.07% for SFY 2011. This decrease in federal matching affects all Medicaid programs. The Medicaid Trust Fund had accumulated a balance which was used in place of additional general revenue in SFY 2008 and SFY 2009, the remaining balance will be used in SFY 2010, but it will not be able to be used as a funding source to the extent that it was utilized in the base (SFY 2009) therefore will have to be replaced with State General Revenue. Various Rate Changes - This request relates to presently contemplated rate increases for such things as physician rates, the establishment of a ventilator unit at the Arkansas Health Center, as well as various court-mandated increases. The request also provides for rate increases that are not specifically known or approved at this time, but that based on previous years operations, DMS management know will be necessary. A likely example of this is rate increases that may be required for certain services in support of the developing statewide trauma system. The Arkansas Optometric Association requested rate increases for eye exams, spectacle prescription services, and contact lens exams to bring the rates to or near the current Medicare reimbursement rates. These rates have not been increased since September 2006. Also an increase for the contact lens material reimbursement rate for Keratoconic lenses, adding a code for an external photo of the eye necessary for diagnosis of specific ocular problems, and expand sensorimotor testing to include adults as medically necessary. -----DMS will outsource the technical writing of all Medicaid provider manuals and automate the process as much as possible for policy review, approval, cross-referencing to rules and regulations, and retaining history of policy changes. DMS currently has 57 provider manuals. DMS will require an initial review and reconciliation of existing policies, so the first year will be more costly than ongoing costs. |
| C05 | This request will provide for increases due to the cost of living, increases due to the gasoline or other transportation costs for increases due additional number of waiver slots for the ACS waiver program. This request is appropriation only. The funding is being requested by the Division of Developmental Disability Services. Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only. |
| C07 | This request is to reclassify the Breast and Cervical Cancer program administered by the Arkansas Department of Health from 'regular' Medicaid to Medicaid Expansion. DMS management believes that this program is an extension of services to the 19-64 year old population and therefore, is more appropriately classified as an Expansion program. |

Change Level by Appropriation

| Justification | |
|----------------------|--|
| C08 | DMS requires additional State General Revenue (SGR) to match federal funds in order to take advantage of enhanced funding opportunities from CMS. With access to enhanced federal funding, DMS will develop Medicaid Information Technology Architecture (MITA) projects and lead collaborative efforts with key stakeholders to develop and implement several major Health Information Technology (HIT) projects including health information exchange, electronic health records, etc. DMS anticipates 75% and 90% federal funding for most of the costs, and the requested SGR will provide matching funds to access the federal funds. This request is in the Division IT Plan on page 17-19, section Medicaid Information Technology Architecture (MITA) Initiatives. |

Change Level by Appropriation

Appropriation: 897 - DHS-Grants Paying Account / ARKids B Program

Funding Sources: PWD - Grants Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|--------------------|----------|--------------------|--------------|--------------------|----------|--------------------|--------------|
| BL | Base Level | 111,561,360 | 0 | 111,561,360 | 100.0 | 111,561,360 | 0 | 111,561,360 | 100.0 |
| C01 | Existing Program | 15,933,856 | 0 | 127,495,216 | 114.3 | 35,377,122 | 0 | 146,938,482 | 131.7 |
| C05 | Unfunded Appropriation | 10,000,000 | 0 | 137,495,216 | 123.2 | 10,800,000 | 0 | 157,738,482 | 141.4 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|--------------------|----------|--------------------|--------------|--------------------|----------|--------------------|--------------|
| BL | Base Level | 111,561,360 | 0 | 111,561,360 | 100.0 | 111,561,360 | 0 | 111,561,360 | 100.0 |
| C01 | Existing Program | 15,933,856 | 0 | 127,495,216 | 114.3 | 35,377,122 | 0 | 146,938,482 | 131.7 |
| C05 | Unfunded Appropriation | 10,000,000 | 0 | 137,495,216 | 123.2 | 10,800,000 | 0 | 157,738,482 | 141.4 |

Justification

| | |
|-----|--|
| C01 | The growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation and which are generally unaffected by DMS policy decisions. Examples are, Medicaid eligible population increases as a result of a declining economy, the number of eligibles accessing services increases, the number and type of services utilized changes, reimbursement for services that use a cost based methodology increase. FMAP Rate Adjustment – This request results from a recent change in the Federal Medical Assistance Percentage of 0.01% for SFY 2010 and 0.07% for SFY 2011. This decrease in federal matching affects all Medicaid programs. |
| C05 | Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only. |

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Child and Family Life Institute Appropriation referenced on page 298

Arkansas Code Annotated §20-78-104 authorized Arkansas Children's Hospital to provide administration for the Child Health and Family Life Institute (CHFLI). Children's Hospital and UAMS, Department of Pediatrics act in conjunction by either contract or cooperative agreement for necessary activities in the delivery of services through the CHFLI. The mission of the institute is "an initiated state effort to explore, develop, and evaluate new and better ways to address medically, socially, and economically interrelated health and developmental needs of children with special health care needs and their families. Utilizing a multidisciplinary collaboration of professionals, the Institute's priorities include wellness and prevention, screening and diagnosis, treatment and intervention, training and education, service access, public policy and advocacy, research and evaluation". Programs include such services as KIDS FIRST - a pediatric day health treatment program for preschool age children at risk for developmental delay; CO-MEND Councils of volunteer/local community activities with pooled resources to assist families; Outreach offers specialized health care at the local level for children who live in areas without specialized care available; Community Pediatrics-a support system with a pediatric team available to provide services in medically underserved areas; Children-at-Risk - diagnostic and treatment for children who have been abused and their families; Pediatric Psychology; Developmental/Physical Medicine and Rehabilitation for children with severe disabilities; and Adolescent Medicine. Children's Hospital is specifically to fund the KIDS FIRST Program as a priority when considering program funding decisions within the Institute. The Department of Pediatrics is the administrative oversight entity for cooperative agreements or contracts for the delivery of services.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account).

The Agency Base Level and total request for this appropriation is \$2,100,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Infant Infirmary Appropriation referenced on page 299

The Infant Infirmary Nursing Home appropriation provides for services to infants with special needs. The facilities are licensed as Private Pediatric Intermediate Care Facilities for the Mentally Retarded (ICFs/MR). Facilities receiving reimbursement through this appropriation are Arkansas Pediatric Facility, Brownwood Life Care Center, Millcreek of Arkansas and Easter Seals Children's Rehabilitation Center. These programs provide a valuable service in that many children are admitted to one of these programs when discharged from a hospital and need continuing attention and medical oversight but not on-going medical treatment.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues, which are indicated as various program support, can

include Medicaid match.

The Agency Base Level request for this appropriation is \$19,971,685 each year of the biennium with general revenue of \$5,424,310.

The Agency Change Level request for this appropriation is \$2,159,066 in FY2010 and \$2,959,880 in FY2011 with general revenue request of \$181,065 in FY2010 and \$378,829 in FY2011 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$659,066 in FY2010 and \$1,339,880 in FY2011 for growth.
- \$1,500,000 in FY2010 and \$1,620,000 in FY2011 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$179,068 in FY2010 and \$364,849 in FY2011 for growth; and
- \$1,997 in FY2010 and \$13,980 in FY2011 for the FMAP change.

Public Nursing Home Care Appropriation referenced on page 300

The Public Nursing Home Care appropriation includes Title XIX Medicaid reimbursement for services provided in the six (6) Human Development Centers (Intermediate Care Facilities for the Mentally Retarded-ICFs/MR), the Arkansas Health Center and the thirty-one (31) 15 Bed or Less (ICFs/MR) programs across the State. Services include 24 hour a day residential, medical, psychological, education and training, life skills training and therapy services needed through staffing and case plan determination. Annual staffings are required to reassess the progress of each individual and adjustments are made in case plans when necessary to help each person attain the goals and objectives established in the case plans.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as quality assurance fee per Act 635 of 2001, various program support which can include matching funds from the Human Development Centers (from general revenue), the DDS Small 10 Beds Intermediate Care Facilities for the Mentally Retarded (ICFs/MR)(from general revenue), the Arkansas Health Center (from mixed funding).

The Agency Base Level request for this appropriation is \$166,564,251 each year of the biennium with general revenue of \$6,930,842.

The Agency Change Level request for this appropriation is \$17,709,223 in FY2010 and \$26,580,833 in FY2011 with general revenue request of \$188,658 in FY2010 and \$475,754 in FY2011 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$7,709,223 in FY2010 and \$15,780,833 in FY2011 for growth.
- \$10,000,000 in FY2010 and \$10,800,000 in FY2011 in unfunded appropriation to allow the Division

the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$172,002 in FY2010 and \$359,159 in FY2011 for growth; and
- \$16,656 in FY2010 and \$116,595 in FY2011 for the FMAP change.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account / Child & Family Life Institute

Funding Sources: PWE - Grants Paying

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 |
| Child & Family Life Inst 5100004 | 0 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 |
| Total | 0 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 0 | 2,100,000 | | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 |
| Total Funding | 0 | 2,100,000 | | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 2,100,000 | | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 |

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account / Infant Infirmary

Funding Sources: PWE - Grants Paying

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 |
| Infant Infirmary | 5100004 | 19,544,582 | 19,971,685 | 21,338,175 | 19,971,685 | 22,130,751 | 22,130,751 | 19,971,685 | 22,931,565 | 22,931,565 |
| Total | | 19,544,582 | 19,971,685 | 21,338,175 | 19,971,685 | 22,130,751 | 22,130,751 | 19,971,685 | 22,931,565 | 22,931,565 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 4,975,279 | 5,424,310 | | 5,424,310 | 5,605,375 | 5,605,375 | 5,424,310 | 5,803,139 | 5,803,139 |
| Federal Revenue | 4000020 | 14,274,468 | 14,547,375 | | 14,547,375 | 15,025,376 | 15,025,376 | 14,547,375 | 15,508,426 | 15,508,426 |
| Various Program Support | 4000730 | 294,835 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | | 19,544,582 | 19,971,685 | | 19,971,685 | 20,630,751 | 20,630,751 | 19,971,685 | 21,311,565 | 21,311,565 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 1,500,000 | 1,500,000 | 0 | 1,620,000 | 1,620,000 |
| Grand Total | | 19,544,582 | 19,971,685 | | 19,971,685 | 22,130,751 | 22,130,751 | 19,971,685 | 22,931,565 | 22,931,565 |

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account / Public Nursing Home Care

Funding Sources: PWE - Grants Paying

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 |
| Public Nursing Home Care | 5100004 | 162,058,661 | 166,564,251 | 170,497,211 | 166,564,251 | 184,273,474 | 184,273,474 | 166,564,251 | 193,145,084 | 193,145,084 |
| Total | | 162,058,661 | 166,564,251 | 170,497,211 | 166,564,251 | 184,273,474 | 184,273,474 | 166,564,251 | 193,145,084 | 193,145,084 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 6,661,516 | 6,930,842 | | 6,930,842 | 7,119,500 | 7,119,500 | 6,930,842 | 7,406,596 | 7,406,596 |
| Federal Revenue | 4000020 | 118,378,056 | 121,325,400 | | 121,325,400 | 126,923,371 | 126,923,371 | 121,325,400 | 132,692,517 | 132,692,517 |
| Quality Assurance Fee | 4000395 | 996,229 | 888,556 | | 888,556 | 888,556 | 888,556 | 888,556 | 888,556 | 888,556 |
| Various Program Support | 4000730 | 36,022,860 | 37,419,453 | | 37,419,453 | 39,342,047 | 39,342,047 | 37,419,453 | 41,357,415 | 41,357,415 |
| Total Funding | | 162,058,661 | 166,564,251 | | 166,564,251 | 174,273,474 | 174,273,474 | 166,564,251 | 182,345,084 | 182,345,084 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 10,000,000 | 10,000,000 | 0 | 10,800,000 | 10,800,000 |
| Grand Total | | 162,058,661 | 166,564,251 | | 166,564,251 | 184,273,474 | 184,273,474 | 166,564,251 | 193,145,084 | 193,145,084 |

Fund transfers from the Division of Developmental Disability Services are from General Revenue.

Fund transfers from the Division of Behavioral Health Services are from mixed funding sources.

Change Level by Appropriation

Appropriation: 898 - DHS-Grants Paying Account / Child & Family Life Institute

Funding Sources: PWE - Grants Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| BL | Base Level | 2,100,000 | 0 | 2,100,000 | 100.0 | 2,100,000 | 0 | 2,100,000 | 100.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| BL | Base Level | 2,100,000 | 0 | 2,100,000 | 100.0 | 2,100,000 | 0 | 2,100,000 | 100.0 |

Change Level by Appropriation

Appropriation: 898 - DHS-Grants Paying Account / Infant Infirmary

Funding Sources: PWE - Grants Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 19,971,685 | 0 | 19,971,685 | 100.0 | 19,971,685 | 0 | 19,971,685 | 100.0 |
| C01 | Existing Program | 659,066 | 0 | 20,630,751 | 103.3 | 1,339,880 | 0 | 21,311,565 | 106.7 |
| C05 | Unfunded Appropriation | 1,500,000 | 0 | 22,130,751 | 110.8 | 1,620,000 | 0 | 22,931,565 | 114.8 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 19,971,685 | 0 | 19,971,685 | 100.0 | 19,971,685 | 0 | 19,971,685 | 100.0 |
| C01 | Existing Program | 659,066 | 0 | 20,630,751 | 103.3 | 1,339,880 | 0 | 21,311,565 | 106.7 |
| C05 | Unfunded Appropriation | 1,500,000 | 0 | 22,130,751 | 110.8 | 1,620,000 | 0 | 22,931,565 | 114.8 |

Justification

| | |
|-----|---|
| C01 | Growth - The growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation and which are generally unaffected by DMS policy decisions. Examples are, Medicaid eligible population increases as a result of a declining economy, the number of eligibles accessing services increases, the number and type of services utilized changes, reimbursement for services that use a cost based methodology increase. FMAP Rate Adjustment – This request results from a recent change in the Federal Medical Assistance Percentage of 0.01% for SFY 2010 and 0.07% for SFY 2011. This decrease in federal matching affects all Medicaid programs. |
| C05 | Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only. |

Change Level by Appropriation

Appropriation: 898 - DHS-Grants Paying Account / Public Nursing Home Care

Funding Sources: PWE - Grants Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|--------------------|----------|--------------------|--------------|--------------------|----------|--------------------|--------------|
| BL | Base Level | 166,564,251 | 0 | 166,564,251 | 100.0 | 166,564,251 | 0 | 166,564,251 | 100.0 |
| C01 | Existing Program | 7,709,223 | 0 | 174,273,474 | 104.6 | 15,780,833 | 0 | 182,345,084 | 109.5 |
| C05 | Unfunded Appropriation | 10,000,000 | 0 | 184,273,474 | 110.6 | 10,800,000 | 0 | 193,145,084 | 116.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|--------------------|----------|--------------------|--------------|--------------------|----------|--------------------|--------------|
| BL | Base Level | 166,564,251 | 0 | 166,564,251 | 100.0 | 166,564,251 | 0 | 166,564,251 | 100.0 |
| C01 | Existing Program | 7,709,223 | 0 | 174,273,474 | 104.6 | 15,780,833 | 0 | 182,345,084 | 109.5 |
| C05 | Unfunded Appropriation | 10,000,000 | 0 | 184,273,474 | 110.6 | 10,800,000 | 0 | 193,145,084 | 116.0 |

Justification

| | |
|-----|---|
| C01 | Growth - The growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation and which are generally unaffected by DMS policy decisions. Examples are, Medicaid eligible population increases as a result of a declining economy, the number of eligibles accessing services increases, the number and type of services utilized changes, reimbursement for services that use a cost based methodology increase. FMAP Rate Adjustment – This request results from a recent change in the Federal Medical Assistance Percentage of 0.01% for SFY 2010 and 0.07% for SFY 2011. This decrease in federal matching affects all Medicaid programs. |
| C05 | Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only. |

DHS - COUNTY OPERATIONS

Enabling Laws

Act 1285 of 2007

Act 1284 of 2007

Act 1097 of 2007

Administration (Central Office Operations)

- A.C.A. §25-10-102

Economic and Medical Services Enrollment (Enrollment functions for the Supplemental Nutrition Assistance Program {SNAP, formerly known as the Food Stamp Program}, Medicaid and TEA programs)

- A.C.A. §25-102-102
- Food Stamps; SNAP - Food Stamp Act of 1977 renamed the Food and Nutrition Act of 2008
- Medicaid - Titles XIX and XXI of Social Security Act/Section 7 of Act 280 of 1939 and Act 416 of 1977; Act 849 of 1999 and Act 747 of 2001 (ARKids First Program)
- Medicaid Expansion (Tobacco Settlement) - Act 1574 of 2001
- TEA Program (Cash Assistance) - Title IV-A of the Social Security Act; Act 1058 of 1997; Act 1264 of 2001; Act 1306 of 2003 and Act 1705 of 2005

County Operations Assistance - Community Services (Funding for the provision of services and activities designed to reduce poverty and hunger, revitalize low-income communities and increased self-sufficiency)

- Commodity Distribution and Emergency Food - Emergency Food Assistance Act of 1983
- Food Stamp Employment and Training - Food Stamp Act of 1977, renamed the Food And Nutrition Act of 2008
- Refugee Resettlement Program - Title IV of the Immigration and Nationality Act
- Community Service Block Grant - Public Law 97-35 Federal Omnibus Reconciliation Act of 1981
- Shelter Plus Care - Public Law 97-35 Federal Omnibus Reconciliation Act of 1981 McKinney-Vento Homeless Assistance Act of 1987, Title IV as amended, Public Law 97-35 Federal Omnibus Reconciliation Act of 1981
- Aid to the Aged, Blind and Disabled - Title XVI of the Social Security Act; P.L. 93-66 and P.L. 93-233
- Weatherization - Energy Conservation and Production Act, Title IV, Part A, Public Law 94-385, 42 U.S.C. 6851-6872; Department of Energy Organization Act of 1977 as amended; Public Law 97-35 Federal Omnibus Reconciliation Act of 1981
- Low-Income Energy Assistance-Public Law 97-35 Federal Omnibus Reconciliation Act of 1981
- Homeless Assistance-McKinney-Vento Homeless Assistance Act of 1987, Title IV as amended, 42 U.S.C.11371-78 Public Law 97-35 Federal Omnibus Reconciliation Act of 1981

History and Organization

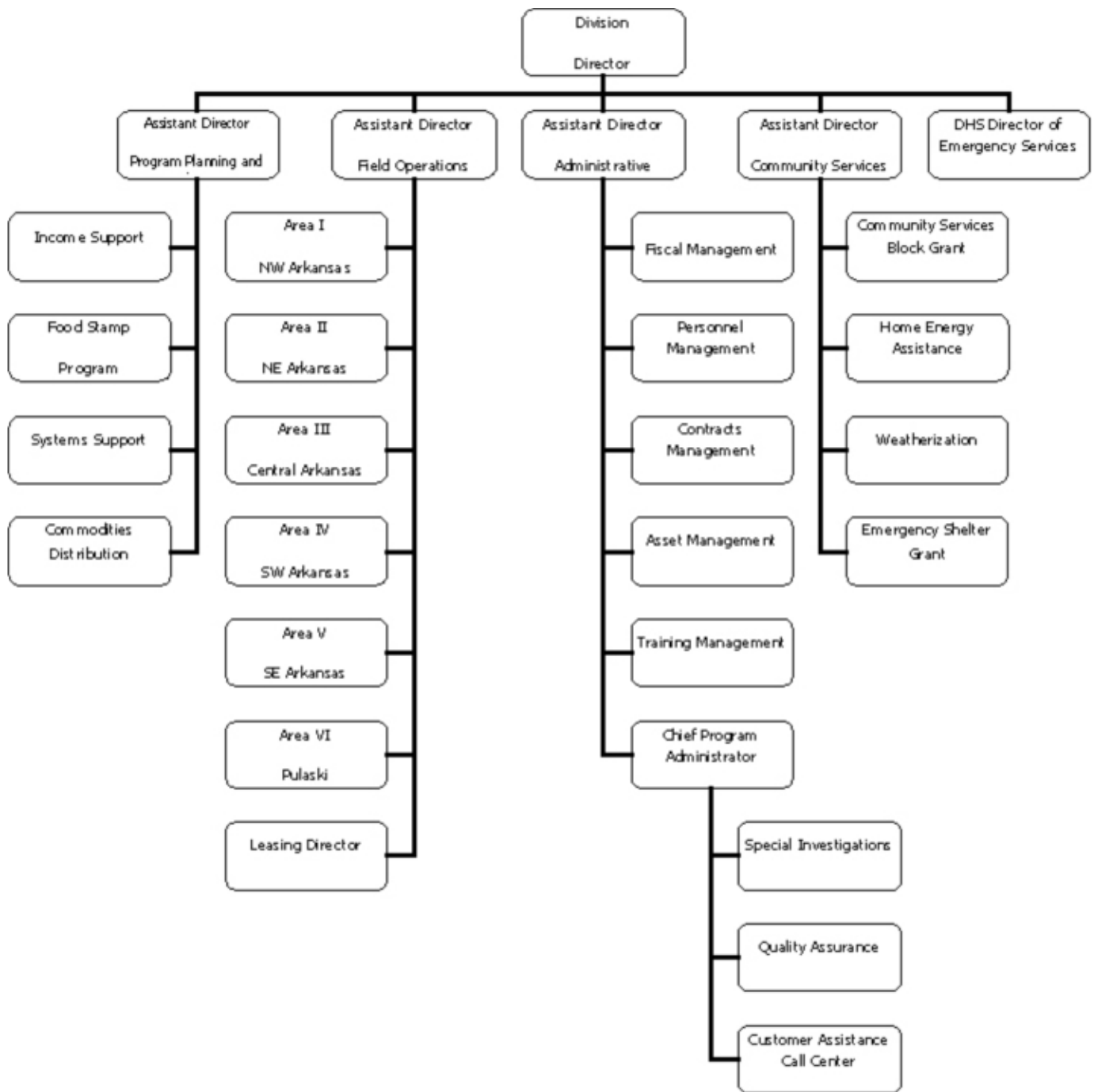
Mission: The mission of the Division of County Operations is to ensure the delivery of quality human services that strengthen the health and well being of Arkansas's children, families and adults.

History: The Arkansas Department of Public Welfare was created in 1935 to give public assistance to dependent children, the aged, and the blind. There have been several changes and significant growth in services since that time. Child Welfare was added in 1936. In 1937, Aid to Families with Dependent Children (AFDC), General Relief, and Commodity Distribution were added along with medical care for the indigent. The Food Stamp Program began in 1962. In 1971, the Department of Public Welfare was transferred to the Department of Social and Rehabilitative Services and was renamed the Division of Social Services. Later, the Prescription Drug, optional Medicaid and the Child Support programs were added. Act 348 of 1985 mandated a change in the name of the agency to the Division of Economic and Medical Services in the Department of Human Services. The Child Support Enforcement Unit was transferred to the Revenue Division of the Department of Finance and Administration effective July 1, 1993. Act 1198 of 1995 dissolved the Division of Economic and Medical Services and created a new Division of Medical Services, while the Economic Services component merged with the Division of County Operations. The reorganized Division of County Operations has responsibility for 83 county offices in the 75 counties and is also responsible for administering several programs, including: Transitional Employment Assistance (TEA) and Work Pays eligibility, Supplemental Nutrition Assistance Program (Food Stamps), Medicaid eligibility, ARKids First, Commodity Distribution, Community Services and Emergency Services.

On August 22, 1996, the Personal Responsibility and Work Opportunity Reconciliation Act was signed into law. This Act initiated the most significant reform of public welfare programs in sixty years by placing time limits on the receipt of cash assistance benefits and requiring non-exempt adults to move into the workforce. Act 1058 of 1997, the Arkansas Personal Responsibility and Public Assistance Reform Act, created the Transitional Employment Assistance Program on July 1, 1997 replacing the former AFDC and AFDC Jobs programs. This Act also established TEA Advisory Council and to advise and assist all state agencies with the implementation and evaluation of the new TEA Program. In September 1997, Arkansas implemented the ARKids First Program designed to provide medical care to thousands of children of working parents whose income is not high enough to provide health insurance.

Act 1567 of 1999 amended the Arkansas Personal Responsibility and Public Assistance Reform Act by establishing the Arkansas Transitional Employment Board and enacted other provisions to strengthen the Arkansas TEA Program. The original Act was amended by Act 1264 of 2001 giving additional authority to the Transitional Employment Board to oversee funding to child care programs provided for current and former TEA recipients as well as low-income working families. The original Act was amended again by Act 1306 of 2003 to add several new targets and outcomes for the TEA Program.

Act 1705 of 2005 transferred overall responsibility for the administration of the TEA program to the Department of Workforce Services (DWS) with specific responsibility to provide case management services. The DHS Division of County Operations continues to provide eligibility determinations, benefit issuance and other support functions for this program.



Agency Commentary

ADMINISTRATION - Appropriation 896

ADMINISTRATION - The mission of the Division of County Operations (DCO) is "To ensure the delivery of quality human services that strengthen the health and well being of Arkansas's children, families and adults." To accomplish this mission, the central and county offices work together to ensure compliance with a host of State and Federal laws and regulations. Central Office support provided to the County Offices includes: information systems development and operations, inventory control, policy development and distribution, contract and grant development, personnel services, financial services,

program and provider monitoring, quality assurance, fraud investigations, Americans with Disabilities Act compliance and training for staff and providers.

This biennium is a critical one for the Division of County Operations. The agency has not received additional State General Revenue funds in several years (other than for cost-of-living increases) and has used "Other" funds to offset the growing deficit in State General Revenue (SGR) funding. Alternative funding will either be fully expended or unavailable in State Fiscal Year 2009, leaving the agency with a base level State General Revenue budget shortfall of \$9.5 million. In addition, it is anticipated that the Temporary Assistance for Needy Families (TANF) Program will be fully transferred to the Department of Workforce Services during the 2009-2011 Biennium; therefore, DCO will need \$847,078 in General Revenue to replace the loss of federal funds that have historically come to the agency through the allocation of indirect TANF administrative costs. DCO has an administrative matching rate of approximately 50%. As a result of the SGR and TANF shortfalls of \$10,312,134, the total loss to the Division is \$20,624,268 when the loss of federal matching funds is considered.

The financial needs for the Division are not limited to the loss of continuing baselevel funding. Like all businesses, the cost to operate facilities has increased dramatically over the past two years with forecasts of unprecedented price increases in the upcoming biennium. DCO manages 83 DHS Offices throughout the state and operates a Central Office in Little Rock. The cost increases include: facility leases, janitorial services, utilities, postage (general correspondence, client notices and benefit issuances), fuel for state vehicles, and, travel costs associated with mandatory program reviews or training. In addition to SGR to support the increase in basic operating costs, the agency is requesting funding to renovate one county office and relocate nine county offices. Many of the offices are very old and have multiple problems to include: overcrowding, plumbing, electrical functionality, heating and cooling inconsistencies, roof leaks, air quality and building/staff/data security issues. Several of these facilities are owned by the county and the county judges have expressed concerns regarding the value of the property compared to costly maintenance requirements.

A recurring request for DCO is the restoration of unbudgeted positions. These reinstated positions allow the agency to operate in a continuous hiring/training mode to minimize the impact of vacancies on the county offices. DCO is requesting the restoration of 112 positions which equates to only 1.3 positions for each of the 83 offices throughout the state. The number of positions allowed to be filled by the agency is strictly controlled by the authorized salary budget. Due to the Division's high turnover rate, we have used 96% of the 138 positions reinstated in the 2008-2009 Legislative Session while managing within budget restrictions. The agency is requesting that 69 of the 112 positions be restored with funding in the 2010 - 2011 Biennium. DCO provides access to over \$4 Billion in public assistance programs which offer a health and nutrition safety net to low-income Arkansans. With fuel and energy costs at historic levels and an economic recession predicted for the country, it is imperative that we keep the access channels open to the federally supported Food Stamp and Medicaid Programs. This funding request can be justified when the economic impact of additional federal revenue is considered. The Food Stamp and Medicaid benefits authorized by DCO create about \$24 Billion in taxable revenue to the state as these dollars turn multiple times in the economy. The SGR to fund these positions will be offset by the additional tax revenue from the federal benefits that will be authorized to new clients.

POSITION RESTORATIONS SALARIES/FRINGE (With Funding) - The Agency requests to restore 69 positions with funded appropriation for Salary costs and for Fringe costs for SFY 2010 and 2011. These positions are located in local county offices to support the determination of eligibility for the Food Stamp, Medicaid, Transitional Employment Assistance and Work Pays Programs. These positions were left unbudgeted in the SFY 2009 Operating Budget due to insufficient funding. Without restoration, these

positions will expire June 30, 2009. The Agency is requesting State General Revenue for Salaries and for Fringe costs to replace "Other" funding that will no longer be available in SFY 2010. The Agency has not received additional SGR funding for administrative costs in several years and therefore has previously funded a portion of these positions with Federal Food Stamp Enhanced funds which will be depleted in SFY 2009. This SGR investment will be offset by the creation of additional tax revenues generated from the influx of federal benefits to clients.

POSITION RESTORATIONS SALARIES/FRINGE (Without Funding) - The Agency requests unfunded appropriation for the restoration of 43 positions left unbudgeted due to insufficient funding. The majority of these positions are located in local county offices to support the determination of eligibility for the Food Stamp, Medicaid, Transitional Employment Assistance and Work Pays Programs. Without restoration, these positions will be eliminated on June 30, 2009. Restoration of these positions allows the county offices to more efficiently manage their vacancies and reduce delays in customer services by operating in a continuous hiring/training mode.

POSITION TRANSFERS OUT (With Funding) - The Agency requests to transfer funded appropriation in Salaries in Personal Services Matching for SFY 2010 and SFY 2011 for the transfer of one central office position to the Office of Chief Counsel. This position is currently being used by the Office of Chief Counsel, Fair Hearings Unit, to conduct federally required Fair Hearings for the Food Stamp Program. In addition, the Agency requests to transfer funded appropriation in Salaries and in Personal Services Matching for SFY 2010 and SFY 2011 for the transfer of one central office position to the Division of Volunteerism. This position is currently being used to provide grant and other information to volunteer groups, especially those that are faith-based.

OPERATING EXPENSES INCREASES - The Division is requesting appropriation and funding in 2010 and 2011 to cover increased costs associated with Central Office and County Office administrative activities. These increases are due to escalating costs for leases; county office janitorial contracts; utilities; postage and mailing costs, which are increasing due to higher postage rates and additional mass mailings to clients; additional costs for document shredding; shipping and warehouse costs for the Division; an increase in the cost of providing interpreter services; increased telephone costs associated with the Agency's toll-free customer service call center; county office security costs; and, fuel and travel costs associated with mandatory program reviews and training. The Agency has not received additional SGR funding for administrative costs in several years and therefore has previously funded a portion of these costs with Federal Food Stamp Enhanced funds which will be depleted in SFY 2009. The remainder of this request is supported by Federal funding.

The Agency is also requesting funded appropriation for SFY 2010 and SFY 2011 to pay for increases in lease and janitorial costs for DHS county offices. Many of the leases are expiring after ten years and landlords who have had no rent increase are demanding additional funds under threat of lease cancellation. The amount requested reflects a 2% increase in rent in 32 county offices in SFY 2010 and a 4% increase for 60 additional offices in SFY 2011.

Also included in this request is funding and appropriation for the renovation of one office and relocation of nine county offices. Many of the offices are very old and have multiple problems that include overcrowding, plumbing, cooling and heating problems, roof leaks, electrical problems and security issues. Several of the facilities are owned by the county and the county judges have expressed concerns regarding the value of the property compared to costly maintenance requirements.

The Division is requesting additional unfunded appropriation in 2010 and in 2011 to address increases in

costs for administration of the Commodity Distribution Program. In SFY 2007, the Commodity Distribution Program distributed more than 22 million pounds of food worth \$13.7 Million to 349 recipient agencies. The request is for an increase in the contract with the vendor that stores food in a warehouse prior to delivery and increasing vehicle maintenance and gasoline costs associated with the delivery of food to local school districts. DCO has been supplementing the Commodity Distribution programs with award dollars the state received for our accuracy levels in determining eligibility for the Food Stamp Program. These one-time award funds will be exhausted in SFY 2009 and we have no way to close this funding gap. We estimate that we will need additional funding and appropriation in 2010 and in 2011 to continue to manage this program. Without additional funds, the Division may be unable to accept bonus foods made available to the State by the U. S. Department of Agriculture at no charge. Even though the commodities are free to the State, there are distribution costs which are incurred to ship the food from the warehouse to local schools, food banks and non-profit agencies.

OVERTIME - The Agency requests unfunded appropriation for the payment of overtime, primarily to employees in the local county office.

TRAVEL AND CONFERENCE COSTS - The Agency requests funded appropriation in 2010 and in 2011 for increased costs associated with business conference travel. Travel costs have risen dramatically due to the increase in the cost of fuel, impacting both mileage and common carrier costs. This request is to compensate for the increase in costs, not to increase the number of training sessions that employees attend. The majority of this request is to allow employees to attend workshops that are fully paid by federal agencies. The federal government is making significant program changes through new federal regulations and the expectation is for state staff to travel to federally sponsored training events for updates. Complex changes are discussed at workshops or conferences which provide a valuable opportunity for staff to have some input on the impact of changes to Arkansas. Attendees also learn what other states are doing to implement program changes in the most efficient, cost effective manner to avoid audit and program findings that may result in financial penalties.

The Agency also requests funded appropriation to allow the Commodity Distribution Unit to attend federally required training. The cost will be paid using the Salvage and Container (SAC) funding. The Agency has been cited by the federal government for failure to attend these critical training meetings and the State has been requested to seek a resolution to this problem. This request will allow the Agency to establish Character 09 for Travel and Conference Fees in the SAC fund. No State General Revenue is being requested.

PROFESSIONAL FEES AND SERVICES - The Division is requesting funded appropriation in 2010 and in 2011 for increased costs associated with contracts for client services and the contract which supports the electronic transfer of Food Stamp, TEA and Work Pays benefits and Information Technology (IT) support and development.

The Agency requests increases in contracted services for the Food Stamp Program resulting from rising case loads as well as program expansions. All of these professional services are funded with 100% Federal funds. These services include:

- Employment and Training activities provided through local Adult Education Centers to Food Stamp participants who are classified as an ABAWD (able-bodied adult without dependent children) and who live in one of the counties where an E&T Program is operational. Services include independent job search, job search training, education, work experience and vocational training. The Agency requests appropriation to support the expenditure of 100% Federal funds for these contracts.

- Workfare Services (community service jobs) for Food Stamp recipients - The intent of the program is to allow certain nonexempt work registration participants to participate in a work experience activity as a condition of eligibility in order to receive benefits to which their household is normally entitled. The primary goal of Workfare is to improve employability skills and enable individuals to move into regular employment. The Agency requests appropriation to support the expenditure of 100% Federal funds for this service.
- Nutrition Education services are provided on a statewide basis to Food Stamp recipients and other low-income individuals and families. This Federally required program provides information in schools, community events, the local DHS County Offices, and other sites about nutrition, food purchases and meal preparation. The Agency requests appropriation to support the expenditure of 100% Federal funds for these contracts.

The Agency requests an increase for contracted services for the Federally Qualified Health Centers (FQHC's) to fund a 4% increase in operational costs in 2010. Federal regulations require that DCO provide an outstationed worker at the FQHC's to take applications for Medicaid services. The contractors have received only one increase to pay for salary and operational costs in several years. The Agency requests appropriation to support the expenditure of State and Federal funds for these contracts.

The Agency requests increases for the Electronic Benefits Transfer (EBT) System. The Division of County Operations issues Food Stamp, Transitional Employment Assistance (TEA) and Work Pays cash assistance benefits through a statewide EBT System. Program participants are issued a debit card which is used to access Food Stamp, TEA and Work Pays benefits electronically. The Agency requests funded appropriation in 2010 and 2011 for increases in costs for the EBT system. The current contract will expire in 2010. The increase in 2010 is for start-up costs for potential conversion to a new contractor. The request for 2011 represents projected costs for standard operations after the new contractor is selected. The Agency requests appropriation to support the expenditure of State and Federal funds for this contract.

As resources decline, the Agency has increasingly utilized Information Systems Technology to perform actions that allow more time for local county office staff to devote to determining eligibility. Our request is for funded appropriation in 2010 and in 2011 for annual maintenance costs for imaging software and support. This Information Technology initiative will be implemented statewide in SFY 2009 as an integrated document imaging and retrieval project for electronic case records. The document imaging and retrieval system will integrate with existing DCO data systems. This will reduce the number of lost paper records (often cited as an audit finding) and allow improved distribution of work within the local county offices and even allow a caseworker working in another county access to the file for case processing.

The Agency also requests funded appropriation in 2010 for the replacement of all the Division's computers and software. The Division has not replaced computers in several years. The majority of the Agency's computers will be five - six years old by 2010. The Agency's Chief Information Officer has expressed concerns that our current computers will no longer be able to function with system enhancements, updated security protection software or be capable of IT technical support in the near future. Since the Agency relies on computer equipment for the provision of client services, this is a critical request. The Division has paid for computer replacements in the past with "Other" funds awarded to the agency by the federal government in lieu of State General Revenue funding. This substitute funding will be fully

depleted in SFY 2009 and there will be no money to purchase replacement computers without additional SGR.

CAPITAL OUTLAY - The Office of Community Services is requesting approval to replace two existing vehicles (one in each year of the biennium), to be paid for with 100% Federal funds. These vehicles are utilized by grant coordinators to monitor the sub-grantees for compliance with program regulations, and to make inspections in the Weatherization, Low-Income Home Energy Assistance (LIHEAP), Community Services Block Grant (CSBG) and Emergency Shelter Grant programs.

The Commodity Distribution Unit is requesting the purchase of one vehicle to replace a fuel inefficient truck. This vehicle will be used to conduct monitoring activities across the state. No State General Revenue is being requested.

FOOD STAMP PROGRAM ADMINISTRATION - Appropriation 896

The Food Stamp Act of 1977 authorizes the Food Stamp Program to increase the limited food purchasing power of low-income households to alleviate hunger and malnutrition. The Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA) pays 100% of the cost the food benefits and 50% of all administrative costs. National benefit levels are established by FNS annually. During SFY 2007, there were 553,618 persons participating in the Food Stamp Program. More than \$415 Million in Food Stamp benefits were issued in Arkansas in SFY 2007 to 553,618 people. According to the USDA, these Food Stamp benefits are a significant economic driver as the value of the benefits "turn" twice in the local economy generating \$830 Million in taxable revenue. The Food Stamp Program is an integral part of the Division's efforts to strengthen the health and well-being of children, families and adults. The agency's focus in the next biennium will be to conduct more program outreach, especially to the elderly.

DCO caseworkers located in the DHS county offices throughout the state determine eligibility for the Food Stamp program. This eligibility is based on household size, monthly family income and resources.

The Division continues to issue Food Stamp, TEA and Work Pays cash assistance benefits through a statewide Electronic Benefits Transfer (EBT) System. The EBT System has eliminated the problem of lost Food Stamp coupons and TEA cash assistance checks.

The Division works with the University of Arkansas at Pine Bluff and the University of Arkansas Cooperative Extension Service to provide Nutrition Education services to Food Stamp recipients. The USDA Food and Nutrition Service provides 100% Federal funds for these educational activities.

The Division contracts directly with local Adult Education Centers and other interested entities to provide Employment and Training activities to Food Stamp recipients in as many counties as possible. The contracts are paid with 100% Federal funds; however, the State pays 50% of the cost of client services for program participants. This includes books, transportation costs and other employment costs.

MEDICAID ELIGIBILITY - Appropriation 896

Medicaid is a federally supported and state administered assistance program that provides medical services for certain low-income individuals and families. The program is financed jointly with state and federal funds. The state administers the program within broad federal requirements and guidelines. The

federal requirements allow some discretion in determining income and resource criteria for the eligibility and categories of assistance. The services provided under the Medicaid program assist the division with our mission to strengthen the health and well-being of Arkansas's children, families and adults. In SFY 2007, the Agency spent more than \$3.3 Billion in Medicaid services. The Medicaid Program is a major economic driver for the state generating over \$23 Billion in taxable revenue each year. There were 766,151 Arkansans receiving Medicaid in SFY 2007.

Medical Services are provided to eligible individuals who are Aged (65 or older), Blind, Disabled, a child under age 18 or 19 (depending on the category), pregnant, or caretaker relatives of deprived children (children with an absent, disabled, or unemployed parent). Individuals who are eligible to receive cash assistance under the Supplemental Security Income (SSI) Program automatically receive Medicaid services. Individuals must meet income and resource tests to qualify. The state provides for an optional "Medically Needy" group, which includes persons whose incomes are above the income levels for the other categories of Medicaid, but who have medical expenses greater than their excess income. In addition, eligibility for limited services is provided to individuals who are not otherwise categorically eligible but who have been diagnosed with Breast or Cervical Cancer or Tuberculosis and who meet specified need standards.

The ARKids First Program, established in September 1997, provides health insurance to children of low-income working families that do not have health insurance coverage offered through their jobs. ARKids is one of the most successful children's health care programs in the nation. In August 2000, this program name was changed to ARKids B when the regular Medicaid program for children with family incomes below 100% of the federal poverty level was brought under the ARKids First umbrella as ARKids A. DCO determines eligibility for both the ARKids A and the ARKids B Programs. In SFY 2007, there were 378,913 children that received ARKids Medicaid.

MEDICAID EXPANSION - Appropriation 642

The goal of the Medicaid Expansion program is to create a separate and distinct component of the Arkansas Medicaid Program that improves the health of Arkansans by expanding health care coverage and benefits to specific populations. The Tobacco Settlement Funds were utilized to expand Medicaid coverage to four eligibility groups:

- Pregnant Women Expansion - Increased the income eligibility limit from 133% to 200% of the federal poverty level.
- Hospital Benefit Coverage - Increased the number of benefit days from 20 to 24 and decreased the co-pay on the first day of hospitalization from 22% to 10%.
- 65 and Over Expansion (AR Senior) - Incrementally increased coverage to the 65 and over population to 80% of the Qualified Medicare Beneficiary (QMB) Level effective January 1, 2003.
- Age 19 to 64 Expansion (ARHealthNetWorks) - This population will be covered through a federal waiver program which provides eligible small employers with health coverage for employees.

Transitional Employment Assistance (TEA) Program - Appropriation 897

TRANSITIONAL EMPLOYMENT ASSISTANCE (TEA) PROGRAM (PWD7600 - TEA Cash Assistance and

PWD7500 - TEA Employment Services) - The Transitional Employment Assistance (TEA) Program was implemented on July 1, 1997, in accordance with Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and Arkansas Act 1058, the Arkansas Personal Responsibility and Public Assistance Reform Act of 1997. The TEA Program replaced the Aid to Families with Dependent Children (AFDC) Program as the focal point of the State's welfare reform effort and plays a critical role in the Division's mission to strengthen the well-being of children, families and adults. Act 1567 of 1999 amended Act 1058 of 1997 by establishing the Arkansas Transitional Employment Board. Act 1264 of 2001 and Act 1306 of 2003 enacted other provisions to strengthen the Arkansas TEA Program. Arkansas Act 1705 of 2005 transferred responsibility for the program to the Department of Workforce Services (DWS). Under this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remains with the Division of County Operations (DCO), while DWS is responsible for the provision of case management services and overall administration of the program. Act 1705 also created the Work Pays program which is an extension of the TEA program for former TEA recipients who are working. DWS also has overall responsibility for Work Pays with eligibility determination and benefit delivery remaining with DCO. Both Programs are funded with State General Revenue and the Federal Temporary Assistance for Needy Families (TANF) Block Grant.

TEA Program eligibility is limited to economically needy families with children under the age of 18 who are U.S. citizens or aliens lawfully admitted to the United States under specific criteria and are residing in Arkansas. The parent(s) living with the children must cooperate in child support enforcement activities, if applicable to the family, and must sign and comply with a Personal Responsibility Agreement, which includes ensuring that their children are immunized and that they attend school. All able-bodied parent (s) must also actively engage in work related activities as a condition of the family's on-going eligibility. TEA cash assistance is limited to a maximum of twenty-four (24) months in an adult's lifetime. For those former TEA recipients who are employed at least 24 hours per week and meet the minimum federal work participation rates, an additional twenty-four (24) months of Work Pays benefits are available.

Assistance under the TEA and Work Pays Programs may include: monthly cash assistance payments to help meet the family's basic needs; employment services such as work experience, job search, and job readiness activities; assistance with basic and vocational education; assistance with supportive services such as childcare, transportation and other expenses related to work activity; case management services; and eligibility for extended support services to help the parent retain a job after the cash assistance case closes due to employment.

The Agency requests additional appropriation in SFY 2010 and in SFY 2011 for TEA and Work Pays Program Cash Assistance and Employment Services. This additional appropriation will cover increases in TEA and Work Pays caseloads in the event of an economic downturn. Funding for this request is 100% Federal.

In addition, the Agency requests to move State General Revenue (SGR) funds from the Department of Workforce Services to the DHS Grants Fund to support the payment of client transportation bonuses in 2010 and 2011. This will be authorized through Special Language in each agency's appropriation act that allows the transfer of SGR to the DHS Grants Fund if needed.

STATE SUPPLEMENTARY PAYMENTS FOR THE AGED, BLIND AND DISABLED (AABD) Appropriation 396

This program provides supplementary payments to individuals residing in Arkansas who are, or would be

except for their income, eligible for basic federal Supplemental Security Income (SSI) payments. These payments are made in accordance with Section 1616 of the Social Security Act and Section 212 of Public Law 93-66.

In the early 1970s, an amendment to the Medicaid State Plan allowed individuals in the Aged, Blind and Disabled (AABD) categories that were not eligible under SSI criteria, but meet the State Medicaid eligibility criteria, to receive SSI benefits.

Through an agreement entered into between the Social Security Administration (SSA) and the Department of Human Services, SSA makes these payments to individuals determined eligible by SSA. The State has budgeted \$4,000 per fiscal year to be paid to the Social Security Administration for the purpose of making the payments to eligible individuals and for administrative fees for determining eligibility.

OFFICE OF COMMUNITY SERVICES

The Office of Community Services administers the following Federal programs through a network of community based providers to serve low-income persons in Arkansas: Community Services Block Grant (CSBG) Program, Emergency Shelter Grants (ESG) Program, Low-Income Home Energy Assistance Program (LIHEAP), Shelter Plus Care Program, and Weatherization Assistance Program. In addition, the Office of Community Services coordinates initiatives for homeless Arkansans.

COMMUNITY SERVICES BLOCK GRANT PROGRAM (Appro. 898) - This program helps low-income persons become more independent by providing a range of services through the local Community Action Agencies. These services help persons in need become more employable, better educated, better trained to handle their finances and improve their housing, and make use of available social services. It also helps them become more involved in improving their community.

HOMELESS ASSISTANCE PROGRAM (Appro. 426) - This program provides Federal funds to local communities to renovate, rehabilitate or convert small buildings for emergency shelters for the homeless. Funds can be used for the provision of essential services and the payment of maintenance, operation, insurance, utilities, and furnishings of these facilities. These funds are distributed each year on a competitive basis. DCO is requesting additional appropriation in SFY 2010 and in SFY 2011 to cover projected increases in Federal funding.

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (Appro. 411) - This program provides Federal funds to assist low-income households with their home energy expenses. Through grants to local Community Action Agencies, a one-time winter/summer assistance payment or a crisis intervention energy payment is made directly to an energy supplier for eligible households. The agency is requesting additional appropriation in SFY 2010 and in SFY 2011 to address anticipated increases in Federal LIHEAP funding.

WEATHERIZATION ASSISTANCE PROGRAM (Appro. 409) - This program provides energy conservation assistance to the homes of low-income persons in Arkansas. Priority is given to the elderly, disabled and families with children. Assistance includes providing cost-efficient energy conservation measures for homes, such as insulation and furnace tune-ups. Community action agencies, and non-profit agencies provide these services. The agency is requesting additional appropriation in each year of the biennium to address projected increases in Federal funding.

SHELTER PLUS CARE - APPROPRIATION 1DK - The Shelter Plus Care Program provides rental assistance for hard-to-serve homeless persons with disabilities. This program is designed to provide housing and supportive services on a long-term basis for homeless persons with disabilities, (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases) and their families who are homeless or in emergency shelters. Funding is offered through competitive grants submitted by the Office of Community Services to the federal Department of Housing and Urban Development. The agency is requesting additional appropriation in each year of the biennium to address projected increases in Federal funding.

REFUGEE RESETTLEMENT PROGRAM - Appropriation 412

The Refugee Resettlement Program (RRP) serves refugee residents for the first five (5) years of their residency in the United States. Arkansas has experienced a decline in new arrivals in recent years and many of the refugees residing in Arkansas find jobs within a few months. Arkansas provides cash and medical assistance to eligible participants. The program operates with 100% federal funds.

EMERGENCY FOOD PROGRAM - Appropriation 410

The Emergency Food Program utilizes surplus USDA commodities to supplement low-income food programs in Arkansas. Agencies such as Food Banks and Community Action Program agencies have sub-agent agreements with the DCO Commodity Distribution Office to provide foods to soup kitchens, food pantries and mass food distribution sites. The agency is requesting additional appropriation in each year of the biennium to address projected increases in Federal funding. This additional appropriation will allow DCO to provide additional Federal funds to Community Action Agencies and food banks so that they can distribute more USDA donated emergency commodities throughout the State.

FOOD STAMP EDUCATION AND TRAINING PROGRAM - Appropriation 898

The purpose of the Food Stamp Education and Training (E & T) Program is to provide Employment and Training activities which promote long term self sufficiency to Food Stamp recipients classified as an ABAWD (able-bodied adult without dependent children) and who live in one of the counties where an E & T Program is operational. Services include independent job search, job search training, education, work experience and vocational training. Client reimbursements for expenses associated with participation in the E & T Program, such as travel reimbursements, are funded with 50% State General Revenue and 50% Federal funds.

SALVAGE AND CONTAINER FUND - Appropriation 930

The Commodity Distribution Program receives United States Department of Agriculture (USDA) donated foods for distribution to school districts, food banks, soup kitchens and food pantries. The donated foods are distributed through a contract with a local warehouse. In the event that the donated food is damaged or destroyed from improper storage, care or handling, it is classified as a "food loss" claim. Compensation of the value of the donated food is provided by the contractor to the distributing agency (Division of County Operations - Commodity Distribution Program) and deposited in the Salvage and Container Fund. Upon approval by the Federal government, these funds may be used for training, equipment and vehicle purchases utilized by the Commodity Distribution Program for enhancements to the program.

The Agency requests additional funded appropriation in SFY 2010 and SFY 2011 to allow the agency to establish Character 09 for travel and conference fees associated with the SAC fund. The costs will be paid by "other" funds located in the Salvage and Container (SAC) fund. The Agency has been cited by the federal government for failure to attend these critical training meetings and the State has been requested to seek a resolution to this problem. No State General Revenue is being requested.

The Agency also requests unfunded appropriation in each year of the biennium to address an increase in the contract with the vendor that stores food in a warehouse prior to delivery, and increasing vehicle maintenance and gasoline costs associated with the delivery of food to local school districts. No State General Revenue is being requested.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR THE YEAR ENDED JUNE 30, 2006

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 146 | 891 | 1037 | 59 % |
| Black Employees | 69 | 619 | 688 | 39 % |
| Other Racial Minorities | 5 | 16 | 21 | 2 % |
| Total Minorities | | | 709 | 41 % |
| Total Employees | | | 1,746 | 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 | | |
| Semi-Annual report to the Arkansas Legislature on Voter Registration | Act 964 of 1995 (Voter Registration Act) | N | Y | 1 | A semi-annual report on the status of implementation of the National Voter Registration Act of 1993 is provided to the Arkansas Legislative Council at six month intervals. |

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 |
| 1DK City-Shelter Plus Care Program | 1,475,736 | 0 | 1,716,957 | 0 | 3,000,000 | 0 | 1,716,957 | 0 | 1,768,466 | 0 | 1,768,466 | 0 | 1,716,957 | 0 | 1,819,974 | 0 | 1,819,974 | 0 |
| 396 Cty-Aid To Aged, Blind, Disabled | 0 | 0 | 4,000 | 0 | 4,000 | 0 | 4,000 | 0 | 4,000 | 0 | 4,000 | 0 | 4,000 | 0 | 4,000 | 0 | 4,000 | 0 |
| 409 Cty-Weatherization Program | 3,982,906 | 0 | 3,783,180 | 0 | 5,820,000 | 0 | 3,783,180 | 0 | 4,000,000 | 0 | 4,000,000 | 0 | 3,783,180 | 0 | 4,000,000 | 0 | 4,000,000 | 0 |
| 410 Cty-Emergency Food Program | 481,062 | 0 | 656,336 | 0 | 680,000 | 0 | 656,336 | 0 | 672,377 | 0 | 672,377 | 0 | 656,336 | 0 | 672,377 | 0 | 672,377 | 0 |
| 411 Cty-Low Income Energy Assistance Prgm | 14,987,490 | 0 | 13,487,743 | 0 | 22,419,034 | 0 | 13,487,743 | 0 | 14,487,743 | 0 | 14,487,743 | 0 | 13,487,743 | 0 | 15,487,743 | 0 | 15,487,743 | 0 |
| 412 Cty-Refugee Resettlement Program | 162 | 0 | 12,000 | 0 | 12,000 | 0 | 12,000 | 0 | 12,000 | 0 | 12,000 | 0 | 12,000 | 0 | 12,000 | 0 | 12,000 | 0 |
| 426 Cty-Homeless Assistance Grant | 1,095,462 | 0 | 1,351,246 | 0 | 2,400,100 | 0 | 1,351,246 | 0 | 1,851,246 | 0 | 1,851,246 | 0 | 1,351,246 | 0 | 1,851,246 | 0 | 1,851,246 | 0 |
| 642 DHS Medicaid Expansion Program | 833,134 | 20 | 2,839,202 | 61 | 2,897,081 | 61 | 3,142,327 | 61 | 2,742,327 | 61 | 2,742,327 | 61 | 3,158,121 | 61 | 2,758,121 | 61 | 2,758,121 | 61 |
| 896 Division of County Operations | 101,054,063 | 1,874 | 108,846,877 | 1,772 | 113,677,323 | 1,884 | 116,820,110 | 1,772 | 128,043,309 | 1,882 | 128,043,309 | 1,882 | 118,411,046 | 1,772 | 129,191,398 | 1,882 | 129,191,398 | 1,882 |
| 897 TANF Block Grant | 18,299,948 | 0 | 22,280,000 | 0 | 41,284,650 | 0 | 22,280,000 | 0 | 29,640,650 | 0 | 29,640,650 | 0 | 22,280,000 | 0 | 33,640,650 | 0 | 33,640,650 | 0 |
| 898 Community Svcs. Block Grant | 9,053,479 | 0 | 10,920,321 | 0 | 11,031,604 | 0 | 10,920,321 | 0 | 10,920,321 | 0 | 10,920,321 | 0 | 10,920,321 | 0 | 10,920,321 | 0 | 10,920,321 | 0 |
| 930 Cty-Commodity Distrib & Salvage Container | 49,709 | 0 | 260,156 | 0 | 276,000 | 0 | 260,156 | 0 | 297,916 | 0 | 297,916 | 0 | 260,156 | 0 | 274,086 | 0 | 274,086 | 0 |
| NOT REQUESTED FOR THE BIENNIIUM | | | | | | | | | | | | | | | | | | |
| 35W Weatherization Services | 0 | 0 | 0 | 0 | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 151,313,151 | 1,894 | 166,158,018 | 1,833 | 205,501,792 | 1,945 | 174,434,376 | 1,833 | 194,440,355 | 1,943 | 194,440,355 | 1,943 | 176,041,106 | 1,833 | 200,631,916 | 1,943 | 200,631,916 | 1,943 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | | % |
|--------------------------------|---------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|---|
| General Revenue | 4000010 | 42,260,012 | 27.9 | 42,852,041 | 25.8 | 45,795,178 | 26.3 | 60,829,709 | 32.2 | 47,433,578 | 25.9 | 46,419,215 | 26.4 | 61,093,546 | 31.3 | 47,806,339 | 25.3 | |
| Federal Revenue | 4000020 | 100,813,100 | 66.6 | 110,073,218 | 66.2 | 114,408,598 | 65.6 | 123,753,833 | 65.4 | 120,675,552 | 65.9 | 115,214,533 | 65.4 | 129,398,808 | 66.3 | 126,425,549 | 66.8 | |
| Cash Fund | 4000045 | 49,709 | 0.0 | 260,156 | 0.2 | 260,156 | 0.1 | 297,916 | 0.2 | 297,916 | 0.2 | 260,156 | 0.1 | 274,086 | 0.1 | 274,086 | 0.1 | |
| Tobacco Settlement | 4000495 | 416,567 | 0.3 | 1,419,601 | 0.9 | 1,571,163 | 0.9 | 1,371,163 | 0.7 | 1,371,163 | 0.7 | 1,579,060 | 0.9 | 1,379,060 | 0.7 | 1,379,060 | 0.7 | |
| Transfer From DWS | 4000527 | 2,000,200 | 1.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Various Program Support | 4000730 | 5,773,563 | 3.8 | 11,553,002 | 7.0 | 12,399,281 | 7.1 | 2,934,225 | 1.6 | 13,246,359 | 7.2 | 12,568,142 | 7.1 | 3,103,086 | 1.6 | 13,415,220 | 7.1 | |
| Total Funds | | 151,313,151 | 100.0 | 166,158,018 | 100.0 | 174,434,376 | 100.0 | 189,186,846 | 100.0 | 183,024,568 | 100.0 | 176,041,106 | 100.0 | 195,248,586 | 100.0 | 189,300,254 | 100.0 | |
| Excess Appropriation/(Funding) | | 0 | | 0 | | 0 | | 5,253,509 | | 11,415,787 | | 0 | | 5,383,330 | | 11,331,662 | | |
| Grand Total | | 151,313,151 | | 166,158,018 | | 174,434,376 | | 194,440,355 | | 194,440,355 | | 176,041,106 | | 200,631,916 | | 200,631,916 | | |

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 | |
| 1,948 | 1742 | 64 | 1806 | 142 | 10.57 % | 1,943 | 1783 | 0 | 1783 | 160 | 8.23 % | 1,943 | 1746 | 87 | 1833 | 110 | 10.14 % |

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 1279 of 2007 section 18(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-214(5)(A)).

Analysis of Budget Request

Appropriation: 1DK - Cty-Shelter Plus Care Program

Funding Sources: FWF - DHS Federal

The Shelter Plus Care Program initially began in FY95 through a grant from the U. S. Department of Housing and Urban Development, Office of Community Planning and Development. The program provides rental assistance to hard-to-serve homeless persons (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases) and their families who are homeless or in emergency shelters. The Department of Human Services is the grantee for two (2) sub-grantees that have a total of five (5) grants. There are two components to the program, Tenant-Based Rental Assistance and Sponsor-Based Rental Assistance. The Tenant-Based program allows for applicants to request funds to provide rental assistance on behalf of program participants who choose their own housing. Under the Sponsor-Based program, an applicant may request funds through a contract with a non-profit organization for rental of housing owned by the non-profit organization. The program provides out-reach, support and coordination of housing and services and monitoring. Funding for this appropriation is 100% funded from federal sources.

The Agency Base Level request for this appropriation is \$1,716,957 each year of the biennium.

The Agency Change Level request for this appropriation is \$51,509 in FY2010 and \$103,017 in FY2011 to allow for projected increases in federal funding.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1DK - Cty-Shelter Plus Care Program

Funding Sources: FWF - DHS Federal

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | Agency Request and Executive Recommendation | | | 2010-2011 | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|---|---------------------|------------------------|-------------------------|---------------------|------------------------|
| | | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Authorized | 2009-2010 Base Level | 2009-2010 Agency | 2009-2010 Executive | 2010-2011 Base Level | 2010-2011 Agency | 2010-2011 Executive |
| Grants and Aid | 5100004 | 1,475,736 | 1,716,957 | 3,000,000 | 1,716,957 | 1,768,466 | 1,768,466 | 1,716,957 | 1,819,974 | 1,819,974 |
| Total | | 1,475,736 | 1,716,957 | 3,000,000 | 1,716,957 | 1,768,466 | 1,768,466 | 1,716,957 | 1,819,974 | 1,819,974 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 1,475,736 | 1,716,957 | | 1,716,957 | 1,768,466 | 1,768,466 | 1,716,957 | 1,819,974 | 1,819,974 |
| Total Funding | | 1,475,736 | 1,716,957 | | 1,716,957 | 1,768,466 | 1,768,466 | 1,716,957 | 1,819,974 | 1,819,974 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 1,475,736 | 1,716,957 | | 1,716,957 | 1,768,466 | 1,768,466 | 1,716,957 | 1,819,974 | 1,819,974 |

FY09 Appropriation Carry Forward Amount is \$1,524,264.43.

Change Level by Appropriation

Appropriation: 1DK - Cty-Shelter Plus Care Program

Funding Sources: FWF - DHS Federal

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 1,716,957 | 0 | 1,716,957 | 100.0 | 1,716,957 | 0 | 1,716,957 | 100.0 |
| C01 | Existing Program | 51,509 | 0 | 1,768,466 | 103.0 | 103,017 | 0 | 1,819,974 | 106.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 1,716,957 | 0 | 1,716,957 | 100.0 | 1,716,957 | 0 | 1,716,957 | 100.0 |
| C01 | Existing Program | 51,509 | 0 | 1,768,466 | 103.0 | 103,017 | 0 | 1,819,974 | 106.0 |

Justification

| | |
|-----|---|
| C01 | The Division of County Operations (DCO) requests additional federal appropriation in 2010 and 2011 for the Shelter Plus Care Program. This additional appropriation is needed to cover anticipated increases in federal funding for projected increases of 3% each year of the Biennium for costs associated with the Shelter Plus Care Program. No State General Revenue is being requested. |
|-----|---|

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

Agency: Human Services Department-COUNTY OPERATIONS

Program: County-Shelter Plus Care Program

Act #: 1285 of 2007 Section(s) #: 5 & 8

Estimated Carry Forward Amount \$ 1,291,281.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0710 Funds Center: 1DK Fund: FWF Functional Area: HHS

| Line Item | Commitment Item | Estimated Carry Forward Amount | Actual Carry Forward Amount |
|----------------|-----------------|--------------------------------|-----------------------------|
| Grants and Aid | 5100004 | 1,291,281.00 | 1,524,264.43 |
| Total | | \$ 1,291,281.00 | \$ 1,524,264.43 |

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:

The Shelter Plus Care Program provides funds for essential social services expenses and for homeless prevention efforts. This estimate represents appropriation to be carried forward from the prior state fiscal year. This will be used to provide services in SFY 2009 funded with a portion of the Federal Fiscal year 2009 grant award.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward appropriation for this program is currently blocked. However, the appropriation is available if Shelter Plus Care Program changes require additional appropriation.

John Selig
Director

08-13-2008
Date

Analysis of Budget Request

Appropriation: 396 - Cty-Aid To Aged, Blind, Disabled

Funding Sources: DGF - DHS Grants Fund

In 1974, the Aid to Aged, Blind and Disabled (AABD) program was converted to the Supplemental Security Income (SSI) Program through an amendment to the Medicaid State Plan. This amendment allowed individuals in the AABD categories that were not eligible under SSI criteria, but meet the State Medicaid eligibility criteria to receive SSI benefits. The Aid to Aged, Blind and Disabled appropriation provides cash assistance to individuals residing in Arkansas to supplement their SSI payments. These payments are made in accordance with section 1616 of the Social Security Act and section 212 of P. L. 93-66.

Through an agreement entered into between the Social Security Administration (SSA) and the Department of Human Services, the Social Security Administration makes these payments to individuals determined eligible by SSA. The State pays Social Security Administration for making the payments to eligible individuals and for administrative fees for determining eligibility.

Funding for this appropriation is from general revenues through the Department of Human Services Grants Fund Account (DGF-DHS Grants Fund) as authorized in Arkansas Code Annotated §19-5-306(10)(A)(iii).

The Agency Base Level and total request for this appropriation is \$4,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 396 - Cty-Aid To Aged, Blind, Disabled

Funding Sources: DGF - DHS Grants 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 | 0 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Total | 0 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 0 | 4,000 | | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Total Funding | 0 | 4,000 | | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 4,000 | | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |

Analysis of Budget Request

Appropriation: 409 - Cty-Weatherization Program

Funding Sources: FWF - DHS Federal

The Weatherization Program provides funding for energy conservation in the homes of low income persons, particularly the elderly, people with disabilities and families with children. This Program installs energy conservation materials in the homes of approximately 1300 low-income families annually for the purpose of lowering utility bills. An automated energy audit, National Energy Audit (NEAT), is used to determine the most cost effective measures on single frame houses. The Mobile Home Energy Audit (MHEA) is used to determine the most effective measures to be installed on mobile homes.

Measures installed on single framed houses and multi-family units include:

- Replace broken windows.
- Caulk and weatherstrip doors and windows.
- Insulating uninsulated ceilings, walls and floors.
- Installing storm windows, thermostats and furnace tune-ups.
- Health and safety measures that are required prior to weatherizing the house.

Measures installed on mobile homes include:

- Replace broken windows.
- Caulk and weatherstrip doors and windows
- Install thermostats and furnace tune-ups.
- Health and safety measures that are required prior to weatherizing the mobile home.

Funding for this appropriation is 100% federal from the Department of Energy and the U. S. Department of Health and Human Services.

The Agency Base Level request for this appropriation is \$3,783,180 each year of the biennium.

The Agency Change Level request for this appropriation is \$216,820 each year of the biennium to cover anticipated increases in federal funding for the Weatherization Program.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 409 - Cty-Weatherization Program

Funding Sources: FWF - DHS 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 |
| Grants and Aid | 5100004 | 3,982,906 | 3,783,180 | 5,820,000 | 3,783,180 | 4,000,000 | 4,000,000 | 3,783,180 | 4,000,000 | 4,000,000 |
| Total | | 3,982,906 | 3,783,180 | 5,820,000 | 3,783,180 | 4,000,000 | 4,000,000 | 3,783,180 | 4,000,000 | 4,000,000 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 3,982,906 | 3,783,180 | | 3,783,180 | 4,000,000 | 4,000,000 | 3,783,180 | 4,000,000 | 4,000,000 |
| Total Funding | | 3,982,906 | 3,783,180 | | 3,783,180 | 4,000,000 | 4,000,000 | 3,783,180 | 4,000,000 | 4,000,000 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 3,982,906 | 3,783,180 | | 3,783,180 | 4,000,000 | 4,000,000 | 3,783,180 | 4,000,000 | 4,000,000 |

FY09 Appropriation Carry Forward Amount is \$1,837,093.93.

Change Level by Appropriation

Appropriation: 409 - Cty-Weatherization Program

Funding Sources: FWF - DHS Federal

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 3,783,180 | 0 | 3,783,180 | 100.0 | 3,783,180 | 0 | 3,783,180 | 100.0 |
| C01 | Existing Program | 216,820 | 0 | 4,000,000 | 105.7 | 216,820 | 0 | 4,000,000 | 105.7 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 3,783,180 | 0 | 3,783,180 | 100.0 | 3,783,180 | 0 | 3,783,180 | 100.0 |
| C01 | Existing Program | 216,820 | 0 | 4,000,000 | 105.7 | 216,820 | 0 | 4,000,000 | 105.7 |

Justification

| | |
|-----|--|
| C01 | The Division of County Operations (DCO) requests additional federal appropriation in 2010 and 2011 for the Weatherization Assistance Program. This additional appropriation is needed to cover projected increases in federal Department of Energy funding during the Biennium. No State General Revenue is being requested. |
|-----|--|

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

Agency: Human Services Department-COUNTY OPERATIONS

Program: County-Weatherization Program

Act #: 1285 of 2007 Section(s) #: 5 & 8

Estimated Carry Forward Amount \$ 1,598,245.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0710 Funds Center: 409 Fund: FWF Functional Area: HHS

| Line Item | Commitment Item | Estimated Carry Forward Amount | Actual Carry Forward Amount |
|----------------|-----------------|--------------------------------|-----------------------------|
| Grants and Aid | 5100004 | 1,598,245.00 | 1,837,093.93 |
| Total | | \$ 1,598,245.00 | \$ 1,837,093.93 |

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:

The Weatherization Assistance program provides funds for the installation of energy conservation materials on the homes of low-income families annually to lower utility bills. This estimate represents appropriation to be carried forward from the prior state fiscal year. This will be used to provide services in SFY 2009 funded with a portion of the Federal Fiscal year 2009 grant award.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward appropriation for this program is currently blocked. However, the appropriation is available if Weatherization Program changes require additional appropriation.

John Selig
Director

08-13-2008
Date

Analysis of Budget Request

Appropriation: 410 - Cty-Emergency Food Program

Funding Sources: FWF - DHS Federal

The Emergency Food Program provides food on an emergency basis for families in need and the homeless. Donated food is also made available for Disaster Assistance. Additionally, Division of County Operations (DCO) utilizes surplus USDA commodities to supplement low-income food programs in Arkansas. Agencies such as Food Banks and Community Program Action Agencies have agreements with DCO to provide food through soup kitchens, food pantries and mass distribution to households. In FY2008, the Emergency Food Program received 4,974,528 pounds of USDA food purchased with entitlement dollars and 1,547,417 pounds of USDA bonus commodities to supplement many needy Arkansans.

Funding for this appropriation is 100% federal from the U. S. Department of Agriculture, Food and Consumer Services.

The Agency Base Level request for this appropriation is \$656,336 each year of the biennium.

The Agency Change Level request for this appropriation is \$16,041 each year of the biennium to provide additional federal funds to Community Action Agencies and food banks so that they can distribute more USDA donated emergency commodities throughout the State.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 410 - Cty-Emergency Food Program

Funding Sources: FWF - DHS Federal

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 | 481,062 | 656,336 | 680,000 | 656,336 | 672,377 | 672,377 | 656,336 | 672,377 | 672,377 |
| Total | | 481,062 | 656,336 | 680,000 | 656,336 | 672,377 | 672,377 | 656,336 | 672,377 | 672,377 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 481,062 | 656,336 | | 656,336 | 672,377 | 672,377 | 656,336 | 672,377 | 672,377 |
| Total Funding | | 481,062 | 656,336 | | 656,336 | 672,377 | 672,377 | 656,336 | 672,377 | 672,377 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 481,062 | 656,336 | | 656,336 | 672,377 | 672,377 | 656,336 | 672,377 | 672,377 |

FY09 Appropriation Carry Forward Amount is \$198,938.32.

Change Level by Appropriation

Appropriation: 410 - Cty-Emergency Food Program

Funding Sources: FWF - DHS Federal

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 656,336 | 0 | 656,336 | 100.0 | 656,336 | 0 | 656,336 | 100.0 |
| C01 | Existing Program | 16,041 | 0 | 672,377 | 102.4 | 16,041 | 0 | 672,377 | 102.4 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 656,336 | 0 | 656,336 | 100.0 | 656,336 | 0 | 656,336 | 100.0 |
| C01 | Existing Program | 16,041 | 0 | 672,377 | 102.4 | 16,041 | 0 | 672,377 | 102.4 |

Justification

| | |
|-----|---|
| C01 | The Division of County Operations (DCO) requests federal appropriation in 2010 and 2011 for the Emergency Food Program to cover projected increases in federal Temporary Emergency Food Assistance Program (TEFAP) funding during the Biennium. These funds will be used by the State for the distribution of food commodities to Community Action Agencies and food banks. No State General Revenue is being requested |
|-----|---|

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

Agency: Human Services Department-COUNTY OPERATIONS

Program: County-Emergency Food Program

Act #: 1285 of 2007 Section(s) #: 5 & 8

Estimated Carry Forward Amount \$ 98,227.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0710 Funds Center: 410 Fund: FWF Functional Area: HHS

| Line Item | Commitment Item | Estimated Carry Forward Amount | Actual Carry Forward Amount |
|----------------|-----------------|--------------------------------|-----------------------------|
| Grants and Aid | 5100004 | 98,227.00 | 198,938.32 |
| Total | | \$ 98,227.00 | \$ 198,938.32 |

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:

The Emergency Food Assistance Program distributes commodities to food banks, soup kitchens, shelters and other nonprofit agencies. Donated foods are also made available for Disaster Assistance. This estimate represents appropriation to be carried forward from the prior state fiscal year. This will be used to provide services in SFY 2009 funded with a portion of the Federal Fiscal year 2009 grant award.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward appropriation for this program is currently blocked. However, the appropriation is available if Emergency Food Program changes require additional appropriation.

John Selig
Director

08-13-2008
Date

Analysis of Budget Request

Appropriation: 411 - Cty-Low Income Energy Assistance Prgm

Funding Sources: FWF - DHS Federal

The Low Income Home Energy Assistance (LIHEAP) program provides federal funds to assist low-income households with their home energy expenses. The Home Energy Assistance Program provides financial assistance to households each year to help them meet the costs of home energy i.e. gas, electricity, propane, etc. The program assists low income persons with home energy costs by administering the Winter/Summer Assistance Program and Crisis Intervention Program. Assistance is provided in the form of a one-time per year payment to the energy supplier of an eligible household, or in some cases, directly to the applicant. The Crisis Intervention Program provides assistance to eligible households in energy related emergencies. Eligibility is based on 150% of current Office of Management and Budget (OMB) income poverty guidelines for all households. More than 100,000 households are projected to receive home energy assistance in federal fiscal year 2008.

Funding for this appropriation is 100% federal from the U. S. Department of Health and Human Services, Administration for Children and Families.

The Agency Base Level request for this appropriation is \$13,487,743 each year of the biennium.

The Agency Change Level request for this appropriation is for \$1,000,000 in FY2010 and \$2,000,000 in FY2011. This appropriation is requested to allow for increases in Low Income Home Energy Assistance program funding during the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 411 - Cty-Low Income Energy Assistance Prgm

Funding Sources: FWF - DHS Federal

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 | 14,987,490 | 13,487,743 | 22,419,034 | 13,487,743 | 14,487,743 | 14,487,743 | 13,487,743 | 15,487,743 | 15,487,743 |
| Total | | 14,987,490 | 13,487,743 | 22,419,034 | 13,487,743 | 14,487,743 | 14,487,743 | 13,487,743 | 15,487,743 | 15,487,743 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 14,987,490 | 13,487,743 | | 13,487,743 | 14,487,743 | 14,487,743 | 13,487,743 | 15,487,743 | 15,487,743 |
| Total Funding | | 14,987,490 | 13,487,743 | | 13,487,743 | 14,487,743 | 14,487,743 | 13,487,743 | 15,487,743 | 15,487,743 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 14,987,490 | 13,487,743 | | 13,487,743 | 14,487,743 | 14,487,743 | 13,487,743 | 15,487,743 | 15,487,743 |

FY09 Appropriation Carry Forward Amount is \$7,431,544.00.

Change Level by Appropriation

Appropriation: 411 - Cty-Low Income Energy Assistance Prgm

Funding Sources: FWF - DHS Federal

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 13,487,743 | 0 | 13,487,743 | 100.0 | 13,487,743 | 0 | 13,487,743 | 100.0 |
| C01 | Existing Program | 1,000,000 | 0 | 14,487,743 | 107.4 | 2,000,000 | 0 | 15,487,743 | 114.8 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 13,487,743 | 0 | 13,487,743 | 100.0 | 13,487,743 | 0 | 13,487,743 | 100.0 |
| C01 | Existing Program | 1,000,000 | 0 | 14,487,743 | 107.4 | 2,000,000 | 0 | 15,487,743 | 114.8 |

Justification

| | |
|-----|--|
| C01 | The Division of County Operations (DCO) requests additional federal appropriation in 2010 and 2011 for the Low-Income Home Energy Assistance Program (LIHEAP) to cover anticipated increases in federal funding during the Biennium for the LIHEAP program due to rising home energy costs. No State General Revenue is being requested. |
|-----|--|

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

Agency: Human Services Department-COUNTY OPERATIONS

Program: County-Low Inc Energy Assistance Program

Act #: 1285 of 2007 Section(s) #: 5 & 8

Estimated Carry Forward Amount \$ 8,990,099.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0710 Funds Center: 411 Fund: FWF Functional Area: HHS

| Line Item | Commitment Item | Estimated Carry Forward Amount | Actual Carry Forward Amount |
|----------------|-----------------|--------------------------------|-----------------------------|
| Grants and Aid | 5100004 | 8,990,099.00 | 7,431,544.00 |
| Total | | \$ 8,990,099.00 | \$ 7,431,544.00 |

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:

The Low Income Home Energy Assistance Program (LIHEAP) provides financial assistance to low-income households each year to help them meet the costs of home energy, i.e. gas, electricity, propane, etc. This estimate represents appropriation to be carried forward from the prior state fiscal year. This will be used to provide services in SFY 2009 funded with a portion of the Federal Fiscal year 2009 grant award.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward appropriation for this program is currently blocked. However, the appropriation is available if LIHEAP Program changes require additional appropriation.

John Selig
Director

08-13-2008
Date

Analysis of Budget Request

Appropriation: 412 - Cty-Refugee Resettlement Program

Funding Sources: FWF - DHS Federal

The Refugee Resettlement Program provides temporary assistance to refugees and entrants to the state to help in becoming self-sufficient and self-reliant. This program was established by the 1980 Immigration and Nationality Act and authorizes cash assistance and medical assistance for up to eight months. Social services may be provided to refugees for up to five years. Refugees may apply for cash, medical and food program assistance at Department of Human Services offices in their county of residence.

Due to the steady decline in eligibles, Arkansas chose to discontinue the optional Social Services component of the program effective October 1, 2002. Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) will continue to be available through the county offices to any new arrivals entering the state in the future.

Funding for this appropriation is 100% federal from the U. S. Department of Health and Human Services, Administration for Children and Families and is available to states as well as non-profit organizations to help offset costs related to resettlement efforts.

The Agency Base Level and total request for this appropriation is \$12,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 412 - Cty-Refugee Resettlement Program

Funding Sources: FWF - DHS Federal

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 | 162 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 |
| Total | | 162 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 162 | 12,000 | | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 |
| Total Funding | | 162 | 12,000 | | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 162 | 12,000 | | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 |

FY09 Appropriation Carry Forward Amount is \$11,838.00.

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

Agency: Human Services Department-COUNTY OPERATIONS

Program: County-Refugee Resettlement Program

Act #: 1285 of 2007 Section(s) #: 5 & 8

Estimated Carry Forward Amount \$ 11,028.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0710 Funds Center: 412 Fund: FWF Functional Area: HHS

| Line Item | Commitment Item | Estimated Carry Forward Amount | Actual Carry Forward Amount |
|----------------|-----------------|--------------------------------|-----------------------------|
| Grants and Aid | 5100004 | 11,028.00 | 11,838.00 |
| Total | | \$ 11,028.00 | \$ 11,838.00 |

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:

The Refugee Resettlement Program assists newly arrived eligible refugees to assimilate into the American way of life. The program offers financial and medical services to eligible refugees for up to five years. This estimate represents appropriation to be carried forward from the prior state fiscal year. This will be used to provide services in SFY 2009 funded with a portion of the Federal Fiscal year 2009 grant award.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward appropriation for this program is currently blocked. However, the appropriation is available if Refugee Resettlement Program changes require additional appropriation.

John Selig
Director

08-13-2008
Date

Analysis of Budget Request

Appropriation: 426 - Cty-Homeless Assistance Grant

Funding Sources: FWF - DHS Federal

The Homeless Assistance Grant is a federal program through the U. S. Department of Housing and Urban Development. This program is designed to assist local communities in helping to improve the quality of life for the homeless by providing grants for renovation, rehabilitation or conversion of buildings to be used as emergency shelters. Funds can be used for paying for operations, maintenance, insurance, utilities, and furnishings, essential social services that are connected with the shelters and for prevention efforts. A special enumeration survey was conducted and, on any given night, the estimated homeless count in the State of Arkansas is 7,400. Funding for this appropriation is 100% federal.

The Agency Base Level request for this appropriation is \$1,351,246 each year of the biennium.

The Agency Change Level request for this appropriation is \$500,000 each year of the biennium to allow for projected increases in federal funding during the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 426 - Cty-Homeless Assistance Grant

Funding Sources: FWF - DHS 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 |
| Grants and Aid | 5100004 | 1,095,462 | 1,351,246 | 2,400,100 | 1,351,246 | 1,851,246 | 1,851,246 | 1,351,246 | 1,851,246 | 1,851,246 |
| Total | | 1,095,462 | 1,351,246 | 2,400,100 | 1,351,246 | 1,851,246 | 1,851,246 | 1,351,246 | 1,851,246 | 1,851,246 |

| Funding Sources | | | | | | | | | | |
|--------------------------------|---------|------------------|------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Federal Revenue | 4000020 | 1,095,462 | 1,351,246 | | 1,351,246 | 1,851,246 | 1,851,246 | 1,351,246 | 1,851,246 | 1,851,246 |
| Total Funding | | 1,095,462 | 1,351,246 | | 1,351,246 | 1,851,246 | 1,851,246 | 1,351,246 | 1,851,246 | 1,851,246 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 1,095,462 | 1,351,246 | | 1,351,246 | 1,851,246 | 1,851,246 | 1,351,246 | 1,851,246 | 1,851,246 |

FY09 Appropriation Carry Forward Amount is \$1,304,637.98.

Change Level by Appropriation

Appropriation: 426 - Cty-Homeless Assistance Grant

Funding Sources: FWF - DHS Federal

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 1,351,246 | 0 | 1,351,246 | 100.0 | 1,351,246 | 0 | 1,351,246 | 100.0 |
| C01 | Existing Program | 500,000 | 0 | 1,851,246 | 137.0 | 500,000 | 0 | 1,851,246 | 137.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 1,351,246 | 0 | 1,351,246 | 100.0 | 1,351,246 | 0 | 1,351,246 | 100.0 |
| C01 | Existing Program | 500,000 | 0 | 1,851,246 | 137.0 | 500,000 | 0 | 1,851,246 | 137.0 |

Justification

| | |
|-----|---|
| C01 | The Division of County Operations (DCO) requests additional federal appropriation in 2010 and 2011 for the Homeless Assistance program to cover anticipated increases in federal Emergency Shelter Grants (ESG) funding during the Biennium. No State General Revenue is being requested. |
|-----|---|

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

Agency: Human Services Department-COUNTY OPERATIONS

Program: County-Homeless Assistance Grant

Act #: 1285 of 2007 Section(s) #: 5 & 8

Estimated Carry Forward Amount \$ 1,212,038.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0710 Funds Center: 426 Fund: FWF Functional Area: HHS

| Line Item | Commitment Item | Estimated Carry Forward Amount | Actual Carry Forward Amount |
|----------------|-----------------|--------------------------------|-----------------------------|
| Grants and Aid | 5100004 | 1,212,038.00 | 1,304,637.98 |
| Total | | \$ 1,212,038.00 | \$ 1,304,637.98 |

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:

The Emergency Shelter Grants Program assists local communities to improve the quality of life for the homeless by providing grants for minor renovations, rehabilitation or conversion of buildings for the homeless and providing funds for payment of certain operation and maintenance expenses. This estimate represents appropriation to be carried forward from the prior state fiscal year. This will be used to provide services in SFY 2009 funded with a portion of the Federal Fiscal year 2009 grant award.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carryforward appropriation for this program is currently blocked. However, the appropriation is available if Homeless Assistance Program changes require additional appropriation.

John Selig
Director

08-13-2008
Date

Analysis of Budget Request

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

This appropriation is for the additional administrative costs to the Division of County Operations associated with the Medicaid Expansion Programs established by Initiated Act 1 of 2000. The expanded Medicaid programs are as follows:

1. Expansion of Medicaid coverage and benefits to pregnant women with incomes up to 200 percent of the Federal Poverty Level (approved for implementation November 1, 2001);
2. Expansion of inpatient and outpatient hospital reimbursements and benefits to adults age 19 to 64 to reduce coinsurance payment from 22 percent to 10 percent of the cost of the first Medicaid covered day of each admission and cover additional medically necessary days in the hospital from 20 days up to 24 allowed days per State Fiscal Year (approved for implementation November 1, 2001);
3. Expansion of non-institutional coverage and benefits to adults aged 65 and over. Referred to as ARSeniors, this program extends full Medicaid benefits to adults age 65 and over who have been identified as Qualified Medicare Beneficiaries (QMB) and meet specific income limits (approved for implementation October 1, 2002); and
4. Creation of a limited benefit package to assist adults age 19 to 64 who are uninsured low-wage employees of small Arkansas businesses. This program, ARHealthNetworks, was approved by the Centers for Medicare and Medicaid Services (CMS) as a Section 1115 demonstration waiver through the Health Insurance Flexibility and Accountability (HIFA) office of the Secretary of the federal Department of Health and Human Services. Enrollment in the program began December 20, 2006 with coverage effective January 2007.

Funding for this appropriation is derived from Tobacco Settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

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 may include board member Stipend payments and 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 for this appropriation is \$3,142,327 in FY2010 and \$3,158,121 in FY2011 with 61 budgeted Base Level positions.

The Agency Change Level request for this appropriation is (\$400,000) each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program
Funding Sources: PTA - Medicaid Expansion Program Account

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 | 483,469 | 1,539,596 | 1,573,201 | 1,747,611 | 1,747,611 | 1,747,611 | 1,760,847 | 1,760,847 | 1,760,847 |
| #Positions | | 20 | 61 | 61 | 61 | 61 | 61 | 61 | 61 | 61 |
| Personal Services Matching | 5010003 | 341,345 | 553,811 | 578,085 | 648,921 | 648,921 | 648,921 | 651,479 | 651,479 | 651,479 |
| Operating Expenses | 5020002 | 298 | 195,795 | 195,795 | 195,795 | 195,795 | 195,795 | 195,795 | 195,795 | 195,795 |
| Conference & Travel Expenses | 5050009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional Fees | 5060010 | 0 | 500,000 | 500,000 | 500,000 | 100,000 | 100,000 | 500,000 | 100,000 | 100,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Services | 5900044 | 8,022 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Total | | 833,134 | 2,839,202 | 2,897,081 | 3,142,327 | 2,742,327 | 2,742,327 | 3,158,121 | 2,758,121 | 2,758,121 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 416,567 | 1,419,601 | | 1,571,164 | 1,371,164 | 1,371,164 | 1,579,061 | 1,379,061 | 1,379,061 |
| Tobacco Settlement | 4000495 | 416,567 | 1,419,601 | | 1,571,163 | 1,371,163 | 1,371,163 | 1,579,060 | 1,379,060 | 1,379,060 |
| Total Funding | | 833,134 | 2,839,202 | | 3,142,327 | 2,742,327 | 2,742,327 | 3,158,121 | 2,758,121 | 2,758,121 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 833,134 | 2,839,202 | | 3,142,327 | 2,742,327 | 2,742,327 | 3,158,121 | 2,758,121 | 2,758,121 |

Tobacco Settlement Funds do not carry forward into the new biennium unless criteria is met as prescribed in Initiated Act 1 of 2000.
 FY09 Appropriation Carry Forward Amount is \$2,026,816.79.

Change Level by Appropriation

Appropriation: 642 - DHS Medicaid Expansion Program
Funding Sources: PTA - Medicaid Expansion Program Account

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|---------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 3,142,327 | 61 | 3,142,327 | 100.0 | 3,158,121 | 61 | 3,158,121 | 100.0 |
| C03 | Discontinue Program | (400,000) | 0 | 2,742,327 | 87.3 | (400,000) | 0 | 2,758,121 | 87.3 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|---------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 3,142,327 | 61 | 3,142,327 | 100.0 | 3,158,121 | 61 | 3,158,121 | 100.0 |
| C03 | Discontinue Program | (400,000) | 0 | 2,742,327 | 87.3 | (400,000) | 0 | 2,758,121 | 87.3 |

Justification

| | |
|-----|---|
| C03 | The Division of County Operations (DCO) requests to reduce funded appropriation for 2010 and 2011 in the Professional Fees and Services line item for the Medicaid Expansion Program (Tobacco Settlement). This appropriation was approved for one-time information systems changes last Biennium and will not be needed this Biennium. Funding for this program is 50% Federal and 50% Other (Tobacco Settlement funds). |
|-----|---|

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

Agency: Human Services Department-COUNTY OPERATIONS

Program: DHS Medicaid Expansion Program

Act #: 1284 of 2007

Section(s) #: 3 & 6

Estimated Carry Forward Amount \$ 2,019,130.00

Appropriation

Funds

Funding Source: Tobacco Settlement & Federal

Accounting Information:

Business Area: 0710

Funds Center: 642

Fund: PTA

Functional Area: HHS

| Line Item | Commitment Item | Estimated Carry Forward Amount | Actual Carry Forward Amount |
|----------------------------|-----------------|--------------------------------|-----------------------------|
| Regular Salaries | 5010000 | 1,053,742.00 | 1,058,908.55 |
| Personal Services Matching | 5010003 | 229,869.00 | 230,432.91 |
| Operating Expenses | 5020002 | 195,298.00 | 195,497.59 |
| Professional Fees | 5060010 | 500,000.00 | 500,000.00 |
| Data Processing Services | 5900044 | 40,221.00 | 41,977.74 |
| Total | | \$ 2,019,130.00 | \$ 2,026,816.79 |

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:

Initiated Act 1 of 2000 allows for the carry forward of appropriation and funding from the first year of the biennium to the second year of the biennium for Medicaid Expansion Programs. These programs provide essential Medicaid services to low-income families.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

Currently, Carry Forward appropriation is blocked. However, the appropriation is available if Medical Expansion Program changes require additional appropriation.

John Selig

Director

08-13-2008

Date

Analysis of Budget Request

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

The Division of County Operations was established originally in Act 348 of 1985 in the reorganization of the Department of Human Services under the title of Program Operations. Act 164 of 1995 amended Arkansas Code Annotated §25-10-102 and created the Division of Medical Services, re-named the Division of Program Operations to County Operations and transferred functions that were a part of the Division of Economic and Medical Services to County Operations. Functions transferred to the Division of County Operations were Aid to Families with Dependent Children, Food Stamp Program, Project Success and the Community Services Block Grant.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, eliminated the open-ended federal entitlement program of Aid to Families with Dependent Children (AFDC) and created a federal block grant program for states to provide cash assistance to families on a time-limited basis under the Temporary Assistance to Needy Families (TANF) program. The Arkansas Personal Responsibility and Public Assistance Reform Act, Act 1058 of 1997 was enacted during the 81st General Assembly and signed by the Governor on April 3, 1997, thereby establishing the Transitional Employment Assistance (TEA) program. With the enactment of these laws, the AFDC and Project Success programs were eliminated and replaced by the TEA program. Enacted during the 85th General Assembly and signed by the Governor, Act 1705 of 2005 transferred responsibility for the program to the Department of Workforce Services (DWS). Pursuant to this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remains with the Division of County Operations while DWS is responsible for the provision of case management services and overall administration of the program.

The Division of County Operations has the primary responsibility for providing the leadership and support in each of the eighty-three (83) county offices in the 75 counties, and administering the Food Stamp, TEA, Medicaid and ARKids Programs to citizens across Arkansas. Additional programs administered at the county level though local organizations include such areas as Community Services Block Grant, Energy and Weatherization Assistance for low income elderly, people with disabilities and families with children; Homeless and Housing Assistance; and Commodity Distribution. The Division is responsible for the physical office space in each of the counties including rent, utilities, telephone charges, janitorial services and other items needed at the local level. The Division coordinates the services of the various DHS Divisions at the local level and provides clerical support. The Division currently has four (4) distinct areas of operation: Field Operations, Program Planning and Development, Community Services and Administrative Support.

Funding for this appropriation is derived from a mix of sources that includes general revenue (DCO - County Operations Fund Account), federal and other revenues. Federal funding sources include revenues derived from administrative costs for TEA, Food Stamp, Community Services Block Grant, Refugee Resettlement, Emergency Shelter, Commodities, Child Health Insurance (CHIP) and Medicaid (Regular and Enhanced) programs. Other funding which is indicated as various program support can also include sources such as USDA - FCS Enhanced Funding, Title XIX match and miscellaneous collections; as well as, federal awards, fees, third party reimbursements and maximization of federal claiming. These other funds are considered to be non-federal and technically can be expended for any program or service within the Department.

Base level positions were changed from unclassified to Professional and Executive Pay Plan to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. 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 may include board member Stipend payments and 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 for this appropriation is \$116,820,110 for FY2010 and \$118,411,046 for FY2011 with 1,772 budgeted Base Level positions.

The Agency Change Level request for this appropriation is \$11,223,199 for FY2010 and \$10,780,352 for FY2011, which includes general revenue requests of \$15,034,531 for FY2010 and \$14,674,331 for FY2011. The general revenue request consists of the following components:

- \$15,096,131 in FY2010 and \$14,737,207 in FY2011 in new general revenue;
- (\$28,978) in FY2010 and (\$29,574) in FY2011 requested to be transferred to the DHS Administration Fund Account which is associated with a request to transfer 1 position to the Office of Chief Counsel;
- (\$32,622) in FY2010 and (\$33,302) in FY2011 requested to be transferred to the DHS Administration Fund Account which is associated with a request to transfer 1 position to the Division of Volunteerism.

The following delineates the Agency Request:

- Restoration of 69 positions that were authorized but not budgeted with salary and matching appropriation and funding. The agency is requesting funding for these positions in order to keep access channels open to the federally supported Food Stamp and Medicaid program.
- Restoration of 43 positions that were authorized but not budgeted with salary and matching appropriation only. These positions provide the county offices with an opportunity to more efficiently manage their vacancies.
- Transfer 1 position to the Office of chief Counsel with salary and matching appropriation and funding to assist with Food Stamp fair hearings.
- Transfer 1 position to the Division of Volunteerism with salary and matching appropriation and funding to provide training and technical assistance to community organizations.
- \$20,000 each year of the biennium for the Overtime line item and the associated matching to allow for additional monetary compensation.
- \$1,695,521 in FY2010 and \$5,472,086 in FY2011 for the Operating Expenses line item. This includes increases for items such as postage, telecommunications, network services, freight, printing, telephone system repair, vehicle maintenance, electricity, water and sewage, natural gas and propane, rent, rent of office equipment, mileage, meals and lodging, conferences and seminar fees, dues, janitorial services, trash pickup services, vehicle license and title fees, tires, fuel, office supplies, data processing supplies and other commodities material and supplies.
- \$24,397 in FY2010 and \$54,231 in FY2011 for the Travel line item for increased costs associated with business conference travel.
- \$748,397 in FY2010 and \$516,375 in FY2011 for the Professional Fees line item for increased costs associated with contracts for client services, the contract which supports the electronic transfer of Food Stamp, TEA and Work Pays benefits and information technology support and development.
- \$30,000 each year of the biennium for the Capital Outlay line item. This includes increases for

replacing one (1) existing vehicles each year of the biennium.

- \$4,675,300 in FY2010 and \$577,800 in FY2011 for the Data Processing Services line item. This includes increases in costs for the Electronic Benefits Transfer (EBT) system including start-up costs for potential conversion to a new contractor, annual maintenance costs for imaging software and support and for computer replacements.

The Executive Recommendation provides for the Agency Request in appropriation. New general revenue has been provided for in the amount of \$1,700,000 in FY2010 and \$1,450,000 in FY2011. The Executive Recommendation has provided for continued use of the DHS Federal Reimbursement/Other Holding Fund revenues which are indicated as various program support in the amount of \$10,312,134 each year of the biennium which are derived from many sources including federal awards, fees, third party reimbursements and maximization of federal claiming.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$500,000 in new general revenue each year of the biennium associated with the request for restoration of 69 positions;
- \$500,000 in new general revenue in FY2011 only associated with the Operating Expenses line item for increased operational costs such as leases, equipment and utilities;
- \$1,200,000 in FY2010 and \$450,000 in FY2011 associated with the Data Processing Services line item for increased costs for document imaging and equipment for ACCESS Arkansas;
- (\$28,978) in FY2010 and (\$29,574) in FY2011 requested to be transferred to the DHS Administration Fund Account which is associated with a request to transfer 1 position to the Office of Chief Counsel;
- (\$32,622) in FY2010 and (\$33,302) in FY2011 requested to be transferred to the DHS Administration Fund Account which is associated with a request to transfer 1 position to the Division of Volunteerism.

The above general revenue transfers that the Executive Recommendation has provided for is from existing allocation of general revenue from the Division of County Operations to the Office of Chief Counsel and the Division of Volunteerism.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

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 Base Level | 2009-2010 Agency | 2009-2010 Executive | 2010-2011 Base Level | 2010-2011 Agency | 2010-2011 Executive |
| Regular Salaries | 5010000 | 53,805,227 | 55,333,480 | 56,998,126 | 59,962,477 | 62,865,955 | 62,865,955 | 61,294,943 | 64,265,702 | 64,265,702 |
| #Positions | | 1,874 | 1,772 | 1,884 | 1,772 | 1,882 | 1,882 | 1,772 | 1,882 | 1,882 |
| Extra Help | 5010001 | 223,939 | 234,052 | 234,052 | 234,052 | 234,052 | 234,052 | 234,052 | 234,052 | 234,052 |
| #Extra Help | | 29 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 |
| Personal Services Matching | 5010003 | 17,440,137 | 17,278,759 | 19,498,075 | 20,645,495 | 21,771,601 | 21,771,601 | 20,903,965 | 22,043,066 | 22,043,066 |
| Overtime | 5010006 | 170 | 5,000 | 5,000 | 5,000 | 25,000 | 25,000 | 5,000 | 25,000 | 25,000 |
| Operating Expenses | 5020002 | 19,384,042 | 20,316,160 | 20,316,160 | 20,316,160 | 22,011,681 | 22,011,681 | 20,316,160 | 25,788,246 | 25,788,246 |
| Conference & Travel Expenses | 5050009 | 74,904 | 124,600 | 124,600 | 124,600 | 148,997 | 148,997 | 124,600 | 178,831 | 178,831 |
| Professional Fees | 5060010 | 7,913,920 | 10,892,974 | 11,478,810 | 10,892,974 | 11,641,371 | 11,641,371 | 10,892,974 | 11,409,349 | 11,409,349 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 105,128 | 22,500 | 22,500 | 0 | 30,000 | 30,000 | 0 | 30,000 | 30,000 |
| Data Processing Services | 5900044 | 2,106,596 | 4,639,352 | 5,000,000 | 4,639,352 | 9,314,652 | 9,314,652 | 4,639,352 | 5,217,152 | 5,217,152 |
| Total | | 101,054,063 | 108,846,877 | 113,677,323 | 116,820,110 | 128,043,309 | 128,043,309 | 118,411,046 | 129,191,398 | 129,191,398 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 42,102,573 | 42,694,602 | | 45,637,739 | 60,672,270 | 47,276,139 | 46,261,776 | 60,936,107 | 47,648,900 |
| Federal Revenue | 4000020 | 53,293,920 | 54,599,273 | | 58,783,090 | 62,823,955 | 59,745,674 | 59,581,128 | 63,409,525 | 60,436,266 |
| Various Program Support | 4000730 | 5,657,570 | 11,553,002 | | 12,399,281 | 2,934,225 | 13,246,359 | 12,568,142 | 3,103,086 | 13,415,220 |
| Total Funding | | 101,054,063 | 108,846,877 | | 116,820,110 | 126,430,450 | 120,268,172 | 118,411,046 | 127,448,718 | 121,500,386 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 1,612,859 | 7,775,137 | 0 | 1,742,680 | 7,691,012 |
| Grand Total | | 101,054,063 | 108,846,877 | | 116,820,110 | 128,043,309 | 128,043,309 | 118,411,046 | 129,191,398 | 129,191,398 |

Actual exceeds Authorized Appropriation by authority of Reallocation of Resources.

Change Level by Appropriation

Appropriation: 896 - DHS—Admin Paying Account

Funding Sources: PWP - Administration Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| BL | Base Level | 116,820,110 | 1,772 | 116,820,110 | 100.0 | 118,411,046 | 1,772 | 118,411,046 | 100.0 |
| C01 | Existing Program | 4,444,000 | 69 | 121,264,110 | 103.8 | 8,271,384 | 69 | 126,682,430 | 107.0 |
| C03 | Discontinue Program | (50) | 0 | 121,264,060 | 103.8 | (50) | 0 | 126,682,380 | 107.0 |
| C05 | Unfunded Appropriation | 1,612,859 | 43 | 122,876,919 | 105.2 | 1,742,680 | 43 | 128,425,060 | 108.5 |
| C07 | Agency Transfer | (123,200) | (2) | 122,753,719 | 105.1 | (125,752) | (2) | 128,299,308 | 108.4 |
| C08 | Technology | 5,289,590 | 0 | 128,043,309 | 109.6 | 892,090 | 0 | 129,191,398 | 109.1 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| BL | Base Level | 116,820,110 | 1,772 | 116,820,110 | 100.0 | 118,411,046 | 1,772 | 118,411,046 | 100.0 |
| C01 | Existing Program | 4,444,000 | 69 | 121,264,110 | 103.8 | 8,271,384 | 69 | 126,682,430 | 107.0 |
| C03 | Discontinue Program | (50) | 0 | 121,264,060 | 103.8 | (50) | 0 | 126,682,380 | 107.0 |
| C05 | Unfunded Appropriation | 1,612,859 | 43 | 122,876,919 | 105.2 | 1,742,680 | 43 | 128,425,060 | 108.5 |
| C07 | Agency Transfer | (123,200) | (2) | 122,753,719 | 105.1 | (125,752) | (2) | 128,299,308 | 108.4 |
| C08 | Technology | 5,289,590 | 0 | 128,043,309 | 109.6 | 892,090 | 0 | 129,191,398 | 109.1 |

Justification

| | |
|-----|---|
| C01 | The Agency requests appropriation and funding for increased administrative costs for Central and County Office activities due to escalating costs for office leases; county office janitorial contracts; utilities; postage and mailing costs; document shredding; shipping and warehouse costs; interpreter services; telephone costs associated with the toll-free customer service call center; county office security costs; and, fuel and travel costs associated with mandatory program reviews and training. Also included in this request is funding and appropriation for the renovation of one office and relocation of nine county offices. The funding is 50% State General Revenue and 50% Federal. The Agency requests funded appropriation for increased costs associated with business conference travel to federally sponsored training events for updates. The majority of this increase will be fully paid by federal agencies. The Agency requests increases in appropriation for contracted services for the Food Stamp Program. All of these professional services are funded with 100% Federal funds. The Agency requests funded appropriation for a 4% increase in operational costs in 2010 for the Federally Qualified Health Centers to provide an outstationed worker to take applications for Medicaid services. The funding is 50% State General Revenue and 50% Federal. The Office of Community Services is requesting approval to replace two existing vehicles to be utilized to monitor the sub-grantees for compliance with program regulations. The funding is 100% Federal. The Commodity Distribution Unit is requesting to replace a truck to conduct monitoring activities across the state. No State General Revenue is being requested. The Agency requests to restore 69 county office positions with funded appropriation for Salary costs and for Fringe costs for SFY 2010 and 2011. The funding is 50% State General Revenue and 50% Federal funds. |
| C03 | The Agency requests to reduce funded appropriation for 2010 and 2011 in the Maintenance and Operations line item. This appropriation was budgeted in error for board member payments will not be needed this Biennium. Funding for this program is 50% Federal and 50% State General Revenue. |
| C05 | The Agency requests unfunded appropriation for the restoration of 43 positions left unbudgeted due to insufficient funding. The majority of these positions are located in local county offices to support the determination of eligibility for the Food Stamp, Medicaid, Transitional Employment Assistance and Work Pays Programs. Without restoration, these positions will be eliminated on June 30, 2009. Restoration of these positions allows the county offices to more efficiently manage their vacancies and reduce delays in customer services by operating in a continuous hiring/training mode. The Agency also requests unfunded appropriation for the payment of overtime, primarily to employees in the local county office. The Division is requesting additional unfunded appropriation in 2010 and in 2011 to address increases in costs for administration of the Commodity Distribution Program. The request is for an increase in the contract with the vendor that stores food in a warehouse prior to delivery and increasing vehicle maintenance and gasoline costs associated with the delivery of food to local school districts. |
| C07 | The Agency requests to transfer funded appropriation in Salaries and in Personal Services Matching for SFY 2010 and SFY 2011 for the transfer of one central office position to the Office of Chief Counsel. This position is currently being used by the Office of Chief Counsel, Fair Hearings Unit, to conduct Federally required Fair Hearings for the Food Stamp Program. In addition, the Agency requests to transfer funded appropriation in Salaries and in Personal Services Matching for SFY 2010 and SFY 2011 for the transfer of one central office position to the Division of Volunteerism. This position is currently being used to provide grant and other information to volunteer groups, especially those that are faith-based. |

Change Level by Appropriation

| Justification | |
|----------------------|---|
| C08 | <p>The Agency requests funded appropriation in 2010 and in 2011 for annual maintenance costs for imaging software and support. This Information Technology initiative will be implemented statewide in SFY 2009 as an integrated document imaging and retrieval project for electronic case records paving the way for web-based applications and processing centers. The funding is 50% State General Revenue and 50% Federal (Reference IT Plan – Project Section “Document Imaging” page 27) Funded appropriation in 2010 for the replacement of all the Division’s computers and software, the majority of which will be five to six years old by 2010. Also included in this request is the replacement of three laptops and three in-focus projectors that will be six years old by 2010. This equipment is used in training county office employees. The funding is 50% State General Revenue and 50% Federal. (Reference IT Plan – Agency Hardware Section, page 5) Funded appropriation in 2010 and 2011 for the Electronic Benefits Transfer (EBT) contract. The current contract will expire in 2010. The Division of County Operations issues Food Stamp and Transitional Employment Assistance and Work Pays cash assistance benefits through a statewide EBT System. Program participants are issued a debit card which is used to access Food Stamp, TEA and Work Pays benefits electronically. The increase in 2010 is for start-up costs for potential conversion to a new contractor. The request for 2011 represents projected costs for standard operations after the new contractor is selected. The funding for this contract is 50% State and 50% Federal funds. (Referenced IT Plan – Contracted Services Section, page 14)</p> |

Analysis of Budget Request

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

With the enactment of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and the Arkansas Personal Responsibility and Public Assistance Reform Act of 1997, open ended entitlement for Aid to Families with Dependent Children (AFDC) was replaced with federal block grant funding to states. The Arkansas program is entitled Transitional Employment Assistance (TEA). The Arkansas 81st General Assembly passed Act 1058 of 1997 and in so doing, declared that "welfare reform is one of the major human service priorities of state government and establishes the goals of achieving a significant reduction in the number of citizens who are enrolled in such programs, transforming a "one size fits all" welfare system that fosters dependence, low self-esteem, and irresponsible behavior to one that rewards work and fosters self-reliance, responsibility and family stability. Act 1567 of 1999 amended Act 1058 of 1997 by establishing the Arkansas Transitional Employment Board. Act 1264 of 2001 and Act 1306 of 2003 enacted other provisions to strengthen the Arkansas TEA Program. Arkansas Act 1705 of 2005 transferred responsibility for the program to the Department of Workforce Services (DWS). Under this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remains with the Division of County Operations (DCO) while DWS is responsible for the provision of case management services and overall administration of the program. Act 1705 of 2005 also created the Work Pays program, which is an extension of the TEA program for former TEA recipients who are working. DWS has overall responsibility for the Work Pays program with eligibility determination and benefit delivery remaining with DCO.

TEA Program eligibility is limited to economically needy families with children under the age of 18 who are U.S. citizens or aliens lawfully admitted to the United States under specific criteria and are residing in Arkansas. The parent(s) living with the children must cooperate in child support enforcement activities, if applicable to the family, and must sign and comply with a Personal Responsibility Agreement, which includes ensuring that their children are immunized and that they attend school. All able-bodied parent(s) must actively engage in work related activities as a condition of the family's on-going eligibility. TEA cash assistance is limited to a maximum of twenty-four (24) months in an adult's lifetime. For those former TEA recipients who are employed at least 24 hours per week and meet the minimum federal work participation rates, an additional twenty-four (24) months of Work Pays benefits are available.

Assistance under the TEA and Work Pays Programs may include: monthly cash assistance payments to help meet the family's basic needs; employment services such as work experience, job search, and job readiness activities; assistance with basic and vocational education; assistance with supportive services such as childcare, transportation and other expenses related to work activity; case management services; and eligibility for extended support services to help the parent retain a job after the cash assistance case closes due to employment.

The TEA caseload has decreased by over 56% since the Program was implemented in July 1997. TEA recipients who have gone to work are earning between \$800 and \$1000 per month compared to an average TEA cash benefit for a mother and two children of \$204 per month. The reduction in the caseload has resulted in a comparable decrease in monthly cash assistance expenditures since July 1997. The Program expenditures have shifted to address employment related services, education/training and supportive services.

Congress reauthorized the TANF program through the Deficit Reduction Act of 2005. Although the Act requires States to meet higher rates of work participation, no significant changes were made in the program design beyond the State initiatives and organizational changes prescribed by Act 1705 of 2005.

Funding for this appropriation is derived from the federal Temporary Assistance for Needy Families (TANF) block grant and general revenue from the Department of Human Services Grants Fund Account (DGF-DHS Grants Fund) as authorized in Arkansas Code Annotated §19-5-306(10)(A)(iv) and general revenue fund transfers from the Department of Workforce Services as authorized in Act 1285 of 2007 section 9. Other funding which is indicated as various program support can also include sources such as the payback of the federal share of overpayment collections on AFDC and interest on TEA cash assistance.

The Agency Base Level request for this appropriation is \$22,280,000 each year of the biennium.

The Agency Change Level request for this appropriation is for \$7,360,650 in FY2010 and \$11,360,650 in FY2011. The following delineates the agency request:

- \$3,720,000 in FY2010 and \$7,720,000 in FY2011 in federally funded appropriation for projected cash assistance payments and employment bonuses provided to TEA and Work Pays program recipients in the event of an economic downturn.
- \$3,640,650 each year of the biennium in appropriation to allow for general revenue fund transfers from the Department of Workforce Services.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

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 |
| TANF Block Grant | 5100004 | 18,299,948 | 22,280,000 | 41,284,650 | 22,280,000 | 29,640,650 | 29,640,650 | 22,280,000 | 33,640,650 | 33,640,650 |
| Total | | 18,299,948 | 22,280,000 | 41,284,650 | 22,280,000 | 29,640,650 | 29,640,650 | 22,280,000 | 33,640,650 | 33,640,650 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 16,184,737 | 22,280,000 | | 22,280,000 | 26,000,000 | 26,000,000 | 22,280,000 | 30,000,000 | 30,000,000 |
| Transfer From DWS | 4000527 | 2,000,200 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Various Program Support | 4000730 | 115,011 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | | 18,299,948 | 22,280,000 | | 22,280,000 | 26,000,000 | 26,000,000 | 22,280,000 | 30,000,000 | 30,000,000 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 3,640,650 | 3,640,650 | 0 | 3,640,650 | 3,640,650 |
| Grand Total | | 18,299,948 | 22,280,000 | | 22,280,000 | 29,640,650 | 29,640,650 | 22,280,000 | 33,640,650 | 33,640,650 |

The FY08 funding includes General Revenue funding transfers from the Department of Workforce Services by Authority of Act 1285 of 2007 section 9.

Change Level by Appropriation

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 22,280,000 | 0 | 22,280,000 | 100.0 | 22,280,000 | 0 | 22,280,000 | 100.0 |
| C01 | Existing Program | 3,720,000 | 0 | 26,000,000 | 116.7 | 7,720,000 | 0 | 30,000,000 | 134.6 |
| C05 | Unfunded Appropriation | 3,640,650 | 0 | 29,640,650 | 133.0 | 3,640,650 | 0 | 33,640,650 | 151.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 22,280,000 | 0 | 22,280,000 | 100.0 | 22,280,000 | 0 | 22,280,000 | 100.0 |
| C01 | Existing Program | 3,720,000 | 0 | 26,000,000 | 116.7 | 7,720,000 | 0 | 30,000,000 | 134.6 |
| C05 | Unfunded Appropriation | 3,640,650 | 0 | 29,640,650 | 133.0 | 3,640,650 | 0 | 33,640,650 | 151.0 |

Justification

| | |
|-----|--|
| C01 | The Division of County Operations (DCO) requests additional federal appropriation of \$880,000 in 2010 and \$1,880,000 in 2011 for employment bonuses paid to TEA and Work Pays Program participants. This additional appropriation will cover increases in TEA and Work Pays caseloads in the event of an economic downturn. The Division of County Operations (DCO) requests additional federal appropriation of \$2,840,000 in 2010 and \$5,840,000 in 2011 for cash assistance payments provided to TEA and Work Pays Program recipients. This additional appropriation will cover increases in TEA and Work Pays caseloads in the event of an economic downturn. Funding for these requests are 100% Federal. |
| C05 | The Division of County Operations (DCO) requests unfunded appropriation in 2010 and 2011 for transportation bonuses paid to TEA program participants. This additional appropriation will cover State General Revenue funds that will be transferred from the Department of Workforce Services (DWS) to DCO to pay for these bonuses. |

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The Community Services Block Grant program helps low-income persons become more independent by providing a range of services through local Community Action Agencies. The services are designed to impact the causes of poverty and assist low-income persons gain the skills necessary for employment, offer better educational and training activities to handle finances, improve housing, make use of social services available to them and become involved in community activities. Additionally, the program provides funds for involvement of low-income persons in community development activities, essential services to homeless persons and development of innovative approaches, at both the local and state level, to meet the nutritional needs of low-income persons. Eligibility is based on current OMB poverty income guidelines.

Funding for this appropriation is derived from the federal Community Services block grant, U. S. Department of Health and Human Services, Administration for Children and Families and general revenue from the Department of Human Services Grants Fund Account (DGF-DHS Grants Fund) as authorized in Arkansas Code Annotated §19-5-306(10)(A)(xi). Other funding which is indicated as various program support can also include sources such as miscellaneous receipts.

The Agency Base Level and total request for this appropriation is \$10,920,321 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

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 |
| Community Srvs. Block Grant 5100004 | 9,053,479 | 10,920,321 | 11,031,604 | 10,920,321 | 10,920,321 | 10,920,321 | 10,920,321 | 10,920,321 | 10,920,321 |
| Total | 9,053,479 | 10,920,321 | 11,031,604 | 10,920,321 | 10,920,321 | 10,920,321 | 10,920,321 | 10,920,321 | 10,920,321 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 157,439 | 153,439 | | 153,439 | 153,439 | 153,439 | 153,439 | 153,439 | 153,439 |
| Federal Revenue 4000020 | 8,895,058 | 10,766,882 | | 10,766,882 | 10,766,882 | 10,766,882 | 10,766,882 | 10,766,882 | 10,766,882 |
| Various Program Support 4000730 | 982 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | 9,053,479 | 10,920,321 | | 10,920,321 | 10,920,321 | 10,920,321 | 10,920,321 | 10,920,321 | 10,920,321 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 9,053,479 | 10,920,321 | | 10,920,321 | 10,920,321 | 10,920,321 | 10,920,321 | 10,920,321 | 10,920,321 |

Analysis of Budget Request

Appropriation: 930 - Cty-Commodity Distrib & Salvage Container

Funding Sources: NHS - Cash in Treasury

The Commodity Distribution and Salvage Container Program receive United States Department of Agriculture (USDA) donated foods for distribution to school districts, food banks, soup kitchens and food pantries, etc. The donated foods are distributed through a contract with a local warehouse. In the event, that the donated food is damaged or destroyed from improper storage, care or handling, it is classified as a "food loss" claim. Compensation of the value of the donated food is provided by the contractor to the distributing agency (Division of County Operations Commodity Distribution Program). Compensation is deposited in the Salvage and Container Cash Fund. Upon approval by the Federal government, these funds may be used for training, equipment and vehicle purchases utilized by the Commodity Distribution Program for enhancements to the program.

The Agency Base Level request for this appropriation is \$260,156 each year of the biennium in the Operating Expenses line item.

The Agency Change Level request for this appropriation is for \$37,760 in FY2010 and \$13,930 in FY2011. The following delineates the agency request:

- \$2,270 in FY2010 and \$4,440 in FY2011 for the Operating Expenses line item. This includes increases for contract with the vendor that stores food and increasing vehicle maintenance and gasoline costs associated with the delivery of food to local school districts.
- \$9,490 each year of the biennium for the Travel line item to allow employees to attend training meetings.
- \$26,000 in FY2010 for the Capital Outlay line item. This includes an increase for replacing one (1) existing vehicles.

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

Appropriation Summary

Appropriation: 930 - Cty-Commodity Distrib & Salvage Container

Funding Sources: NHS - 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 |
| Operating Expenses | 5020002 | 9,514 | 260,156 | 276,000 | 260,156 | 262,426 | 262,426 | 260,156 | 264,596 | 264,596 |
| Conference & Travel Expenses | 5050009 | 0 | 0 | 0 | 0 | 9,490 | 9,490 | 0 | 9,490 | 9,490 |
| 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 | 40,195 | 0 | 0 | 0 | 26,000 | 26,000 | 0 | 0 | 0 |
| Total | | 49,709 | 260,156 | 276,000 | 260,156 | 297,916 | 297,916 | 260,156 | 274,086 | 274,086 |
| Funding Sources | | | | | | | | | | |
| Cash Fund | 4000045 | 49,709 | 260,156 | | 260,156 | 297,916 | 297,916 | 260,156 | 274,086 | 274,086 |
| Total Funding | | 49,709 | 260,156 | | 260,156 | 297,916 | 297,916 | 260,156 | 274,086 | 274,086 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 49,709 | 260,156 | | 260,156 | 297,916 | 297,916 | 260,156 | 274,086 | 274,086 |

Actual Capital Outlay exceeds Authorized Appropriation due to appropriation received from DFA for Agency funded Motor Vehicle Purchases.

Change Level by Appropriation

Appropriation: 930 - Cty-Commodity Distrib & Salvage Container

Funding Sources: NHS - Cash in Treasury

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 260,156 | 0 | 260,156 | 100.0 | 260,156 | 0 | 260,156 | 100.0 |
| C01 | Existing Program | 37,760 | 0 | 297,916 | 114.5 | 13,930 | 0 | 274,086 | 105.4 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 260,156 | 0 | 260,156 | 100.0 | 260,156 | 0 | 260,156 | 100.0 |
| C01 | Existing Program | 37,760 | 0 | 297,916 | 114.5 | 13,930 | 0 | 274,086 | 105.4 |

Justification

| | |
|-----|---|
| C01 | The Division of County Operations (DCO) requests to establish funded appropriation in Travel and Conferences (09), for the Salvage and Container (SAC) Fund program to allow staff from the Commodity Distribution Program to attend federally mandated trainings. This request also includes increases in vehicle maintenance and official business travel costs, and allows for purchasing new tires for the Commodity Distribution vehicles in 2011. In addition, the request includes Capital Outlay appropriation to replace a fuel inefficient truck in 2010. No State General Revenue funding is being requested as the SAC Fund consists of Other funding from payments for damaged or destroyed foods provided through the U.S.D.A Commodities programs. |
|-----|---|

Appropriation Summary

Appropriation: 35W - Weatherization Services
Funding Sources: DCO - County Operations Fund Account

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 | 0 | 0 | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |

APPROPRIATION NOT REQUESTED FOR THE 2009-2011 BIENNIUM

DHS - DEVELOPMENTAL DISABILITIES SERVICES

Enabling Laws

Act 1233 of 2007
A.C.A. §20-14-501 et seq.
A.C.A. §20-48-101 et seq.
A.C.A. §20-48-201 et seq.
A.C.A. §20-48-401 et seq.
A.C.A. §25-10-102

History and Organization

DIRECTOR'S OFFICE

DDS Director's Office is responsible for the overall coordination of services for people with developmental disabilities in the state. The DDS Director's office is the primary point of contact between the agency and the public. Responsibilities include the goals, the philosophical framework, and strategic plan within which the agency operates. The DDS Director's Office is also responsible for working with the DDS Board in carrying out the Board's directives related to the Human Development Centers; is responsible for coordinating efforts of multiple groups such as the Governor's Developmental Disabilities Council, Advocacy Services, Arkansas Association for Retarded Citizens, Arkansas Waiver Association, Human Development Centers Statewide Parent Group, Early Intervention Interagency Coordinating Council and any other interested groups whose primary focus is services and service needs of people with disabilities.

FISCAL OPERATIONS

The Fiscal Operations section is inclusive of the following areas: Contract Support; HDC/Administration support; Information Systems; Financial and Personnel/Payroll Coordination; Facilities Management and Procurement.

Contract Support coordinates the provision of services through Community Programs. This area is responsible for Community Program funding authorization service approvals, and expenditure monitoring of contracts. Technical assistance and planning is provided to eighty-four (84) community programs and providers as well as ninety-three (93) Early Intervention voucher providers.

Financial Coordination is responsible for development, monitoring input, and balancing the agency's annual operation and biennium budget. This area is also responsible for developing and maintaining forecasting reports; coordinating resolution to fiscal questions and problems; ensuring expenditures are within budgeted amounts; processing budget amendments; requests for deferment and release of deferment to ensure the total budget is not exceeded; Financial Coordination also provides HDC/Administration support.

Personnel and Payroll provides coordination of the personnel and payroll functions for the division to include acquisition, retention, improvement of human resources and payroll posting and processing. Personnel and Payroll also provides technical assistance to the division in matters involving human resources.

Information Systems Support is responsible for coordination of information and data processing

resources. This unit ensures compliance with standards for data content, networking and information exchange by maintaining the DDS Information Systems Plan and providing technical assistance and tracking information supports.

Facilities Management assists the six (6) Human Development Centers' in planning capital and maintenance projects; serves as liaison with Arkansas Building Authority architects and engineers; assists with the development of operating and capital improvement budgets.

Procurement insures purchases are made in accordance with established rules and regulations. Procurement also provides problem resolution assistance to the six (6) Human Development Centers as necessary.

CHILDREN'S SERVICES

The Children's Services Section is responsible for intake, eligibility determination, individualized service plan development, referrals for services, and program and administrative oversight for six (6) programs: Part C Early Intervention; Title VI-B; Act 911; Child and Adolescent Special Services Program (CASSP); Integrated Support Services and Arkansas' Title V program for children with special health care needs. Thirty-four (34) DDS Specialists throughout the state coordinate service activities for approximately 8,000 person's age 0 through 22. DDS Specialists serves as the intake point for individuals with developmental disabilities and their families. The Service Specialists are responsible for processing requests for assistance, obtaining evaluation information, determining eligibility for services, providing case management, making referrals for appropriate services and providing support to families.

Children Services (CS) is Arkansas' Title V program for children with special health care needs. Children's Services serves approximately 16,000 by providing referral and resource information and payment of medical services for eligible children. Of those, over 2,000 are children with Medicaid coverage that have requested Children's Services as their case manager; over 600 are children with ARKids First B that have medical needs which may not be met by that program; and about 350 are children that may have private insurance, but no Medicaid coverage.

Part C Early Intervention assures through Public Law 99-457 the development and implementation of services for infants and toddlers age zero (0) to thirty-six (36) months with developmental delay or disabilities and their families. DDS serves as the lead agency in the Department of and Human Services for early intervention and assures access to appropriate services as chosen by the child's parents and interdisciplinary team.

Title VI-B is responsible for monitoring compliance with federal and contractual regulations and requirements relative to education and related services. This area provides consultations and technical assistance in DDS licensed community programs and Individualized Education Plan (IEP) completed by an interdisciplinary team serves that as the guide for services.

Child and Adolescent Special Services Program (CASSP) provide services to children under 18 with a dual diagnosis of mental retardation and serious emotional disturbance. Wrap-around services are offered that allow the child/adolescent to remain in the community without institutionalization.

Integrated Services provides services to DDS eligible individuals who have multi-agency and multiple-service needs. Individually identified wrap-around services are provided in the community and allow the individual to remain in the community without institutionalization.

WAIVER SERVICES

Waiver Services Section has primary responsibility for the Alternative Community Services (ACS) Home and Community Based Medicaid Waiver Service program/service delivery inclusive of ages zero to death. This program provides for diversion and deinstitutionalization for persons who request or need a change. Maximum Waiver capacity is currently 3,718 individuals. This section is composed of an Applications Unit, Program Unit, Technical Support Unit and Policy/Regulations Unit with all Units providing technical assistance and support to individuals, families, providers and other persons as requested or needed.

The Applications Unit is responsible for processing new and priority applications, maintaining a list of persons requesting services and releasing individuals from the wait list when vacant positions in the Waiver occur. Processing includes tracking and trending through the issuance of the initial plans of care.

The Program Unit implements and coordinates the activities specific to service delivery, inclusive of approval of all plans of care initially and annually thereafter or as needs may change and choice options. This is accomplished by thirty-five (35) DDS Specialists and 6 Area Managers located statewide. Services include training coordination, curriculum development, implementation or presentation.

The Technical Support Unit provides support in the implementation and ongoing provision of services through the processing of approved services with appropriate prior authorization numbers to permit reimbursement to community programs. Activities include development and distribution of management information reports and the development and implementation of information technology strategies.

The Policy/Regulations Unit is responsible for the development of waiver renewals and revisions; researching and answering waiver inquiries; revision of the ACS Provider Manual; maintenance of a comprehensive Waiver data base and tracking, trending, discovery and remediation of Centers for Medicaid and Medicare Services Quality Assurance framework compliance.

QUALITY ASSURANCE

The Quality Assurance section is inclusive of the following areas: Licensure and Certification; Policy Planning and Development; Adult Intake and Referral; Medicaid Income Eligibility; Foster Grandparent Program; and the Psychology Unit.

Licensure and Certification is responsible for the development of and insurance of compliance to the DDS Licensing and Certification Standards for Community Programs; annual monitoring of ninety-eight (98) licensed programs; certification of individual direct service providers, monitoring of Plans of Correction; investigating and coordinating with appropriate agencies on service complaints reported to the agency relative to community programs, independent providers, recipients of Medicaid Waiver Services, etc.; and recommending annual or provisional licenses/certification for community programs; tracking and trending and analysis of data related to service delivery.

Policy Planning and Development provides technical assistance in the development of DDS specific policies in accordance with legislation and processing of all division policy through the Administrative Procedures Act and coordination of federal grant activities.

Foster Grandparent program provides opportunities for low-income person's age sixty (60) and over to provide supportive person to person services in health, education, and welfare or related settings to help alleviate the physical, mental or emotional problems of children who have special or exceptional needs. This program has ninety-seven (97) volunteers that serve the state of Arkansas.

DDS Adult Services Intake and Referral is responsible for processing ALL initial inquiries for developmental disabilities services for adults. Six (6) DDS Intake Specialist throughout the state respond to inquires, request for services, process applications, gather and evaluate information, determines eligibility for developmental disabilities services; provide and/or facilitating services for eligible adults; make appropriate referral for services. Refer individuals determined eligible to other agencies/providers for other services. Refer individuals determined ineligible to appropriate agencies/providers. Provide technical assistance and support to individuals, families, guardian, legal representative, providers and other agencies.

Psychology is responsible for providing psychological assessments and consultation services to providers and clients, and provides determination for initial eligibility and re-determination for intermediate care facility (ICF) level of care.

ACS Medicaid Income Eligibility determines the ACS Home and Community Based Waiver income and resource eligibility for individuals receiving waiver services.

This unit also processes initial applications and determines eligibility for Human Development Center placement and respite.

CONWAY HUMAN DEVELOPMENT CENTER

Before Special Education services were available, Conway Human Development Center (CHDC) was opened September 1, 1959 as the result of Arkansans seeking learning opportunities for children with developmental disabilities. CHDC was the first of six (6) Human Development Centers in Arkansas. Our mission is to provide services and support to people with developmental disabilities by helping them maximize their capabilities and achieve the best possible quality of life. The comprehensive services include medical services, special education, domestic skill development, personal skill development, habilitation training, workshop opportunities, employment training, recreational opportunities and development. Medical services offered by CHDC include physicians, nursing, physical therapy, occupational therapy, speech therapy, dental and orthotics. Today, CHDC provides these comprehensive services to school age children with behavioral and medical needs and adults (including seniors) with significant health care needs. With the present capacity of five hundred thirty-nine (539), CHDC provides these services in a residential setting, including special residential settings for children with intense behavioral needs.

ALEXANDER HUMAN DEVELOPMENT CENTER

The Alexander Human Development Center opened in January of 1968. The facility serves a maximum of one hundred twenty-five (125) adult males with a dual diagnosis of developmental disabilities and mental illness. The living arrangements range from private and semi-private rooms in a dormitory setting of sixteen (16) to eighteen (18) people to houses of nine (9) individuals living in each house. The facility also has a special wing for those individuals with severe behavior and aggressive tendencies. Services offered at the facility are designed to focus on the individual needs of the men who reside there and include medical, psychological/psychiatric, vocational and recreational services. The facility has an agreement with the Arkansas Department of Parks and Tourism to package the State of Arkansas tourism informational packets, enabling every client at the facility to earn competitive wages to purchase items of their choosing.

ARKADELPHIA HUMAN DEVELOPMENT CENTER

The Arkadelphia Human Development Center opened in October of 1968 as the "Arkadelphia Children's Colony." The facility was designated to serve individuals with developmental disabilities ages six (6) and

up with all functioning levels, except those requiring extensive medical care. The facility currently serves an adult population and offers a primary emphasis on adult enrichment, vocational training and transitional placement for people who wish to live in community settings. The Center also serves as a "safety net" for people in the community who are experiencing challenges and need a temporary respite or step back to a structured setting. The facility's capacity is one hundred thirty-four (134) and residential options are: two (2) female and three (3) male residences that house adults with multiple disabilities; two (2) residences for adult males and one (1) for adult females who are diagnosed with mental illness/mental retardation and whose conduct has placed them or other in jeopardy in the community; and one (1) group home for older adult females. Since 2003 the Center has partnered with Rainbow of Challenges to help create community housing and job opportunities for all people with developmental disabilities.

JONESBORO HUMAN DEVELOPMENT CENTER

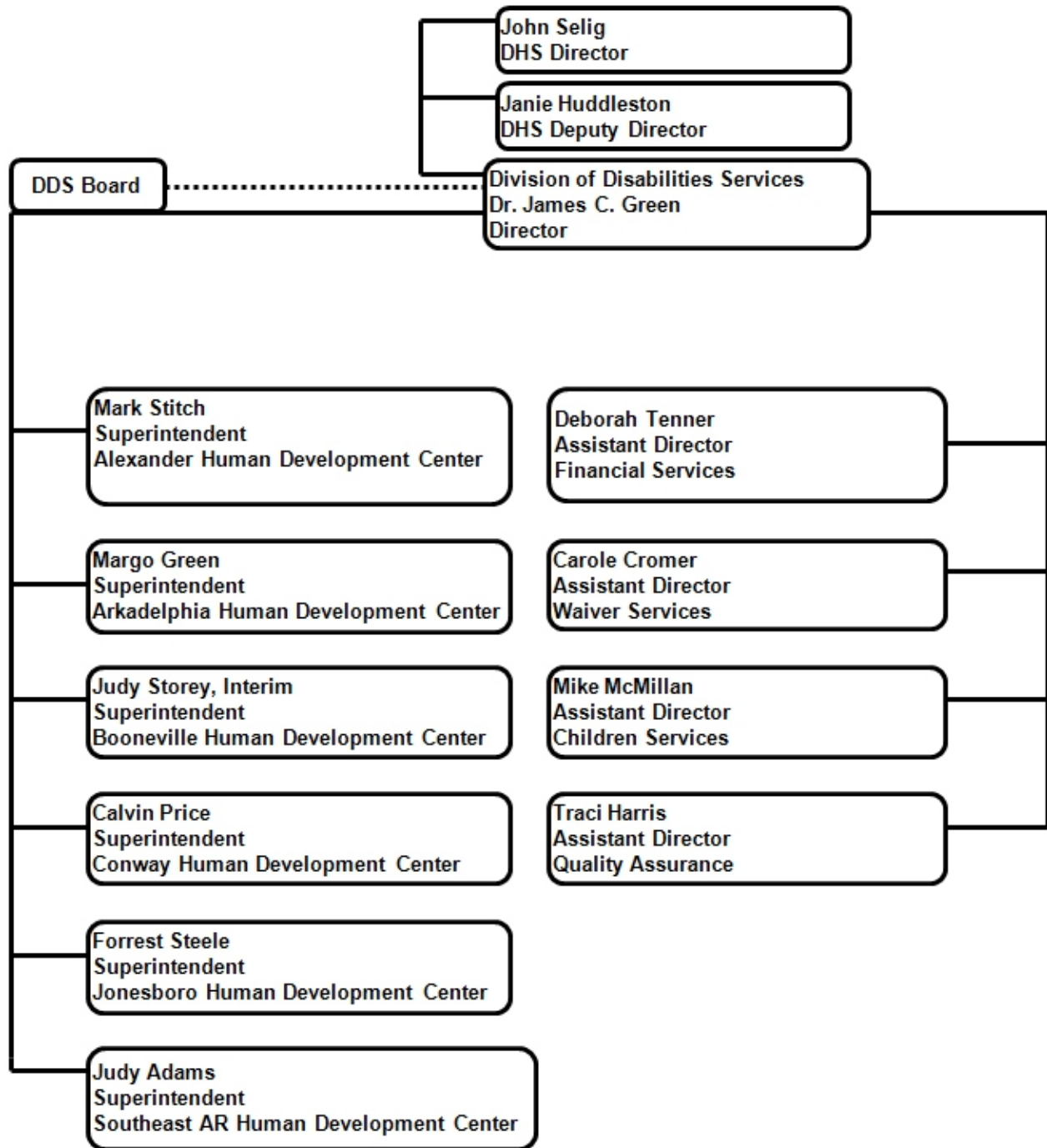
The Jonesboro Human Development Center opened in November of 1974 on property purchased by residents of Northeast Arkansas and donated to the state for purposes of constructing the facility. JHDC provides services to a maximum of one hundred twenty (120) adults who have developmental challenges. Living arrangements include nine (9) homes which range from 16-person houses with private, semi-private, and multi-bed bedrooms to a seven (7) person home offering private bedroom space. Services offered at the facility are designed to focus on the individual needs of the people who reside there and include medical, psychological/psychiatric, vocational and recreational services. The center operates and on-campus employment center which contracts with local industry to provide job opportunities for those living at the center. The focus of the JHDC is to (1.) assist people in gaining skills to help them transition to the most appropriate, least restrictive setting possible and (2.) assist people in maintaining skills as they enter the retirement years of their lives. The facility provides twenty-four (24) hour residential services in a manner to give those who live there respect, dignity, training, and support.

BOONEVILLE HUMAN DEVELOPMENT CENTER

The Booneville Human Development Center (BHDC) opened in July of 1973. BHDC provides services to a maximum of one hundred fifty-nine (159) adults with developmental disabilities, age nineteen 19 or older. This facility provides an array of training programs and living options for individuals. It serves people who are ambulatory and have no severe medical needs but, who may need intensive psychiatric, psychological and other behavioral services due to the presence of a mental illness. People live in the least restrictive setting for their needs, from semi-independent group houses to dormitories with extensive supervision. The center's pre-vocational program includes rug weaving, art projects, recycling and jobs in food service.

SOUTHEAST ARKANSAS HUMAN DEVELOPMENT CENTER

The Southeast Arkansas Human Development Center in Warren which opened in 1978, provides an array of services within a residential setting providing services for a maximum of eighty (80) people with developmental disabilities. The facility serves an adult population and focuses on training in areas of functional skills for daily living and vocational skills. Community based training is conducted on and off campus, utilizing all available resources in the surrounding area. There are two (2) specialized training components: 1) The educational/vocational training program, which specializes in identifying job skills in the people served by the facility and locates appropriate job placement; 2) Transitional group homes, state owned and operated, where men and women prepare for moving into the community.



Agency Commentary

The Division of Developmental Disabilities Services (DDS) is requesting a change level request for an existing program for funded appropriation in both years of the biennium.

Funded appropriation is requested to support the expansion of the DDS Home and Community Based (HCB) Medicaid Waiver program by adding 17 positions for the administration of the expansion of the program by 600 persons which is used to provide individuals residing in their communities and their families with a choice of services that are available in a less restrictive environment and at a lower cost

than that at the Human Development Center (HDC).

Funded appropriation is requested to provide for 42 direct care positions to be used to staff the proposed DDS Specialized Adolescent Treatment center for dually diagnosed youth and to accommodate shift differential costs at the Human Development Centers.

Funded appropriation is requested to provide for the increased costs associated with operating expenses; overtime due to nursing coverage needs; physician costs; continuing education needs for professional staff; client care; expansion of vocational training opportunities for residents at the HDC; professional services needs and the expansion of the Foster Grandparent Program.

Funded appropriation is requested to provide for the conversion/upgrade of the DDS Mainframe computer system which is used to maintain accurate client information and inventory. This request is included in the DDS IT Plan Section Projects in page (s) 12-14.

Funded appropriation is requested to be transferred to the Division of Behavioral Health Services to provide for the transfer of 3 positions, salary/match, operations and direct services for the Together We Can program, a federally funded program (SSBG) per agency agreement.

Funding only is requested to support the cost of living adjustments for those HCB service recipients receiving services in their communities and to accommodate an increase in transportation for staff providing care for those individuals in the communities.

Funding only is requested for increased Medicaid Match due to the requested expansion of the ACS Home and Community Based Medicaid Waiver program.

Unfunded appropriation is requested to provide for salary and match for the restoration of 178 positions that are critical to provide flexibility in the provision of quality and continuity of care, to increase staff coverage to meet staffing ratios, and to ensure the health and safety of both HDC residents and services recipients residing in the community.

Unfunded appropriation is requested to provide for the addition of 4 positions to provide psychological services at the HDCs to accommodate the increasing number of residents admitted with a dual diagnosis of a developmental disability and a mental illness.

Unfunded appropriation is requested to permit the use of funds to replace necessary equipment and to allow the division to expend funds received from the sale of timber and mineral rights.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR THE YEAR ENDED JUNE 30, 2006

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------------------|--------|-------|-------|
| White Employees | 366 | 1080 | 1446 | 61 % |
| Black Employees | 205 | 685 | 890 | 38 % |
| Other Racial Minorities | 8 | 29 | 37 | 1 % |
| | Total Minorities | | 927 | 39 % |
| | Total Employees | | 2,373 | 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 |
| 147 Special Olympics | 179,666 | 0 | 179,666 | 0 | 179,666 | 0 | 179,666 | 0 | 179,666 | 0 | 179,666 | 0 | 179,666 | 0 | 179,666 | 0 | 179,666 | 0 |
| 397 Children's Medical Services | 1,689,054 | 0 | 1,729,279 | 0 | 1,729,279 | 0 | 1,729,279 | 0 | 1,729,279 | 0 | 1,729,279 | 0 | 1,729,279 | 0 | 1,729,279 | 0 | 1,729,279 | 0 |
| 408 Children's Medical Services-Federal | 570,540 | 0 | 1,377,338 | 0 | 1,377,338 | 0 | 1,377,338 | 0 | 1,377,338 | 0 | 1,377,338 | 0 | 1,377,338 | 0 | 1,377,338 | 0 | 1,377,338 | 0 |
| 653 DDS-State Operations | 4,266,143 | 0 | 7,402,223 | 0 | 7,933,023 | 0 | 7,402,223 | 0 | 7,109,431 | 0 | 7,109,431 | 0 | 7,402,223 | 0 | 7,109,431 | 0 | 7,109,431 | 0 |
| 657 Community Programs | 8,650 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 |
| 658 Grants to Community Providers | 15,660,490 | 0 | 15,909,753 | 0 | 15,909,753 | 0 | 15,909,753 | 0 | 15,909,753 | 0 | 15,909,753 | 0 | 15,909,753 | 0 | 15,909,753 | 0 | 15,909,753 | 0 |
| 896 Division of Developmental Disabilities Srvs | 114,337,423 | 2,550 | 121,512,272 | 2,420 | 126,659,760 | 2,598 | 128,370,289 | 2,509 | 146,062,725 | 2,747 | 145,070,982 | 2,726 | 130,297,188 | 2,509 | 148,334,170 | 2,747 | 147,321,971 | 2,726 |
| 982 Inter-Divisional Programs | 115,124 | 0 | 109,190 | 0 | 441,469 | 0 | 109,190 | 0 | 109,190 | 0 | 109,190 | 0 | 109,190 | 0 | 109,190 | 0 | 109,190 | 0 |
| Total | 136,827,090 | 2,550 | 148,269,721 | 2,420 | 154,280,288 | 2,598 | 155,127,738 | 2,509 | 172,527,382 | 2,747 | 171,535,639 | 2,726 | 157,054,637 | 2,509 | 174,798,827 | 2,747 | 173,786,628 | 2,726 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | |
|--------------------------------|---------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| General Revenue | 4000010 | 59,741,236 | 43.7 | 61,096,461 | 41.2 | 62,873,344 | 40.5 | 66,934,453 | 41.2 | 63,319,226 | 39.4 | 63,372,596 | 40.4 | 70,037,195 | 42.5 | 63,819,917 | 39.2 |
| Federal Revenue | 4000020 | 11,017,751 | 8.1 | 18,627,496 | 12.6 | 19,187,113 | 12.4 | 18,677,621 | 11.5 | 18,677,621 | 11.6 | 19,344,349 | 12.3 | 18,831,856 | 11.4 | 18,831,856 | 11.6 |
| Special Revenue | 4000030 | 8,650 | 0.0 | 50,000 | 0.0 | 50,000 | 0.0 | 50,000 | 0.0 | 50,000 | 0.0 | 50,000 | 0.0 | 50,000 | 0.0 | 50,000 | 0.0 |
| Transfer to Medicaid Match | 4000660 | (10,756,183) | (7.9) | (11,617,735) | (7.8) | (11,617,735) | (7.5) | (13,381,880) | (8.2) | (11,617,735) | (7.2) | (11,617,735) | (7.4) | (15,894,179) | (9.7) | (11,617,735) | (7.1) |
| Various Program Support | 4000730 | 76,815,636 | 56.1 | 80,113,499 | 54.0 | 84,635,016 | 54.6 | 90,165,229 | 55.5 | 90,165,229 | 56.1 | 85,905,427 | 54.7 | 91,680,292 | 55.7 | 91,680,292 | 56.3 |
| Total Funds | | 136,827,090 | 100.0 | 148,269,721 | 100.0 | 155,127,738 | 100.0 | 162,445,423 | 100.0 | 160,594,341 | 100.0 | 157,054,637 | 100.0 | 164,705,164 | 100.0 | 162,764,330 | 100.0 |
| Excess Appropriation/(Funding) | | 0 | | 0 | | 0 | | 10,081,959 | | 10,941,298 | | 0 | | 10,093,663 | | 11,022,298 | |
| Grand Total | | 136,827,090 | | 148,269,721 | | 155,127,738 | | 172,527,382 | | 171,535,639 | | 157,054,637 | | 174,798,827 | | 173,786,628 | |

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 | |
| 2,591 | 2401 | 0 | 2401 | 190 | 7.33 % | 2,595 | 2364 | 46 | 2410 | 185 | 8.90 % | 2,599 | 2373 | 47 | 2420 | 179 | 8.70 % |

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 1279 of 2007 section 18(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-214(5)(A)).

Analysis of Budget Request

Appropriation: 147 - Special Olympics

Funding Sources: DEA - Developmental Disabilities Services Fund

This appropriation is for a grant to the Arkansas Special Olympics, Inc. This program provides sports training and competitive opportunities throughout the year for athletes who are developmentally challenged.

Funding for this appropriation is 100% general revenue (DEA-Developmental Disabilities Services Fund Account).

The Agency Request for this appropriation is Base Level.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 147 - Special Olympics
Funding Sources: DEA - Developmental Disabilities Services 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 | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 |
| Total | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 179,666 | 179,666 | | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 |
| Total Funding | 179,666 | 179,666 | | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 179,666 | 179,666 | | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 | 179,666 |

Analysis of Budget Request

Appropriation: 397 - Children's Medical Services

Funding Sources: DGF - DHS Grants Fund

The State Children's Medical Services (CMS) program provides services to children with special health care needs. CMS assists in the provision of services through service teams, satellite offices and parent support groups. In addition to the children with special health care needs, CMS also assists children with special needs on the Tax Equity and Fiscal Responsibility Act (TEFRA) program. TEFRA considers just the child and the child's income for eligibility and is broader in scope than Medicaid. A medical condition must be present to be eligible.

CMS programs are community based with staff at the local level making decisions on behalf of the families receiving services. CMS staff assist families by coordinating care in areas such as assessments, arranging medical appointments, determining additional needed services, payment authorization, coordinating parent support groups, arranging respite care and transportation, and coordinating the TEFRA program.

Funding for this appropriation is 100% general revenue (DGF - Department of Human Services Grants Fund Account).

The Agency Request for this appropriation is Base Level.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 397 - Children's Medical Services

Funding Sources: DGF - DHS Grants 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 | 1,689,054 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 |
| Total | | 1,689,054 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 1,689,054 | 1,729,279 | | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 |
| Total Funding | | 1,689,054 | 1,729,279 | | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 1,689,054 | 1,729,279 | | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 | 1,729,279 |

Analysis of Budget Request

Appropriation: 408 - Children's Medical Services-Federal

Funding Sources: FWF - DHS Federal

The Federal Children's Medical Services (CMS) appropriation is a companion to the State Children's Medical Services appropriation 397 and provides for community based services for children with special health care needs, including chronic illnesses and physical disabilities. Examples of services include therapies, medications, transportation, medical treatments and equipment. The community based offices allow for more rapid responses to the needs of the children and their families. This appropriation supports the programs and services detailed in the State CMS program appropriation.

Funding for this appropriation includes 100% federal revenue consisting of Title V funding.

The Agency Request for this appropriation is Base Level.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 408 - Children's Medical Services-Federal

Funding Sources: FWF - DHS 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 |
| Grants and Aid | 5100004 | 570,540 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 |
| Total | | 570,540 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 570,540 | 1,377,338 | | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 |
| Total Funding | | 570,540 | 1,377,338 | | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 570,540 | 1,377,338 | | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 | 1,377,338 |

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

Agency: Human Services Department-DEVELOPMENTAL DISABILITIES SERVICES

Program: Children's Medical Services-Federal

Act #: 1233 of 2007 Section(s) #: 10 & 14

Estimated Carry Forward Amount \$ 696,886.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0710 Funds Center: 408 Fund: FWF Functional Area: HHS

| Line Item | Commitment Item | Estimated Carry Forward Amount | Actual Carry Forward Amount |
|----------------|-----------------|--------------------------------|-----------------------------|
| Grants and Aid | 5100004 | 696,886.00 | 806,798.47 |
| Total | | \$ 696,886.00 | \$ 806,798.47 |

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 availability of sufficient appropriation to meet programmatic needs in the next fiscal year.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

Carry forward appropriation is blocked. Funding for this program is such that carry forward appropriation is not needed

John Selig
Director

08-08-2008
Date

Analysis of Budget Request

Appropriation: 657 - Community Programs

Funding Sources: SDT - DDS Dog Track Special Revenue Fund

The Community Programs appropriation is utilized to provide services for eligible individuals through licensed community providers. Pursuant to Arkansas Code Annotated §23-111-503, this appropriation is funded by fees generated from proceeds of the Southland Greyhound Park. Generally, this appropriation is used to supplement contracts with community providers for a wide range of services provided to individuals with developmental disabilities.

Funding for this appropriation includes 100% special revenue consisting of two-thirds (2/3) of the net proceeds derived from the three (3) additional days of racing authorized by the Arkansas Racing Commission for any dog racing meet, and is to be used for the sole benefit for community programs of the Division of Developmental Disabilities Services.

The Agency Request for this appropriation is Base Level.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 657 - Community Programs
Funding Sources: SDT - DDS Dog Track Special Revenue 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 |
| Community Programs 5900046 | 8,650 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Total | 8,650 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Funding Sources | | | | | | | | | |
| Special Revenue 4000030 | 8,650 | 50,000 | | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Total Funding | 8,650 | 50,000 | | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 8,650 | 50,000 | | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |

Analysis of Budget Request

Appropriation: 658 - Grants to Community Providers

Funding Sources: DEA - Developmental Disabilities Services Fund Account

The Grants to Community Providers appropriation provides for community based services through private non-profit service providers throughout the state for individuals who do not meet Medicaid eligibility criteria for services such as speech, occupational and physical therapy, adult development and preschool services. In addition to grants to community providers for contracted services, this appropriation provides Medicaid Match paid by warrant for Developmental Day Treatment Clinic Services (5 day week clinics that provide work training for adults and preschool training for children), Therapy, Personal Care and Case Management.

Funding for this appropriation is 100% general revenue (DEA - Developmental Disabilities Services Fund Account).

The Agency Request for this appropriation is Base Level.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 658 - Grants to Community Providers
Funding Sources: DEA - Developmental Disabilities Services Fund Account

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 | 15,660,490 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 |
| Total | | 15,660,490 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 15,660,490 | 15,909,753 | | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 |
| Total Funding | | 15,660,490 | 15,909,753 | | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 15,660,490 | 15,909,753 | | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 | 15,909,753 |

Analysis of Budget Request

Appropriation: 896 - DHS—Admin Paying Account

Funding Sources: PWP - Administration Paying

This appropriation provides administrative support for the Division of Developmental Disabilities (DDS). This Division administers state programs and services for people with developmental disabilities. Arkansas Statutes define a developmental disability as impairment generally attributable to mental retardation, cerebral palsy, epilepsy or autism. Services through DDS are available for persons diagnosed as having a disability occurring prior to age 22.

In addition to the coordination of community programs and services for individuals with mental retardation and/or developmental disabilities, DDS is responsible for the management and operation of six (6) state-owned and controlled Human Development Centers (HDCs). These institutional facilities provide 24-hour residential services, habilitation, medical services, therapies and education at the following:

Conway HDC: Provides comprehensive services including a skilled nursing facility for children and adults. Primary emphasis is on medical services, special education, domestic and personal skill development, habilitation training, workshop opportunities, employment training, recreation opportunities and development.

Alexander HDC: Provides comprehensive services for adult males that do not have severe medical needs. Primary emphasis is individuals with a dual diagnosis of developmental disabilities and mental illness.

Arkadelphia HDC: Provides comprehensive services for adults of all functioning levels except for those with severe medical needs. Primary emphasis is on adult enrichment, vocational training and transitional placement.

Jonesboro HDC: Provides comprehensive services for adults of all functioning levels except those with severe medical needs. Primary emphasis is on serving individuals with a primary diagnosis of mental retardation.

Booneville HDC: Provides varied services for adults who are ambulatory with no severe medical needs. Primary emphasis is training programs and living options for those with that do not require extensive medical care, but may need behavioral services due to mental illness.

Southeast Arkansas (Warren) HDC: Provides both institutional and group home services for adults. Primary emphasis includes functional training for daily living skills and vocational training.

Funding for this appropriation consists of general revenue (DEA - Developmental Disabilities Services Fund Account), federal revenue and other funding. Federal revenue primarily includes Title XIX, Title V, Targeted Case Management, Early Intervention, Foster Grandparent funding and Social Service Block Grant funding. Other funding, which is indicated as various program support, includes client fees and Special Education Fund.

Base level positions were changed from unclassified to Professional and Executive Pay Plan to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. 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 may include board member Stipend payments and 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 Pay Plan Study also moved 89 extra help positions to full time positions

Base Level:

896 DHS - Administrative Paying Account

The Agency Base Level request for the Administration appropriation is \$128,370,289 in FY2010 and \$130,297,188 in FY2011 with 2,509 budgeted positions each year of the biennium.

653 DHS - State Operations

The Agency Base Level request for the Grants and Aid line item is \$7,164,843 each year of the biennium.

The Agency Base Level request for the Foster Grandparents Stipends line item is \$169,851 each year of the biennium.

The Agency Base Level request for the Children and Adolescent Services line item is \$67,529 each year of the biennium.

Change Level:

896 DHS - Administrative Paying Account

The Agency Change Level request for the Administration appropriation is \$17,692,436 in FY2010 and \$18,036,982 in FY2011 with additional requested general revenue of \$4,061,109 in FY2010 and \$6,664,599 in FY2011.

The Agency line item request consists of the following:

- The requested increase of \$5,735,117 in FY2010 and \$5,868,379 in FY2011 in the Regular Salaries line item with the associated Personal Services Matching of \$2,390,981 in FY2010 and \$2,417,817 in FY2011 which will be used to support 63 new positions and 178 restored unfunded positions along with transferring 3 positions to the Division of Behavioral Health Services. The 63 new positions are requested for 17 positions to support the proposed expansion of the ACS H&CBS Medicaid waiver, 42 to support the administration and service delivery of the DDS Specialized Treatment Unity in the System of Care program, and 4 unfunded psychologists. The general revenue request for the 59 positions is \$516,510 in FY2010 and \$528,949 in FY2011 for Regular Salaries and \$201,393 in FY2010 and \$203,952 in FY2011 in the Personal Services Matching.
- Appropriation requested for the Overtime line item is \$337,994 in FY2010 and \$342,754 in FY2011 of which \$91,833 in FY2010 and \$93,332 in FY2011 is requested in general revenue funding to be used to pay for nursing coverage at the Human Development Centers.
- Appropriation requested for the Extra Salaries is \$18,000 each fiscal year of which \$4,891 in FY2010 and \$4,901 in FY2011 is requested in general revenue funding to cover expenses associated with maintaining certification for practicing physicians.

- Appropriation requested for the Operating Expenses line item is \$4,372,444, in FY2010 and \$4,246,855 in FY2011 of which \$1,190,576 in FY2010 and \$1,150,043 in FY2011 is requested in general revenue funding and will be used for increases in rent, utilities, fuel, medical supplies, postage, the expansion of the ACS Home and Community Based Medicaid Waiver, and operation of the DDS Specialized Adolescent Treatment Unit as part of the DHS System of Care. Transfer of federal funds and appropriation to the Division on Behavioral Health is requested (\$19,500) each year for the Together We Can program.
- Appropriation requested for the Conference & Travel Expenses line item is \$30,615 each year of the biennium of which \$12,296 in FY2010 and \$12,843 in FY2011 is requested in general revenue to accommodate the increased costs to education requirements of professional staff and required travel.
- Appropriation requested for the Professional Fees line item is \$90,000 each year of the biennium of which \$24,453 in FY2010 and \$24,507 in FY2011 is requested in general revenue to provide for client services.
- Appropriation requested for the Capital Outlay line item is \$3,843,324 in FY2010 and \$3,732,771 in FY2011 in unfunded appropriation to be used to replace equipment with any funds received from the sale of timber and mineral rights.
- Appropriation requested for the Vocational Trainees line item is \$73,632 in FY2010 and \$84,632 in FY2011 of which \$20,006 in FY2010 and \$23,045 in FY2011 is requested in general revenue funding to accommodate the growth at Human Development Centers, also, allowing them to explore the formation of new partnerships with businesses.
- Appropriation requested for the Purchase of Services line item is \$800,329 in FY2010 and \$1,203,159 in FY 2011 of which \$217,449 in FY2010 and \$327,621 in FY2011 is requested in general revenue funding to be used to support contracts and the conversion and upgrade of the Departments mainframe computer system.

653 DHS - State Operations

The Agency Change Level request for the Grants and Aid line item is a transfer of \$412,792 each year of the biennium to transfer the Together We Can program in the Division of Behavioral Health.

The Agency Change Level request for the Foster Grandparents Stipends line item is \$120,000 year of the biennium to support the Foster Grandparent program which is federally funded.

The Agency Change Level request for the Children and Adolescent Services line item is Base Level.

Executive Recommendation:

896 DHS - Administrative Paying Account

The Executive Recommendation provides for Base Level and the following:

- The establishment of 42 new positions to support the administration and service delivery of the DDS Specialized Treatment Unity in the System of Care program. New general revenue funding of \$251,358 in FY2010 and \$257,705 in FY2011 for Regular Salaries and \$106,787 in FY2010 and \$108,142 in FY2011 for Personal Services Matching.

- The restoration of 178 unfunded positions and matching.
- Transfer of 3 positions and associated matching to be transferred to the Division of Behavioral Health Services.
- Agency request for appropriation in the Overtime, Extra Salaries, Operating Expenses, Conference & Travel Expenses, Professional Fees, Capital Outlay, Vocational Trainees, and Purchase of Services line items.
- New general revenue is recommended for the Operating Expenses line item of \$74,063 in FY2010 and \$36,554 in FY2011 and in the Purchase of Services line item of \$13,674 in FY2010 and \$44,930 in FY2011 to support the DDS Specialized Treatment Unity in the System of Care program.
- Medicaid Match remains at Base Level.
- Transfer of \$19,500 in federally funded appropriation to the Division of Behavioral Health Services for the Together We Can Program.

653 DHS - State Operations

The Executive Recommendation for the Grants and Aid line item provides for the Agency Request.

The Executive Recommendation the Foster Grandparents Stipends line item provides for the Agency Request.

The Executive Recommendation for the Children and Adolescent Services line item provides for the Agency Request.

In summary, the Executive Recommendation for new general revenue above the Base Level is \$445,882 in FY2010 and \$447,321 in FY2011 and consists of the following:

- \$251,358 in FY2010 and \$257,705 in FY2011 in Regular Salaries to support 42 new positions which will be used to support the DDS Specialized Treatment Unity in the System of Care program and \$106,787 in FY2010 and \$108,142 in FY2011 in Personal Services Matching associated with the increase in Regular Salaries.
- \$74,063 in FY2010 and \$36,544 in FY2011 in Operating Expenses to support the DDS Specialized Treatment Unity in the System of Care program.
- \$13,674 in FY2010 and \$44,930 in FY2011 in Purchase of Services to support the DDS Specialized Treatment Unity in the System of Care program.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account
Funding Sources: PWP - Administration Paying

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 Base Level | 2009-2010 Agency | 2009-2010 Executive | 2010-2011 Base Level | 2010-2011 Agency | 2010-2011 Executive |
| Regular Salaries 5010000 | 64,590,348 | 67,060,229 | 69,905,368 | 73,900,852 | 79,635,969 | 78,895,549 | 75,514,431 | 81,382,810 | 80,625,371 |
| #Positions | 2,550 | 2,420 | 2,598 | 2,509 | 2,747 | 2,726 | 2,509 | 2,747 | 2,726 |
| Extra Help 5010001 | 4,521,966 | 4,178,972 | 4,178,972 | 1,089,645 | 1,089,645 | 1,089,645 | 1,089,645 | 1,089,645 | 1,089,645 |
| #Extra Help | 275 | 289 | 289 | 200 | 200 | 200 | 200 | 200 | 200 |
| Personal Services Matching 5010003 | 24,403,287 | 23,493,566 | 25,665,639 | 27,255,987 | 29,646,968 | 29,395,645 | 27,569,307 | 29,987,124 | 29,732,364 |
| Overtime 5010006 | 263,956 | 511,308 | 511,308 | 511,308 | 849,302 | 849,302 | 511,308 | 854,062 | 854,062 |
| Extra Salaries 5010008 | 0 | 9,000 | 9,000 | 9,000 | 27,000 | 27,000 | 9,000 | 27,000 | 27,000 |
| Operating Expenses 5020002 | 14,432,090 | 17,157,689 | 17,157,689 | 17,157,689 | 21,530,133 | 21,530,133 | 17,157,689 | 21,404,544 | 21,404,544 |
| Conference & Travel Expenses 5050009 | 56,127 | 80,000 | 80,000 | 80,000 | 110,615 | 110,615 | 80,000 | 112,615 | 112,615 |
| Professional Fees 5060010 | 273,561 | 298,698 | 298,698 | 298,698 | 388,698 | 388,698 | 298,698 | 388,698 | 388,698 |
| Data Processing 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grants/Patient Services 5100004 | 3,983,875 | 7,164,843 | 7,695,643 | 7,164,843 | 6,752,051 | 6,752,051 | 7,164,843 | 6,752,051 | 6,752,051 |
| Capital Outlay 5120011 | 546,525 | 655,700 | 655,700 | 0 | 3,843,324 | 3,843,324 | 0 | 3,732,771 | 3,732,771 |
| Foster Grandparent Stipends 5900038 | 234,992 | 169,851 | 169,851 | 169,851 | 289,851 | 289,851 | 169,851 | 289,851 | 289,851 |
| Data Processing Services 5900044 | 297,121 | 719,883 | 850,159 | 719,883 | 719,883 | 719,883 | 719,883 | 719,883 | 719,883 |
| Vocational Trainees 5900046 | 203,241 | 209,368 | 209,368 | 209,368 | 283,000 | 283,000 | 209,368 | 294,000 | 294,000 |
| Purchase of Services 5900047 | 4,749,201 | 7,137,859 | 7,137,859 | 7,137,859 | 7,938,188 | 7,938,188 | 7,137,859 | 8,341,018 | 8,341,018 |
| DDS-State Operations 5900047 | 47,276 | 67,529 | 67,529 | 67,529 | 67,529 | 67,529 | 67,529 | 67,529 | 67,529 |
| Total | 118,603,566 | 128,914,495 | 134,592,783 | 135,772,512 | 153,172,156 | 152,180,413 | 137,699,411 | 155,443,601 | 154,431,402 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 42,096,902 | 43,168,573 | | 44,945,456 | 49,006,565 | 45,391,338 | 45,444,708 | 52,109,307 | 45,892,029 |
| Federal Revenue 4000020 | 10,447,211 | 17,250,158 | | 17,809,775 | 17,300,283 | 17,300,283 | 17,967,011 | 17,454,518 | 17,454,518 |
| Transfer to Medicaid Match 4000660 | (10,756,183) | (11,617,735) | | (11,617,735) | (13,381,880) | (11,617,735) | (11,617,735) | (15,894,179) | (11,617,735) |
| Various Program Support 4000730 | 76,815,636 | 80,113,499 | | 84,635,016 | 90,165,229 | 90,165,229 | 85,905,427 | 91,680,292 | 91,680,292 |
| Total Funding | 118,603,566 | 128,914,495 | | 135,772,512 | 143,090,197 | 141,239,115 | 137,699,411 | 145,349,938 | 143,409,104 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 10,081,959 | 10,941,298 | 0 | 10,093,663 | 11,022,298 |
| Grand Total | 118,603,566 | 128,914,495 | | 135,772,512 | 153,172,156 | 152,180,413 | 137,699,411 | 155,443,601 | 154,431,402 |

Actual Extra Help exceeds Authorized Appropriation by authority of Reallocation of Resources. The Base Level reflects 89 extra help positions moved to full time positions by the Pay Plan Study.

Change Level by Appropriation

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| BL | Base Level | 128,370,289 | 2,509 | 128,370,289 | 100.0 | 130,297,188 | 2,509 | 130,297,188 | 100.0 |
| C01 | Existing Program | 7,099,003 | 59 | 135,469,292 | 105.5 | 7,434,846 | 59 | 137,732,034 | 105.7 |
| C05 | Unfunded Appropriation | 10,081,959 | 182 | 145,551,251 | 113.4 | 10,093,663 | 182 | 147,825,697 | 113.5 |
| C07 | Agency Transfer | (238,526) | (3) | 145,312,725 | 113.2 | (241,527) | (3) | 147,584,170 | 113.3 |
| C08 | Technology | 750,000 | 0 | 146,062,725 | 113.8 | 750,000 | 0 | 148,334,170 | 113.8 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| BL | Base Level | 128,370,000 | 2,509 | 128,370,000 | 100.0 | 130,296,765 | 2,509 | 130,296,765 | 100.0 |
| C01 | Existing Program | 6,379,493 | 42 | 134,749,493 | 105.0 | 6,700,795 | 42 | 136,997,560 | 105.1 |
| C05 | Unfunded Appropriation | 9,810,015 | 178 | 144,559,508 | 112.6 | 9,815,938 | 178 | 146,813,498 | 112.7 |
| C07 | Agency Transfer | (238,526) | (3) | 144,320,982 | 112.4 | (241,527) | (3) | 146,571,971 | 112.5 |
| C08 | Technology | 750,000 | 0 | 145,070,982 | 113.0 | 750,000 | 0 | 147,321,971 | 113.1 |

Justification

| | |
|-----|--|
| C01 | DDS requests funded appropriation to support the addition of 59 new positions. 17 to support the expansion of the ACS H&CBS Medicaid waiver to increase service delivery for 600 additional individuals in their community and homes; and 42 new positions to support the administration and service delivery of the DDS Specialized Adolescent Treatment Unit for dually diagnosed adolescents including those who display sexually inappropriate behavior. Salary and personal services match is requested to support the new positions. DDS requests funded appropriation to provide for operating expenses for the expansion of the ACS H&CBS Medicaid Waiver program; the operation of the DDS Specialized Adolescent Treatment Unit and to meet the increasing costs of rent, utilities, fuel, medical supplies/services/postage; equipment, furniture. DDS requests funded appropriation to provide for overtime for nursing coverage at the Human Development Centers (HDC). DDS requests funded appropriation to provide for shift differential to address the turnover rate on the evening, midnight and weekend shifts at the HDC's and the associated match. DDS requests additional funded extra salaries appropriation that will allow DDS to cover the expenses associated with maintaining current certification for practicing physicians. DDS requests additional funded appropriation in conference and travel to be used to accommodate the increased costs of continuing education requirements of professional staff and the required travel to comply with federal guidelines. DDS requests funded appropriation to provide for professional fees that are used for client services which are not otherwise covered such as dental care. DDS requests additional funded vocational trainee appropriation to accommodate the growth and expansion of partnerships that result in training and job opportunities for HDC residents. DDS requests additional funded purchase of services appropriation to provide for increased costs in professional services contracts that are needed to provide for services such as psychiatric consultant and various therapies for HDC residents. |
| C05 | DDS requests unfunded appropriation to restore 178 positions that are critical to provide flexibility in the provision of quality of continuity of care, increase staff coverage to meet staffing ratio's and to ensure health and safety to both the HDC residents and service recipients residing in the community. DDS requests unfunded appropriation to provide for 4 new psychologists positions at the HDC's to provide psychological services for the residents and associated salary and match. DDS requests unfunded capital outlay appropriation to permit the use of funds to replace necessary equipment at the HDC's. |
| C07 | DDS requests the transfer of funded appropriation to support the transfer of 3 positions and associated salary and match to accomplish the transfer of the Together We Can program to the Division of Behavioral Health Services. The Department of Human Services (DHS) has accepted a proposal to merge two collaborative wraparound projects, TWC and Child and Adolescent Service System Program (CASSP). Both projects are based on the same principles and approach for individualized wraparound planning for children and youth that is child-centered and family-driven. This merger will streamline services to these clients in the community. |
| C08 | DDS requests funded appropriation to provide for the conversion of the DDS Mainframe system. This system supports the DDS client database and the DDS storeroom inventory. This request is included in the DDS ITP Section Projects in page(s) 12-14. |

Change Level by Appropriation

Appropriation: 653 - DDS-State Operations

Funding Sources: PWP - Administrative Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 7,402,223 | 0 | 7,402,223 | 100.0 | 7,402,223 | 0 | 7,402,223 | 100.0 |
| C01 | Existing Program | 120,000 | 0 | 7,522,223 | 101.6 | 120,000 | 0 | 7,522,223 | 101.6 |
| C07 | Agency Transfer | (412,792) | 0 | 7,109,431 | 96.0 | (412,792) | 0 | 7,109,431 | 96.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 7,402,223 | 0 | 7,402,223 | 100.0 | 7,402,223 | 0 | 7,402,223 | 100.0 |
| C01 | Existing Program | 120,000 | 0 | 7,522,223 | 101.6 | 120,000 | 0 | 7,522,223 | 101.6 |
| C07 | Agency Transfer | (412,792) | 0 | 7,109,431 | 96.0 | (412,792) | 0 | 7,109,431 | 96.0 |

Justification

| | |
|-----|---|
| C01 | DDS requests appropriation to support the increase in the Foster Grandparent program stipends in accordance with the grant award guidelines. The Foster Grandparent program is a federally funded program. |
| C07 | Transfer the direct services component of the Together We Can Program (TWC) to the Division of Behavioral Health. The Department of Human Services (DHS) has accepted a proposal to merge two collaborative wraparound projects, TWC and Child and Adolescent Service System Program (CASSP). Both projects are based on the same principles and approach for individualized wraparound planning for children and youth that is child-centered and family-driven. This merger will streamline services to these clients in the community. |

Analysis of Budget Request

Appropriation: 982 - Inter-Divisional Programs

Funding Sources: DEA - Developmental Disabilities Services Fund Account

The DHS Inter-Divisional Program appropriation provides integrated services and programs for individuals with complex needs requiring the combined efforts of multiple DHS Divisions. The programs/services are for individualized "wrap around" services (e.g. respite care, in-home assistance, out of home support, etc.) to supplement and enhance available program options. These individualized services are alternatives to out-of-state placements and in-state residential options that allow the individual to remain in the community without institutionalism. The Division of Developmental Disabilities (DDS) staff coordinate the provision of services to ensure that those individuals with special needs that cross divisional lines receive needed services.

Funding for this appropriation is 100% general revenue (DEA - Developmental Disabilities Services Fund Account).

The Agency Request for this appropriation is Base Level.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 982 - Inter-Divisional Programs
Funding Sources: DEA - Developmental Disabilities Services Fund Account

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 | 115,124 | 109,190 | 441,469 | 109,190 | 109,190 | 109,190 | 109,190 | 109,190 | 109,190 |
| Total | 115,124 | 109,190 | 441,469 | 109,190 | 109,190 | 109,190 | 109,190 | 109,190 | 109,190 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 115,124 | 109,190 | | 109,190 | 109,190 | 109,190 | 109,190 | 109,190 | 109,190 |
| Total Funding | 115,124 | 109,190 | | 109,190 | 109,190 | 109,190 | 109,190 | 109,190 | 109,190 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 115,124 | 109,190 | | 109,190 | 109,190 | 109,190 | 109,190 | 109,190 | 109,190 |

DHS - SERVICES FOR THE BLIND

Enabling Laws

Act 1225 of 2007
A.C.A. §25-10-201 et seq.

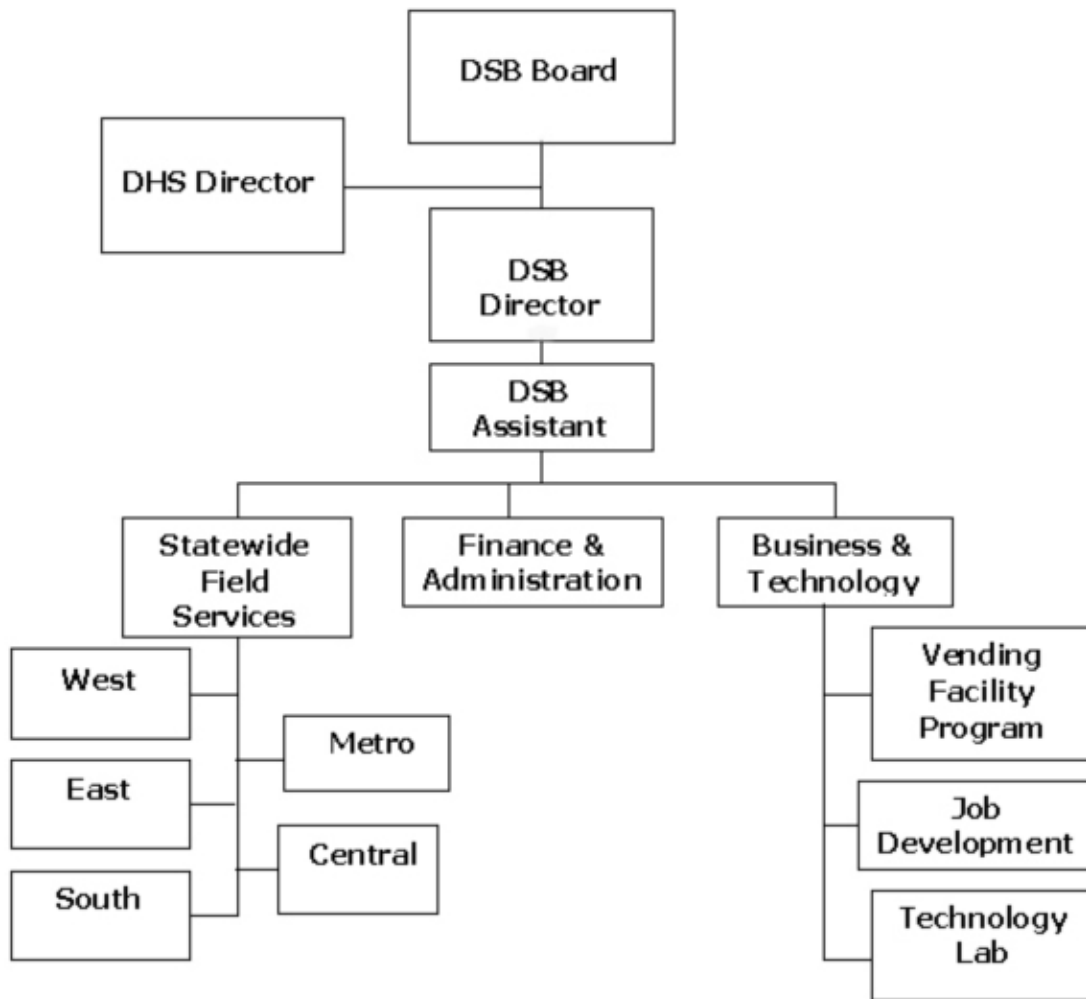
History and Organization

During the 1940s and early 1950s, blind Arkansans received rudimentary services from generically trained "home teachers" employed by the Arkansas Department of Public Welfare. Services consisted of non-specialized instruction in independent living skills and monthly stipends paid from Aid to Aged, Blind and Disabled funding. Little effort was made in vocational skills development or job placement other than the operation of vending stands in predominantly federal locations.

In 1955, the emphasis shifted from welfare to rehabilitation, and the state responsibility for services to blind persons was transferred to the Department of Education, Division of Arkansas Rehabilitation Services. However, blind persons were still provided generic services within the general population of disabled consumers. Later, the Arkansas General Assembly recognized the value of specialized services to blind persons, and passed Arkansas Act 180 of 1965 creating the division of Rehabilitation Services for the Blind within the State Board of Vocational Education. Over the next two decades, the general assembly would pass laws to combine and separate services to blind persons within various state departments several times until passing Act 481 of 1983.

Act 481 established the Division of State Services for the Blind (DSB) within the Department of Human Services, and vested responsibility for DSB within a policy-making board. Five of the seven members represent statewide consumer, civic and professional organizations involved in state services to blind persons. The two remaining members represent the public at large. By law, four of the seven DSB board members must be blind or severely visually impaired. All members are appointed by the governor and confirmed by the senate. The DSB Board is a policy making body responsible for rehabilitation services provided to blind Arkansans of all ages. It sets program policy and employs a Commissioner (director) to oversee agency operations within applicable federal and state law. Because of the governing structure of the board, DSB is recognized federally as a Commission within the requirements of the Rehabilitation Act. The Division of State Services for the Blind is also designated as the state-licensing agency for the Randolph Sheppard Vending Facility Program for Arkansas.

Under the current structure of specialized services, the number and quality of jobs obtained by blind and severely visually impaired persons has grown markedly. DSB has been repeatedly commended nationally for its role in the success of DSB consumers, and reports rank Arkansas among the top states in consistently exceeding federal service standards.



Agency Commentary

The DHS Division of Services for the Blind (DSB) is responsible for the provision of rehabilitation and social services to blind and severely visually impaired persons in Arkansas. Services are provided through the Vocational Rehabilitation (VR) Program and the Older Blind Program. Specially trained itinerant counselors travel the state to arrange for, purchase or deliver services necessary to the rehabilitation goals of blind persons in Arkansas. Both programs are funded by the federal Rehabilitation Services Administration through formula grants based upon the elevated incidence of disability in the Arkansas population. The state is required to match the VR grant at 21.3% and Older Blind grant at 10% and provides a small amount of additional mandated general revenue with which DSB meets its Maintenance of Effort and secures additional federal funds.

For the 2009-2011 biennium, DSB seeks approval of four federally funded initiatives above base level. No additional general revenue is required.

REHABILITATION TEACHING PROGRAM

DSB requests funded appropriation in operating Fund Center 896 to support the transfer of two positions transferred by the DHS Division of Administrative Services. These positions will be utilized as Rehabilitation Teachers in Harrison and El Dorado to provide instructional services in the home and local communities to persons who are blind or severely visually impaired enabling them to compete for and

retain appropriate employment. Required appropriation includes Maintenance & Operation (Commitment Item 02), Conference Fees and Travel (Commitment Item 09), and Technology (Commitment Item 02) related expenses. No additional general revenue is required.

FAITH-BASED ORGANIZATION INITIATIVE

DSB requests funded appropriation in operating Fund Center 896 to support contracts with Centers for Independent Living (CILs) under the Faith-Based Organization Initiative.

Under the initiative, CILs network with Faith-Based Organizations, particularly those who serve a minority population. CILs are contracted to share job-related information and training to better prepare the Organizations to assist their constituents who are blind or severely visually impaired and seeking employment. No additional general revenue is involved.

EQUIPMENT APPROPRIATION

DSB requests funded appropriation in operating Fund Center 896 to provide for Capital Outlay (Commitment Item 11). The request is to enable DSB to purchase equipment that is normally purchased as Maintenance & Operation (Commitment Item 02) in the event the item exceeds the "M&O" Cost Ceiling and becomes Capital Outlay. Such equipment may include updated technology to provide consumers with Braille or Voice access to print in the DSB Training Lab or other accessible equipment for DSB employees who are blind or visually impaired. No additional general revenue is required.

VOCATIONAL REHABILITATION

DSB requests continuation of miscellaneous federal grant appropriation authorized as a result of the 2007 Annual Review Report from federal Rehabilitation Services Administration. The report required the Division to significantly increase the frequency and depth of on-site monitoring and training provided to rehabilitation counselors and teachers who directly serve blind and severely visually impaired consumers. Positions were transferred within the Department to accomplish this action and DSB requests continuation of supportive appropriation in maintenance and operation (Commitment Item 02) and conference fees and travel (Commitment Item 09) in operating Funds Center 896. No additional State General Revenue is required for this request.

DSB seeks continuation of miscellaneous federal grant appropriation to purchase services for blind or severely visually impaired persons in support of individual plans for employment. Purchased Services may include surgery, technological equipment, training, college or Vo-tech tuition, books, fees, etc. No additional State General Revenue is required for this request.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR THE YEAR ENDED JUNE 30, 2006

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------------------|--------|-------|-------|
| White Employees | 14 | 31 | 45 | 75 % |
| Black Employees | 0 | 14 | 14 | 23 % |
| Other Racial Minorities | 0 | 1 | 1 | 2 % |
| | Total Minorities | | 15 | 25 % |
| | Total Employees | | 60 | 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 |
| 896 Division of Services for the Blind | 3,812,072 | 63 | 4,510,638 | 73 | 4,260,125 | 74 | 4,679,027 | 73 | 4,972,236 | 75 | 4,965,686 | 75 | 4,738,556 | 73 | 5,035,029 | 75 | 5,027,679 | 75 |
| 898 Purchase of Services | 2,495,375 | 0 | 2,573,558 | 0 | 2,373,558 | 0 | 2,373,558 | 0 | 2,573,558 | 0 | 2,573,558 | 0 | 2,373,558 | 0 | 2,573,558 | 0 | 2,573,558 | 0 |
| Total | 6,307,447 | 63 | 7,084,196 | 73 | 6,633,683 | 74 | 7,052,585 | 73 | 7,545,794 | 75 | 7,539,244 | 75 | 7,112,114 | 73 | 7,608,587 | 75 | 7,601,237 | 75 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | | % |
|---------------------------------|-----------|-------|-----------|-------|--|---|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|
| General Revenue 4000010 | 1,836,105 | 29.1 | 1,875,678 | 26.5 | | | 1,912,631 | 27.1 | 1,912,631 | 25.3 | 1,912,631 | 25.4 | 1,922,869 | 27.0 | 1,922,869 | 25.3 | 1,922,869 | 25.3 |
| Federal Revenue 4000020 | 4,471,142 | 70.9 | 5,208,518 | 73.5 | | | 5,139,954 | 72.9 | 5,633,163 | 74.7 | 5,626,613 | 74.6 | 5,189,245 | 73.0 | 5,685,718 | 74.7 | 5,678,368 | 74.7 |
| Various Program Support 4000730 | 200 | 0.0 | 0 | 0.0 | | | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Funds | 6,307,447 | 100.0 | 7,084,196 | 100.0 | | | 7,052,585 | 100.0 | 7,545,794 | 100.0 | 7,539,244 | 100.0 | 7,112,114 | 100.0 | 7,608,587 | 100.0 | 7,601,237 | 100.0 |
| Excess Appropriation/(Funding) | 0 | | 0 | | | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| Grand Total | 6,307,447 | | 7,084,196 | | | | 7,052,585 | | 7,545,794 | | 7,539,244 | | 7,112,114 | | 7,608,587 | | 7,601,237 | |

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 | | | Total | Total | Filled | Unfilled | | | Total | Total | Filled | Unfilled | |
| 74 | 58 | 11 | 69 | 5 | 21.62 % | 69 | 61 | 5 | 66 | 3 | 11.59 % | 69 | 60 | 13 | 73 | -4 | 13.04 % |

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 1279 of 2007 section 18(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-214(5)(A)).

Analysis of Budget Request

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

In 1983, Act 481 was passed, creating the Division of State Services for the Blind (DSB). The Act removed the Division from the jurisdiction of the Department of Rehabilitation Services and made it an autonomous state agency within the Department of Human Services. The Division is responsible for its own State Plan under the Federal Rehabilitation Act. Agency direction and performance responsibility lies with a seven (7) member consumer board comprised of organization representatives involved in providing services for people who have visual impairments. The member organizations include those such as Arkansas Lions, Blinded Veterans Association, Lions World Services for the Blind, Arkansas School for the Blind, and the Arkansas Affiliate of the National Federation of the Blind. By law, the majority of the members of the Board must be persons who are blind or severely visually impaired. This organizational structure was maintained in the reorganization of the Department when Act 348 of 1985 was passed. Services to individuals with visual impairments are provided by agency staff and by contracting with service providers who specialize in services for people with visual impairments.

DSB serves consumers through three interdependent units: Field Services, Vending Facility Program, and the DSB Directors Office. These three service units were designed by the DSB Board to offer two advantages to the State of Arkansas:

- First, to enhance the personal self-sufficiency of consumers eliminating costs associated with unnecessary skilled care; and
- Second, to maximize the potential contributions made by consumers as citizens and taxpayers.

The Agency is funded through general revenue (DSB - State Services for the Blind Fund Account) and federal revenue. Other funding which is indicated as various program support include sources such as miscellaneous collections.

Base level positions were changed from unclassified to Professional and Executive Pay Plan to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. 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 may include board member Stipend payments and 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.

896 DHS - Administrative Paying Account:

The Agency Base Level request for the Operations appropriation is \$4,679,027 for FY2010 and \$4,738,556 for FY2011 with 73 budgeted Base Level positions.

898 DHS - Grants Paying Account:

The Agency Base Level request for the Purchase of Services line item is \$2,373,558 each year of the biennium.

The Agency Change Level request for the Operations appropriation is \$293,209 for FY2010 and \$296,473 for FY2011, with no request for additional general revenue in the 2009-2011 biennium. The following

delineates the Agency Request:

- Transfer 2 positions from the Division of Administrative Services with appropriation to be utilized as rehabilitation teachers in Harrison and El Dorado.
- \$71,950 in FY2010 and \$72,150 in FY2011 is requested for the Operating Expenses line item for telecommunications, rent, rent of office equipment, mileage, meals & lodging, travel expenses, office supplies, data processing supplies and software & licenses.
- \$6,550 in FY2010 and \$7,350 in FY2011 is requested for the Travel line item for additional appropriation to support the transferred positions.
- \$80,000 each year of the biennium is requested for the Professional Fees line item to support contracts with Centers for Independent Living.
- \$25,000 each year of the biennium is requested for the Capital Outlay line item to purchase equipment such as updated technology or other accessible equipment for DSB employees.

The Agency Change Level request for the Purchase of Services line item is \$200,000 each year of the biennium, with no request for additional general revenue in the 2009-2011 biennium. This increase in appropriation is requested for continuation of FY2009 Miscellaneous Federal Grant Appropriation for the vocational rehabilitation program services.

The Executive Recommendation provides for the Agency Request in the Operations appropriation except in the Travel line item where Base Level has been recommended.

The Executive Recommendation provides for the Agency Request in the Purchase of Services line item.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

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 | 2,370,437 | 2,824,400 | 2,597,251 | 2,924,567 | 3,007,957 | 3,007,957 | 2,974,454 | 3,059,740 | 3,059,740 |
| #Positions | | 63 | 73 | 74 | 73 | 75 | 75 | 73 | 75 | 75 |
| Extra Help | 5010001 | 14,312 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| #Extra Help | | 8 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Personal Services Matching | 5010003 | 706,949 | 801,238 | 824,374 | 940,960 | 967,279 | 967,279 | 950,602 | 977,289 | 977,289 |
| Operating Expenses | 5020002 | 559,453 | 611,550 | 570,000 | 570,000 | 641,950 | 641,950 | 570,000 | 642,150 | 642,150 |
| Conference & Travel Expenses | 5050009 | 15,465 | 24,950 | 20,000 | 20,000 | 26,550 | 20,000 | 20,000 | 27,350 | 20,000 |
| Professional Fees | 5060010 | 136,779 | 183,500 | 183,500 | 183,500 | 263,500 | 263,500 | 183,500 | 263,500 | 263,500 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Purchase of Services | 5100004 | 2,495,375 | 2,573,558 | 2,373,558 | 2,373,558 | 2,573,558 | 2,573,558 | 2,373,558 | 2,573,558 | 2,573,558 |
| Capital Outlay | 5120011 | 8,677 | 25,000 | 25,000 | 0 | 25,000 | 25,000 | 0 | 25,000 | 25,000 |
| Total | | 6,307,447 | 7,084,196 | 6,633,683 | 7,052,585 | 7,545,794 | 7,539,244 | 7,112,114 | 7,608,587 | 7,601,237 |

| Funding Sources | | | | | | | | | | |
|--------------------------------|---------|------------------|------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|
| General Revenue | 4000010 | 1,836,105 | 1,875,678 | | 1,912,631 | 1,912,631 | 1,912,631 | 1,922,869 | 1,922,869 | 1,922,869 |
| Federal Revenue | 4000020 | 4,471,142 | 5,208,518 | | 5,139,954 | 5,633,163 | 5,626,613 | 5,189,245 | 5,685,718 | 5,678,368 |
| Various Program Support | 4000730 | 200 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | | 6,307,447 | 7,084,196 | | 7,052,585 | 7,545,794 | 7,539,244 | 7,112,114 | 7,608,587 | 7,601,237 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 6,307,447 | 7,084,196 | | 7,052,585 | 7,545,794 | 7,539,244 | 7,112,114 | 7,608,587 | 7,601,237 |

Budget exceeds Authorized Appropriation in Regular Salaries, Operating Expenses and Conference & Travel Expenses due to a transfer from the Miscellaneous Federal Grant Holding Account.

Actual and Budget exceeds Authorized Appropriation in Purchase of Services due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 4,679,027 | 73 | 4,679,027 | 100.0 | 4,738,556 | 73 | 4,738,556 | 100.0 |
| C02 | New Program | 135,000 | 0 | 4,814,027 | 102.9 | 137,400 | 0 | 4,875,956 | 102.9 |
| C06 | Restore Position/Approp | 46,500 | 0 | 4,860,527 | 103.9 | 46,500 | 0 | 4,922,456 | 103.9 |
| C07 | Agency Transfer | 109,709 | 2 | 4,970,236 | 106.2 | 111,973 | 2 | 5,034,429 | 106.2 |
| C08 | Technology | 2,000 | 0 | 4,972,236 | 106.3 | 600 | 0 | 5,035,029 | 106.3 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 4,679,027 | 73 | 4,679,027 | 100.0 | 4,738,556 | 73 | 4,738,556 | 100.0 |
| C02 | New Program | 133,400 | 0 | 4,812,427 | 102.9 | 135,000 | 0 | 4,873,556 | 102.8 |
| C06 | Restore Position/Approp | 41,550 | 0 | 4,853,977 | 103.7 | 41,550 | 0 | 4,915,106 | 103.7 |
| C07 | Agency Transfer | 109,709 | 2 | 4,963,686 | 106.1 | 111,973 | 2 | 5,027,079 | 106.1 |
| C08 | Technology | 2,000 | 0 | 4,965,686 | 106.1 | 600 | 0 | 5,027,679 | 106.1 |

Justification

| | |
|-----|---|
| C02 | DSB seeks operational support for 2 DHS/DSB Teachers for the Blind transferred internally within DHS to provide local teaching services and technological support to blind and severely visually impaired consumers from the Harrison and El Dorado area. This will increase contact hours and decrease travel. In addition, DSB requests funded appropriation to provide for Capital Outlay. This request is for federally funded equipment in the event that items normally purchased under Maintenance and Operation (Commitment Item 02) exceeds the cost limit and becomes a Capital expense item. DSB seeks funded appropriation for federally funded contracts with Centers for Independent Living (CILs) to provide outreach to Faith Based Organizations for job related information and referral services for minority individuals who are blind or severely visually impaired. |
| C06 | DSB requests continuation of the operational support (Commitment Item 02 and Commitment Item 09) required for the five positions that were internally transferred within DHS to enable DSB to comply with restructuring plan required following 2007 Annual Federal Review. |
| C07 | DSB seeks funded appropriation for two DHS/DSB Teachers for the Blind transferred within the Department. These positions will provide local teaching services and technological support to blind and severely visually impaired consumers in the Harrison and El Dorado area of Arkansas. |
| C08 | DSB requests funded appropriation to provide for computers and software for the two DHS/DSB Teachers for the Blind requested to provide teaching services and technological support to blind and severely visually impaired individuals in the Harrison and El Dorado areas. The C08 change level is included in the DSB IT plan dollar amounts on Page 8 under In House Hardware and Page 9 under In House Software. |

Change Level by Appropriation

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 2,373,558 | 0 | 2,373,558 | 100.0 | 2,373,558 | 0 | 2,373,558 | 100.0 |
| C06 | Restore Position/Approp | 200,000 | 0 | 2,573,558 | 108.4 | 200,000 | 0 | 2,573,558 | 108.4 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|-------------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 2,373,558 | 0 | 2,373,558 | 100.0 | 2,373,558 | 0 | 2,373,558 | 100.0 |
| C06 | Restore Position/Approp | 200,000 | 0 | 2,573,558 | 108.4 | 200,000 | 0 | 2,573,558 | 108.4 |

Justification

| | |
|-----|--|
| C06 | The request seeks funded appropriation to purchase services for blind or severely visually impaired persons in support of individual plans for employment. Purchase of services includes specialized supplies, equipment and services necessary for these individuals to complete their rehab plans for employment. Examples may include surgery, technological equipment, training college or Vo-tech tuition, books, and fees. |
|-----|--|

DHS - YOUTH SERVICES

Enabling Laws

Act 1279 of 2007
A.C.A. §9-27-505 et seq.
A.C.A. §9-28-201 et seq.
A.C.A. §9-28-601 et seq.
A.C.A. §25-10-102
A.C.A. §25-10-401 et seq.

History and Organization

MISSION STATEMENT

The Division of Youth Services (DYS) provides in a manner consistent with public safety, a system of high quality programs to address the needs of the juveniles who come in contact with the juvenile justice system by:

- Providing effective community-based prevention, diversion, and graduated sanction programs.
- Providing leadership for coordination, collaboration, and improvement of the Arkansas juvenile justice system.
- Providing supervision and effective treatment for juvenile offenders in the community.
- Operating safe and secure juvenile correctional facilities in a manner consistent with best practices in the field and with effective treatment programming for the population served in the community.

DYS HISTORY and STATUTORY RESPONSIBILITIES

Act 199 of 1905 established Arkansas' first reform schools, one near Little Rock and the other near Alexander. Under Act 67 of 1917, the Boys' Reform or "Industrial School" was relocated to Pine Bluff; both the boys' and girls' industrial schools were placed under the administration of independent boards appointed by the Governor. Act 526 of 1921 provided the placement of both industrial schools under the management and control of a single Board of Managers. Act 60 of 1937 established the first industrial school at Wrightsville; in 1949, the Fargo Industrial School near Brinkley was opened. From 1953 until 1968, each of the four industrial or "training" schools had its own Board of Managers. In 1968, the four boards were condensed into one.

In 1968, training school operations were placed under the Department of Rehabilitation Services which resulted in providing a diagnostic and reception service at the then Benton State Hospital, implementation of a parole service to provide aftercare services to youth released from the training schools, and the establishment of a central office for training schools.

In 1971, under Act 38, the Executive Department of the State of Arkansas underwent a major reorganization. Consequently, juvenile services was separated from its former parent agency, The Division of Rehabilitation Services, and placed under the director of the newly created Department of Social and Rehabilitative Services.

Aided by a grant from the Federal Law Enforcement Assistance Act (FLEAA), in 1974 the Juvenile Services Office began developing a comprehensive state plan for delinquency prevention and control. In 1976, the plan, entitled "A Systems Approach to Services for Youth", was published with the intended outcome of providing "a foundation for the unification of all aspects of youth services into a coordinated, goal directed system of viable services for troubled youth".

In 1977, the original Division of Youth Services was created as a part of the Department of Human Services. During the eight-year existence of the Division of Youth Services, the number of training schools was reduced to two - Pine Bluff and Alexander. The Wrightsville Training School was transferred to the Department of Correction.

Act 348 of 1985 merged the Division of Youth Services with the new Division of Children and Family Services. As a component of its new parent agency, the Office of Youth Services continued to be responsible for operation of the two youth services centers and management of funding for the contracted community-based programs serving delinquent youth. The Youth Services Board continued its role of overseeing the management of the Youth Services Centers.

The Division of Youth Services (DYS) was established October 1, 1993, pursuant to Act 1296 as a response to the State's obligation to juveniles involved with the juvenile justice system. The Division was charged with a number of responsibilities under Act 1296. The first was to coordinate communication among the various components of the juvenile justice system. The second was to oversee reform of the state's juvenile justice system, which included closing the Pine Bluff Youth Services Center, establishing serious offender programs in its place, and expanding the system of community-based services. The third was to provide services to delinquent and Family-in-Need-of-Services (FINS). Other functions set out in the Act include conducting research into the causes, nature, and treatment of juvenile delinquency and related problems; development of programs for early intervention and prevention of juvenile delinquency; and maintaining information files on juvenile delinquents in the state.

Act 1113 of 1995 required the Division to expand community-based services. This Act provides for contracts for the establishment of Therapeutic Group Homes and Independent Living Programs.

Act 1261 of 1995 established the powers and duties of the Division.

Act 1333 of 1997 also established the Department of Human Services State Institutional System Board to oversee all real property owned and operated by the Department for youth services and mental health treatment facilities. The former Youth Services Board was eliminated.

Act 1030 of 1999 requires the Division to separate juvenile offenders committed to a facility operated by the Division based upon: 1) the age of the juvenile offender; 2) the seriousness of the crime or crimes committed by the juvenile offender; or 3) whether the juvenile offender has been adjudicated delinquent of a sex offense as defined under A.C.A 12-12-903(a) (12).

Act 1192 of 1999 allows the court to make a determination to designate a juvenile as an extended juvenile jurisdiction offender.

Act 1272 of 1999 requires the Division to establish a separate facility to house offenders between the ages of eighteen and twenty-one who have been committed to the Division.

Act 559 of 2001 allows the court to make a determination to transfer an offender under the age of eighteen years from the Department of Correction to the Division of Youth Services.

Act 1048 of 2001 allows for dissemination of juvenile aftercare and custody information to law enforcement officials, criminal justice agencies, and officials for the administration of criminal justice.

Act 1468 of 2001 released the obligation to repay existing revolving loans for juvenile detention centers located in Independence County, Yell County, Jefferson County, Washington County and Miller County. The Division of Youth Services has no obligation to utilize or fund detention centers or facilities.

Act 1583 of 2001 provides for the Division to exempt placements of delinquent youth committed to the Division from the permit of approval process.

Act 1794 of 2001 protects DYS employees of the Alexander Youth Service Center from loss of pay as a result of the privatization of the center.

Act 1265 of 2003 provides for juvenile sex offender assessment, registration, and DNA samples.

Act 168 of 2005 prohibits the furnishing of cellular telephones to adjudicated youth in juvenile training schools.

Act 192 of 2005 amended the Youth Services Act to prohibit a juvenile from being committed to the Division of Youth Services when found solely in criminal contempt.

Act 1255 of 2005 to assure the continuity of education, requires that students who are adjudicated to the Division of Youth Services and complete high school requirements for a diploma shall be issued a diploma from the last school district attended.

Act 1530 of 2005 adopts a new interstate compact for juveniles.

Act 257 of 2007 amended jurisdiction of juvenile courts for felonies and misdemeanors committed by persons under the age of 18.

Act 372 of 2007 amended the Interstate Compact.

Act 587 of 2007 amended provisions of the Juvenile Code.

Act 742 of 2007 provided for the protection of the confidentiality of juvenile records.

Act 855 of 2007 renamed Alexander Juvenile Correctional Facility to Arkansas Juvenile Assessment and Treatment Center.

PRIMARY ACTIVITIES PROVIDED BY DYS

The Division of Youth Services (DYS) provides the following services through contracted providers: a) management and operation of the Arkansas Juvenile Assessment and Treatment Center, assessment services for adjudicated youth committed to DYS; b) seven juvenile programs for serious and chronic juvenile offenders committed to DYS; c) residential alternative services for adjudicated youth committed

to DYS; d) community based residential treatment and emergency shelter programs for juveniles whose emotional or behavioral problems cannot be resolved in their own home; e) non-residential services provided by contracted community based programs; and f) The Juvenile Justice and Delinquency Prevention (JJDP) Act authorizes funds for the support of local prevention programs and monitoring of local detention facilities. In addition, the Division directly manages the placement, case management, and release functions for committed youth.

ORGANIZATION

The Division of Youth Services is located within the Department of Human Services.

Act 1265 of 2003 provided for juvenile sex offender assessment, registration, and DNA samples.

Act 168 of 2005 prohibited the furnishing of cellular telephones to adjudicated youth in juvenile training schools.

Act 192 of 2005 amended the Youth Services Act to prohibit a juvenile from being committed to the Division of Youth Services when found solely in criminal contempt.

Act 1255 of 2005 to assured the continuity of education requires that students who are adjudicated to the Division of Youth Services and complete high school requirements for a diploma shall be issued a diploma from the last school district attended.

Act 1530 of 2005 adopted a new interstate compact for juveniles.

ADVISORY BOARD

The Arkansas Coalition for Juvenile Justice (ACJJ) board is an advisory board that oversees the federal Title II grant funds, Title V grant funds, Challenge, and Juvenile Accountability Block Grant funds awarded by the Office of Juvenile Justice and Delinquency Prevention, U.S. Department of Justice.



Agency Commentary

The Division of Youth Services (DYS) 2009 - 2011 Biennial Budget request is for appropriation and funds to support federal and state funded community programs and residential programs for juveniles needing a secure and/or specialized treatment environment. This request emphasizes the availability of community services for at-risk juveniles. The following items reflect the major components included in the program priorities change request:

- Mobile assessment team for juvenile assessments
- Enhanced community based services
- Community based intervention pilot projects
- Evidenced-based prevention services
- Medical risk fund

The Division of Youth Services' 2009 - 2011 Biennial Budget Request also includes:

- Appropriation to permit continuation of program initiatives
- Restoration of unbudgeted positions, with appropriation, to provide the capacity to assume contracts, if necessary, due to contract compliance problems including, poor performance, unacceptable outcomes, or unacceptable treatment of juveniles

The budget amount requested is essential to the Division's effort to have available to each juvenile a system of services and placements that will ensure a timely and appropriate response to each juvenile's needs.

Administration Program

The administration program plans, develops, coordinates, and implements all administrative support activities for the division. This program also includes certain educational and contract activities necessary to support the provision of educational and other services to clients.

Change Level Request - Administration Program - Fund Center 896

The Division is requesting a change level for appropriation and general revenue funding in the amount of \$232,675 for SFY 2010 and \$201,400 in SFY 2011 to replace aging computers that are out of warranty and are too slow to operate with newer software and additional security software.

The Division is requesting a change level for appropriation and general revenue funding in the amount of \$200,000 for both years of the biennium for maintenance fees for the electronic surveillance systems at Arkansas Juvenile Assessment and Treatment Center and the Dermott Juvenile Treatment Program facilities.

The Division is requesting a change level for general revenue funds and appropriation for both years of

the biennium in the amount of \$167,325 for capital equipment to replace aging computer equipment, network printers, and aging equipment such as large refrigerators, stoves, and air conditioners at DYS residential facilities.

The Division is requesting a change level for salaries and matching for both years of the biennium to restore 67 unbudgeted positions with appropriation only.

The Division is requesting a transfer of one budgeted position with general revenue and unfunded appropriation to the Office of Chief Counsel.

The Division is requesting a change level for appropriation only in the amount of \$426,026 for SFY 2010 and \$320,648 in SFY 2011 for expansion of the juvenile tracking system to include data from mobile assessments, education data, treatment plans, interstate compact, and jail monitoring.

The Division is requesting a change level for appropriation only in the amount of \$42,500 for both years of the biennium for technical education training appropriate to the continued development of support, maintenance, hardware and software utilization relevant to information technology staff duties.

The Division is requesting a change level for appropriation only in the amount of \$26,900 for SFY 2010 and \$7,000 in SFY 2011 for Geographic Information System (GIS) technology for tracking, monitoring, analyzing, reporting, and disaster preparedness.

Community Services Program

The community services programs provide a wide range of non-residential programs for Families in Need of Services (FINS), juvenile offenders, youth at risk for becoming juvenile offenders, and for juveniles transferred from a DYS residential program to aftercare. These services include interstate compact, electronic monitoring, intensive supervision and tracking, restitution, day services (educational services for youth admitted to the program who are not enrolled in school), juvenile crime prevention, and aftercare supervision for state custody youth. In addition to the non-residential programs offered, emergency shelter services are provided along with community based non-secure residential treatment. Residential treatment provides twenty-four hour treatment services for juveniles whose emotional and/or behavioral problems cannot be remedied in his or her home. Community services are provided by privately operated, non-profit organizations to juveniles up to age 21 for aftercare. Services are available in each of the 28 judicial districts.

The community based sanctions program is to ensure appropriate sanctions for juveniles adjudicated delinquent. This program is intended to provide a range of sanction alternatives for juveniles who are adjudicated delinquent and those who fail to comply with aftercare plans or orders of the court. The intent of the program is to provide more options for the courts and the community based providers in working with the juveniles in the community rather than committing them to DYS.

Additional community based services are provided through the Juvenile Justice and Delinquency Prevention Program (JJDP). JJDP funds are used at the local level to develop comprehensive strategies for prevention, community policing, reducing disproportionate minority confinement, ensuring separation of children from adults in jails and lockups, removing non-offending youth from correctional facilities, and promoting gender specific services to meet the unique needs of females.

The Juvenile Accountability Block Grant (JABG) program is a federal program designed to promote greater accountability in the juvenile justice system and will target 17 specified program purpose areas. These federal funds are designated for local units of government.

Change Level Request - Community Services Program

Fund Center 2RB: The Division is requesting a change level for appropriation and general revenue funding in the amount of \$2,271,034 for SFY 2010 and \$2,604,629 for SFY 2011 to provide enhanced community based services including: diversion, active GPS electronic monitoring, emergency shelter beds, and active case management.

Fund Center 2RB: The Division is requesting a change level for appropriation and general revenue funding in the amount of \$575,000 for both years of the biennium to fund community based intervention pilot projects. These projects will address community based interventions to reduce commitments to DYS and from further involvement in the juvenile justice system. They include multisystemic therapy, community mentoring program for siblings of court involved youth, school-based program during after school hours, and youth-focused substance abuse treatment.

Fund Center 2RB: The Division is requesting a change level for appropriation and general revenue funding in the amount of \$500,000 for both years of the biennium to provide evidence-based prevention services and programs for at-risk youth and children under the age of 10 who are most at risk of getting involved in the juvenile justice system. These services would be a component of the Department's System of Care programs.

Fund Center 2RB: The Division is requesting a change level for additional appropriation in the amount of \$1,500,000 for both years of the biennium for anticipated grants.

Fund Center 2RC: The Division is requesting a change level for additional appropriation for each year of the biennium in the amount of \$500,000 for increased federal funding provided through Juvenile Justice Delinquency Prevention programs.

Fund Center 2RA: The Division is requesting a change level for additional appropriation for each year of the biennium in the amount of \$500,000 for increased federal funding provided through the Juvenile Accountability Block Grant program.

Fund Center 2RB: The Division is requesting a change level for appropriation only in the amount of \$500,000 for both years of the biennium for aftercare programming for 18 - 21 year old youth.

Fund Center 2RB: The Division is requesting a change level for appropriation only in the amount of \$3,379,270 for both years of the biennium for programming designed for at-risk and court involved youth.

Residential Services Program

The residential services program provides services for juveniles committed to DYS needing a secure and/or specialized treatment environment and are operated through contracts with private non-profit and for-profit providers.

The Division operates residential programs at seven locations that house and treat the states' most serious, chronic, or violent juvenile offenders committed to the Division by the state's district courts. They are:

- Arkansas Juvenile Assessment and Treatment Center
- Dermott Juvenile Correctional Facility
- Dermott Juvenile Treatment Center
- Lewisville Juvenile Treatment Center
- Harrisburg Juvenile Treatment Center
- Colt Juvenile Treatment Center
- Mansfield Juvenile Treatment Center
- Mansfield Juvenile Treatment Center for Girls

The Arkansas Juvenile Assessment and Treatment Center provides centralized intake for juveniles committed to the Division. The target population of juveniles assigned to this facility is the most serious violent offenders, difficult to place sexual offenders, and juveniles who disrupted a placement due to behavior management issues. Arkansas Juvenile Assessment and Treatment Center emphasizes cognitive behavioral treatment, education, and substance abuse treatment.

The juvenile residential facilities are designed to provide intensive treatment with emphasis on education and substance abuse counseling. These programs work with males 13 to 18 and females 13 to 21 who have committed one or more Y, A, or B felony; committed two or more times to DYS; committed two or more felonies or committed a misdemeanor offense and who has documented history of two or more prior adjudications of a delinquent act. Committed females are housed at either Mansfield or Alexander only. Only 18 to 21 year old adjudicated youths are housed in the Dermott Juvenile Correctional Facility.

Residential treatment facilities provide for alternative placements and specialized residential treatment programs. They are available for youth needing sex offender treatment, substance abuse treatment, therapeutic group homes, and residential psychiatric placement and counseling.

Change Level Requests - Residential Services Programs - Fund Center 2YH

The Division is requesting a change level for appropriation and general revenue funding in the amount of \$453,966 for SFY 2010 and \$467,585 in SFY 2011 to expand the mobile assessment team services to conduct a broader and more functionally efficient level of needs assessment of juveniles who are committed to DYS.

The Division is requesting a change level for appropriation and general revenue funding in the amount of \$600,000 for both years of the biennium for 1) increasing medical expenditures, 2) Juvenile Detention Center services, and 3) cost of living adjustments for residential facilities.

The Division is requesting a change level for appropriation only in the amount of \$1,504,581 for SFY 2010 and \$1,939,173 in SFY 2011 to align with new funding sources for residential facilities contract amendments.

The Division is requesting a change level for appropriation only in the amount of \$1,407,768 for SFY 2010 and \$2,980,826 in SFY 2011 to align with new funding sources for residential treatment contract amendments.

The Division is requesting a change level to restore appropriation only in the amount of \$4,424,014 for both years of the biennium for Targeted Case Management and Rehab funds.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR THE YEAR ENDED JUNE 30, 2006

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 14 | 21 | 35 | 44 % |
| Black Employees | 18 | 26 | 44 | 56 % |
| Other Racial Minorities | 0 | 0 | 0 | 0 % |
| Total Minorities | | | 44 | 56 % |
| Total Employees | | | 79 | 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 | | |
| ACJJ Annual Report to the Governor (JJDP) | Federal Mandate JJDP Prevention Act of 2002 | N | N | 500 | This report is continued to be in compliance with the federally mandated Juvenile Justice Delinquency Prevention Act of 2002 |
| Compliance Monitoring Report | Federal Mandate - JJDP Prevention Act of 2002 | N | N | 3 | This report is continued to be in compliance with the federally mandated Juvenile Justice Delinquency Prevention (JJDP) Act of 2002 |
| Three Year State Plan & Three Year Update Juvenile Justice Delinquency Prevention (JJDP) | Federal Mandate JJDP Prevention Act of 2002 | N | N | 1 | This report is continued to be in compliance with the federally mandated Juvenile Justice Delinquency Prevention Act of 2002 |

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 |
| 2QZ Community Based Sanctions | 2,322,738 | 0 | 2,500,000 | 0 | 2,500,000 | 0 | 2,500,000 | 0 | 2,500,000 | 0 | 2,500,000 | 0 | 2,500,000 | 0 | 2,500,000 | 0 | 2,500,000 | 0 |
| 2RA Juvenile Account Incentive Block Grant | 978,074 | 0 | 1,688,456 | 0 | 2,104,284 | 0 | 1,688,456 | 0 | 2,188,456 | 0 | 2,188,456 | 0 | 1,688,456 | 0 | 2,188,456 | 0 | 2,188,456 | 0 |
| 2RB Community Services | 11,068,700 | 0 | 12,024,809 | 0 | 12,024,809 | 0 | 12,024,809 | 0 | 20,750,113 | 0 | 20,750,113 | 0 | 12,024,809 | 0 | 21,083,708 | 0 | 21,083,708 | 0 |
| 2RC Federal Child & Youth Service Grants | 4,914,601 | 0 | 5,760,348 | 0 | 9,611,623 | 0 | 5,760,348 | 0 | 6,260,348 | 0 | 6,260,348 | 0 | 5,760,348 | 0 | 6,260,348 | 0 | 6,260,348 | 0 |
| 2YH Residential Services | 28,113,368 | 0 | 24,990,803 | 0 | 24,990,803 | 0 | 24,990,803 | 0 | 33,381,132 | 0 | 33,381,132 | 0 | 24,990,803 | 0 | 35,402,401 | 0 | 35,402,401 | 0 |
| 896 Division of Youth Services | 6,969,589 | 90 | 7,912,258 | 93 | 10,640,234 | 160 | 8,052,942 | 93 | 11,497,952 | 159 | 11,497,952 | 159 | 8,131,990 | 93 | 11,466,710 | 159 | 11,466,710 | 159 |
| Total | 54,367,070 | 90 | 54,876,674 | 93 | 61,871,753 | 160 | 55,017,358 | 93 | 76,578,001 | 159 | 76,578,001 | 159 | 55,096,406 | 93 | 78,901,623 | 159 | 78,901,623 | 159 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | |
|--------------------------------|---------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| General Revenue | 4000010 | 46,930,406 | 86.3 | 47,122,611 | 85.9 | 47,249,051 | 85.9 | 52,228,572 | 87.1 | 48,653,572 | 86.2 | 47,320,095 | 85.9 | 52,615,154 | 87.1 | 48,724,215 | 86.2 |
| Federal Revenue | 4000020 | 5,238,761 | 9.6 | 6,103,008 | 11.1 | 6,109,101 | 11.1 | 6,109,101 | 10.2 | 6,109,101 | 10.8 | 6,112,524 | 11.1 | 6,112,524 | 10.1 | 6,112,524 | 10.8 |
| Trust Fund | 4000050 | 942,537 | 1.7 | 1,688,456 | 3.1 | 1,688,456 | 3.1 | 1,688,456 | 2.8 | 1,688,456 | 3.0 | 1,688,456 | 3.1 | 1,688,456 | 2.8 | 1,688,456 | 3.0 |
| Transfer to Ar Pub Defender | 4000603 | (240,000) | (0.4) | (240,000) | (0.4) | (240,000) | (0.4) | (240,000) | (0.4) | (240,000) | (0.4) | (240,000) | (0.4) | (240,000) | (0.4) | (240,000) | (0.4) |
| Transfer to DFA Disbursing | 4000610 | (400,000) | (0.7) | (400,000) | (0.7) | (400,000) | (0.7) | (400,000) | (0.7) | (400,000) | (0.7) | (400,000) | (0.7) | (400,000) | (0.7) | (400,000) | (0.7) |
| Transfer to Medicaid Match | 4000660 | (591,177) | (1.1) | (791,177) | (1.4) | (791,177) | (1.4) | (791,177) | (1.3) | (791,177) | (1.4) | (791,177) | (1.4) | (791,177) | (1.3) | (791,177) | (1.4) |
| Various Program Support | 4000730 | 2,486,543 | 4.6 | 1,393,776 | 2.5 | 1,401,927 | 2.5 | 1,401,927 | 2.3 | 1,401,927 | 2.5 | 1,406,508 | 2.6 | 1,406,508 | 2.3 | 1,406,508 | 2.5 |
| Total Funds | | 54,367,070 | 100.0 | 54,876,674 | 100.0 | 55,017,358 | 100.0 | 59,996,879 | 100.0 | 56,421,879 | 100.0 | 55,096,406 | 100.0 | 60,391,465 | 100.0 | 56,500,526 | 100.0 |
| Excess Appropriation/(Funding) | | 0 | | 0 | | 0 | | 16,581,122 | | 20,156,122 | | 0 | | 18,510,158 | | 22,401,097 | |
| Grand Total | | 54,367,070 | | 54,876,674 | | 55,017,358 | | 76,578,001 | | 76,578,001 | | 55,096,406 | | 78,901,623 | | 78,901,623 | |

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 | |
| 164 | 84 | 12 | 96 | 68 | 48.78 % | 161 | 76 | 16 | 92 | 69 | 52.80 % | 161 | 79 | 14 | 93 | 68 | 50.93 % |

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 1279 of 2007 section 18(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-214(5)(A)).

Analysis of Budget Request

Appropriation: 2QZ - Community Based Sanctions

Funding Sources: DYS - Youth Services Fund Account

This Community Based Sanctions appropriation is used by the Division of Youth Services (DYS) to ensure appropriate sanctions for juveniles adjudicated delinquent. This program is intended to provide a range of sanction alternatives for juveniles who are adjudicated delinquent and for those who fail to comply with aftercare plans or orders of the Court.

The intent of this program is to provide more options for the Courts and Community Based Providers in working with juveniles in the community rather than committing them to DYS. The primary goal of graduated (progressive) sanctions is to reduce problem behaviors, and include the following examples:

- Verbal Warnings
- Contracts with conditions (curfews, increased treatment, increased drug testing, etc.)
- Community Service/Work Crew hours
- Day Reporting
- Electronic Monitoring
- Short Term Confinement (requires court involvement)
- Long Term Confinement (requires court involvement)

Funding for this appropriation is 100% general revenue (DYS-Youth Services Fund Account).

The Agency Base Level request for this appropriation is \$2,500,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2QZ - Community Based Sanctions

Funding Sources: DYS - Youth Services Fund Account

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 | 2,322,738 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Total | | 2,322,738 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 2,322,738 | 2,500,000 | | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Total Funding | | 2,322,738 | 2,500,000 | | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 2,322,738 | 2,500,000 | | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |

Analysis of Budget Request

Appropriation: 2RA - Juvenile Account Incentive Block Grant

Funding Sources: TYS - Juvenile Accountability Incentive Block Grant (JAIBG) Trust Fund

This Juvenile Accountability Incentive Block Grant (JAIBG) appropriation is a federal program administered by the Office of Juvenile Justice and Delinquency Prevention program within the US Department of Justice. The JAIBG designed to promote greater accountability in the juvenile justice system by targeting 16 specified program purpose areas, including the following:

- Graduated sanctions for juvenile offenders
- Construction of juvenile detention or correctional facilities
- Hiring of judges/probation officers/public defenders and pre-trial services
- Hiring prosecutors
- Funding to prosecutors, including technology, equipment and training programs
- Training for law enforcement & court personnel
- Juvenile gun courts
- Juvenile drug courts
- Juvenile records system
- Interagency information sharing programs
- Accountability based programs
- Risk and Needs assessment
- School safety accountability based programs
- Restorative justice programs
- Juvenile courts and probation programs
- Hiring/training detention & corrections personnel

Funding for this appropriation is 100% federal JAIBG funds that are designated for local units of government. The State established and utilizes an interest bearing trust fund to deposit program funds received through a grant award under the JAIBG program. State and local governments that are eligible to receive JAIBG funds must establish a coordinated enforcement plan developed by a Juvenile Crime Enforcement Coalition (JCEC) at either the state or local level for the purpose of reducing juvenile crime.

Base Level for this appropriation is \$1,688,456 each year of the biennium.

The Agency Change Level request for this appropriation is \$500,000 each year of the biennium in unfunded appropriation that will be used in the event that federal funding through the Juvenile accountability Block Grant Program would become available.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2RA - Juvenile Account Incentive Block Grant

Funding Sources: TYS - Juvenile Accountability Incentive Block Grant (JAIBG) 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 | 978,074 | 1,688,456 | 2,104,284 | 1,688,456 | 2,188,456 | 2,188,456 | 1,688,456 | 2,188,456 | 2,188,456 |
| Total | 978,074 | 1,688,456 | 2,104,284 | 1,688,456 | 2,188,456 | 2,188,456 | 1,688,456 | 2,188,456 | 2,188,456 |
| Funding Sources | | | | | | | | | |
| Trust Fund 4000050 | 942,537 | 1,688,456 | | 1,688,456 | 1,688,456 | 1,688,456 | 1,688,456 | 1,688,456 | 1,688,456 |
| Various Program Support 4000730 | 35,537 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | 978,074 | 1,688,456 | | 1,688,456 | 1,688,456 | 1,688,456 | 1,688,456 | 1,688,456 | 1,688,456 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 500,000 | 500,000 | 0 | 500,000 | 500,000 |
| Grand Total | 978,074 | 1,688,456 | | 1,688,456 | 2,188,456 | 2,188,456 | 1,688,456 | 2,188,456 | 2,188,456 |

Change Level by Appropriation

Appropriation: 2RA - Juvenile Account Incentive Block Grant
Funding Sources: TYS - Juvenile Accountability Incentive Block Grant (JAIBG) Trust Fund

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 1,688,456 | 0 | 1,688,456 | 100.0 | 1,688,456 | 0 | 1,688,456 | 100.0 |
| C05 | Unfunded Appropriation | 500,000 | 0 | 2,188,456 | 129.6 | 500,000 | 0 | 2,188,456 | 129.6 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 1,688,456 | 0 | 1,688,456 | 100.0 | 1,688,456 | 0 | 1,688,456 | 100.0 |
| C05 | Unfunded Appropriation | 500,000 | 0 | 2,188,456 | 129.6 | 500,000 | 0 | 2,188,456 | 129.6 |

Justification

| | |
|-----|--|
| C05 | Appropriation only for anticipated federal funding provided through the Juvenile Accountability Block Grant program. |
|-----|--|

Analysis of Budget Request

Appropriation: 2RB - Community Services

Funding Sources: DYS - Youth Services Fund Account

The Community Services appropriation is utilized by the Division of Youth Services (DYS) to purchase services from community based providers for non-committed youth who are considered at risk or low risk, and for juveniles transferred from a DYS residential program to aftercare. These services include electronic monitoring, intensive supervision and tracking, day services (educational services for youth admitted to the program who are not enrolled in school), crime prevention/intervention and aftercare supervision for state custody youth.

In addition to non-residential programs offered, emergency shelter services are provided along with community based non secure residential treatment for juveniles whose emotional and/or behavioral problems cannot be remedied in his/her home. These services are available in each of the 28 judicial districts, and are provided by privately operated, non profit organizations to juveniles up to 18 years of age. Aftercare services are provided to juveniles up to 21 years of age.

Funding for this appropriation is general revenue (DYS-Youth Services Fund Account) and various program support that becomes available.

The Agency Base Level request for this appropriation is \$12,024,809 each year of the biennium.

The Agency Change Level request for this appropriation is \$8,725,304 in FY2010 and \$9,058,899 in FY2011 of which \$3,346,034 in FY2010 and \$3,679,629 in FY2011 is requested in general revenue funding and \$5,379,270 is requested each year of the biennium as unfunded appropriation. The increase in general revenue funded appropriation will be used to enhance community based services including diversion, active GPS electronic monitoring emergency shelter beds, and active case management. Additionally, it will fund at least 3 pilot projects to address community base interventions to reduce commitments to DYS and from further involvement in the juvenile justice system. The unfunded appropriation will provide for increases in anticipated grant awards that the Division is currently applying for and will afford DYS the opportunity to provide services to 18-21 year olds and programming to at-risk and court involved youth when funding can becomes available.

The Executive Recommendation provides for the Agency Request for appropriation with \$1,075,000 each year in general revenue funding for Community Services System of Care operations.

Appropriation Summary

Appropriation: 2RB - Community Services

Funding Sources: DYS - Youth Services Fund Account

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 | 11,068,700 | 12,024,809 | 12,024,809 | 12,024,809 | 20,750,113 | 20,750,113 | 12,024,809 | 21,083,708 | 21,083,708 |
| Total | | 11,068,700 | 12,024,809 | 12,024,809 | 12,024,809 | 20,750,113 | 20,750,113 | 12,024,809 | 21,083,708 | 21,083,708 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 10,848,007 | 11,089,476 | | 11,089,476 | 14,435,510 | 12,164,476 | 11,089,476 | 14,769,105 | 12,164,476 |
| Various Program Support | 4000730 | 220,693 | 935,333 | | 935,333 | 935,333 | 935,333 | 935,333 | 935,333 | 935,333 |
| Total Funding | | 11,068,700 | 12,024,809 | | 12,024,809 | 15,370,843 | 13,099,809 | 12,024,809 | 15,704,438 | 13,099,809 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 5,379,270 | 7,650,304 | 0 | 5,379,270 | 7,983,899 |
| Grand Total | | 11,068,700 | 12,024,809 | | 12,024,809 | 20,750,113 | 20,750,113 | 12,024,809 | 21,083,708 | 21,083,708 |

Change Level by Appropriation

Appropriation: 2RB - Community Services
Funding Sources: DYS - Youth Services Fund Account

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 12,024,809 | 0 | 12,024,809 | 100.0 | 12,024,809 | 0 | 12,024,809 | 100.0 |
| C02 | New Program | 3,346,034 | 0 | 15,370,843 | 127.8 | 3,679,629 | 0 | 15,704,438 | 130.6 |
| C05 | Unfunded Appropriation | 5,379,270 | 0 | 20,750,113 | 172.6 | 5,379,270 | 0 | 21,083,708 | 175.3 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 12,024,809 | 0 | 12,024,809 | 100.0 | 12,024,809 | 0 | 12,024,809 | 100.0 |
| C02 | New Program | 3,346,034 | 0 | 15,370,843 | 127.8 | 3,679,629 | 0 | 15,704,438 | 130.6 |
| C05 | Unfunded Appropriation | 5,379,270 | 0 | 20,750,113 | 172.6 | 5,379,270 | 0 | 21,083,708 | 175.3 |

Justification

| | |
|-----|---|
| C02 | (1.) To provide enhanced community based services including: diversion, active GPS monitoring, emergency shelter beds, and active case management. (2.) Community based intervention projects to reduce commitments to the Division. (3.) As a component of the Department's System of Care programs, provide evidence-based prevention services and programs for at-risk youth and children who are most at risk of getting involved in the juvenile justice system. |
| C05 | To request appropriation only for anticipated grants from various agencies, residential treatment and facility contract amendments, and to restore appropriation for Targeted Case Management and Rehab funds. |

Analysis of Budget Request

Appropriation: 2RC - Federal Child & Youth Service Grants

Funding Sources: FWF - DHS Federal

This appropriation enables the Division of Youth Services to provide grants to various entities for delinquency programs in accordance with the U.S. Department of Justice. Programs focus on training local officials and staff to work with juveniles to prevent delinquency at the local level by developing comprehensive strategies for prevention, community policing, reducing disproportionate minority confinement, ensuring separation of children from adults in confinement when detention is unavoidable, removing non-offending youth from correctional facilities and promoting gender specific services to meet the needs of females to prevent them entering the juvenile justice system.

Funding for this appropriation is 100% federal revenue. The federal funds are derived from Juvenile Justice and Delinquency Prevention grants (JJPD), Social Service Block Grants (SSBG) and Title I funding.

The Agency Base Level request for this appropriation is \$5,760,348 each year of the biennium.

The Agency Change Level request for this appropriation is \$500,000 each year of the biennium in unfunded appropriation to be used in the event that federal funding through the Juvenile Justice Delinquency Prevention Programs becomes available. The

Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2RC - Federal Child & Youth Service Grants

Funding Sources: FWF - DHS Federal

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 | 4,914,601 | 5,760,348 | 9,611,623 | 5,760,348 | 6,260,348 | 6,260,348 | 5,760,348 | 6,260,348 | 6,260,348 |
| Total | | 4,914,601 | 5,760,348 | 9,611,623 | 5,760,348 | 6,260,348 | 6,260,348 | 5,760,348 | 6,260,348 | 6,260,348 |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 4,914,601 | 5,760,348 | | 5,760,348 | 5,760,348 | 5,760,348 | 5,760,348 | 5,760,348 | 5,760,348 |
| Total Funding | | 4,914,601 | 5,760,348 | | 5,760,348 | 5,760,348 | 5,760,348 | 5,760,348 | 5,760,348 | 5,760,348 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 500,000 | 500,000 | 0 | 500,000 | 500,000 |
| Grand Total | | 4,914,601 | 5,760,348 | | 5,760,348 | 6,260,348 | 6,260,348 | 5,760,348 | 6,260,348 | 6,260,348 |

Change Level by Appropriation

Appropriation: 2RC - Federal Child & Youth Service Grants

Funding Sources: FWF - DHS Federal

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 5,760,348 | 0 | 5,760,348 | 100.0 | 5,760,348 | 0 | 5,760,348 | 100.0 |
| C05 | Unfunded Appropriation | 500,000 | 0 | 6,260,348 | 108.7 | 500,000 | 0 | 6,260,348 | 108.7 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 5,760,348 | 0 | 5,760,348 | 100.0 | 5,760,348 | 0 | 5,760,348 | 100.0 |
| C05 | Unfunded Appropriation | 500,000 | 0 | 6,260,348 | 108.7 | 500,000 | 0 | 6,260,348 | 108.7 |

Justification

| | |
|-----|---|
| C05 | Appropriation only for anticipated federal funding provided through the Juvenile Justice Delinquency Prevention programs. |
|-----|---|

Analysis of Budget Request

Appropriation: 2YH - Residential Services

Funding Sources: DYS - Youth Services Fund Account

This appropriation provides residential services for juveniles committed to the Division of Youth Services. Following evaluation at the state operated observation and assessment facility, juveniles are placed in an appropriate program in a secure and/or specialized treatment environment. The Division operates seven juvenile residential facilities that house and treat the state's most serious chronic or violent juvenile offenders committed to the Division by the State's District Courts.

Residential services are provided to juveniles through contracts with private community providers and include the following:

Alexander Youth Services Center (AYSC)

Provides centralized intake for all juveniles assigned to DYS and is assigned for the most serious violent/sexual offenders and for those that disrupt placement due to behavior issues. This facility houses 143 youth.

Six Regional Juvenile Treatment Centers

Provide services for males age 14-18, females age 14-21 (housed at the Mansfield female unit) and males age 18-21 housed at the Dermott Juvenile Correctional Facility (JCF). These facilities house a total of 204 youth.

Alternative placement and Specialized Treatment Programs

The Division contracts with 12 different provider groups throughout the state to provide specialized treatment including Psychiatric/Therapeutic Treatments, Sex Offender Treatment and Substance Abuse Treatment.

Funding for this appropriation includes general revenue (DYS - Youth Services Fund Account) and other funding as indicated by various program support. The other funding includes Targeted Case Management and Rehab funding.

The Agency Base Level request for this appropriation is \$24,990,803 each year of the biennium.

The Agency Change Level request for this appropriation is \$8,390,329 in FY2010 and \$10,411,598 in FY2011 of which \$1,053,966 in FY2010 and \$1,067,585 is requested in general revenue funding. \$7,336,363 in FY2010 and \$9,344,013 in FY2011 is requested each year of the biennium in unfunded appropriation to be used in the event that federal funding. The general revenue portion of the request is requested to be used in order for DYS to continue and expand critical initiatives aimed at having the UAMS Mobile Assessment Team conduct a broader and more functionally efficient level of needs assessment on juveniles who are committed to DYS and to cover increases in medical bill and Juvenile Detention Center billing.

The Executive Recommendation provides for the Agency Request for appropriation with no increase in general revenue funding

Appropriation Summary

Appropriation: 2YH - Residential Services

Funding Sources: DYS - Youth Services Fund Account

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | Agency Request and Executive Recommendation | | | 2010-2011 | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|---|------------|------------|------------|------------|------------|
| | | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Authorized | 2009-2010 | | | Base Level | Agency | Executive |
| Grants and Aid | 5100004 | 28,113,368 | 24,990,803 | 24,990,803 | 24,990,803 | 33,381,132 | 33,381,132 | 24,990,803 | 35,402,401 | 35,402,401 |
| Total | | 28,113,368 | 24,990,803 | 24,990,803 | 24,990,803 | 33,381,132 | 33,381,132 | 24,990,803 | 35,402,401 | 35,402,401 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 26,123,044 | 24,990,803 | | 24,990,803 | 26,044,769 | 24,990,803 | 24,990,803 | 26,058,388 | 24,990,803 |
| Various Program Support | 4000730 | 1,990,324 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Funding | | 28,113,368 | 24,990,803 | | 24,990,803 | 26,044,769 | 24,990,803 | 24,990,803 | 26,058,388 | 24,990,803 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 7,336,363 | 8,390,329 | 0 | 9,344,013 | 10,411,598 |
| Grand Total | | 28,113,368 | 24,990,803 | | 24,990,803 | 33,381,132 | 33,381,132 | 24,990,803 | 35,402,401 | 35,402,401 |

Actual exceeds Authorized Appropriation by authority of Reallocation of Resources.

Change Level by Appropriation

Appropriation: 2YH - Residential Services
Funding Sources: DYS - Youth Services Fund Account

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 24,990,803 | 0 | 24,990,803 | 100.0 | 24,990,803 | 0 | 24,990,803 | 100.0 |
| C01 | Existing Program | 1,053,966 | 0 | 26,044,769 | 104.2 | 1,067,585 | 0 | 26,058,388 | 104.3 |
| C05 | Unfunded Appropriation | 7,336,363 | 0 | 33,381,132 | 133.6 | 9,344,013 | 0 | 35,402,401 | 141.7 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 24,990,803 | 0 | 24,990,803 | 100.0 | 24,990,803 | 0 | 24,990,803 | 100.0 |
| C01 | Existing Program | 1,053,966 | 0 | 26,044,769 | 104.2 | 1,067,585 | 0 | 26,058,388 | 104.3 |
| C05 | Unfunded Appropriation | 7,336,363 | 0 | 33,381,132 | 133.6 | 9,344,013 | 0 | 35,402,401 | 141.7 |

Justification

| | |
|-----|---|
| C01 | (1.) To expand mobile assessment team services to conduct a broader and more functionally efficient level of needs assessment of juveniles who are committed to the Division. (2.) Cost of living adjustment for residential facilities and increases for medical expenses and juvenile detention facilities. |
| C05 | To request appropriation only for anticipated grants from various agencies, residential treatment and facility contract amendments, and to restore appropriation for Targeted Case Management and Rehab funds. |

Analysis of Budget Request

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

The Division of Youth Services was created by Act 1296 of 1993 to be entirely devoted "to handling the problems of youths involved with the juvenile justice system." The primary responsibilities of DYS as it functions today are to coordinate components of the juvenile justice system, establish serious offender programs, expand community based-services, and provide services to delinquent and Family-in-Need-of-Services (FINS) youth. Other responsibilities of the agency include research related to juvenile delinquency and related problems, development of programs for early intervention and prevention of juvenile delinquency and maintenance of information on juvenile delinquents in the state. This appropriation provides administrative support for the Division of Youth Services.

Funding for this appropriation includes general revenue (DYS - Youth Services Fund Account), federal revenues and other funds. The federal funds are derived from Juvenile Justice and Delinquency Prevention Program (JJDP) funds, Juvenile Accountability Block Grant (JAPBG) funds and Title I funds. Other funding which is indicated as various program support is derived from Rehabilitative Services reimbursement funds.

Base level positions were changed from unclassified to Professional and Executive Pay Plan to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. 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 may include board member Stipend payments and 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 for this appropriation is \$8,052,942 in FY2010 and \$8,131,990 in FY2011 with 93 positions each year of the biennium.

The Agency Change Level request for this appropriation is \$3,445,010 in FY2010 and \$3,334,720 in FY2011 of which requested general revenue is \$579,521 in FY2010 and \$547,845 in FY2011 and includes:

- \$1,686,899 in FY2010 and \$1,725,669 in FY2011 in Regular Salaries for the restoration of 67 unfunded positions and the associated Personal Services Matching of \$662,685 in FY2010 and \$670,178 in FY2011. The Division will use the positions in the event that the decision is made that it would be more advantageous or critical for the State to operate a DYS facility rather than a contracting with a provider. The Division also requests to transfer 1 position to the Office of Chief Counsel to accommodate needs of both divisions with a reduction of appropriation of \$40,960 in FY2010 and \$41,762 in FY2011 with general revenue of \$20,479 in FY2010 and \$20,880 in FY2011.
- \$928,101 in FY2010 and \$771,548 in FY2011 in Operating Expenses of which \$600,000 in FY2010 and \$401,400 is requested in general revenue funding. The increases will be used to replace aging equipment in line with the Divisions IT plan and provide maintenance for the electronic surveillance system at Alexander and Dermott facilities.

- \$167,325 is requested each year of the biennium in appropriation and general revenue funding in Capital Outlay to replace aging air condition units and refrigerators at residential facilities and purchase replacement equipment in line with the Divisions IT plan.

The Executive Recommendation provides for the Agency Request for positions and appropriation and additional general revenue above Base Level of \$350,000 each year of the biennium.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$350,000 each year of the biennium to fund increases in the Operating Expenses and Capital Outlay line items.
- (\$20,479) in FY2010 and (\$20,880) in FY2011 to be transferred to the Office of Chief Council (OCC) to cover the salary and match for one DHS Program Specialist position.

The above general revenue transfer that the Executive Recommendation has provided for is from an existing allocation of general revenue. (\$20,479) in FY2010 and (\$20,880) in FY2011 is from the Division of Youth Services to the Director's Office/Office of Chief Counsel.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

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 Base Level | 2009-2010 Agency | 2009-2010 Executive | 2010-2011 Base Level | 2010-2011 Agency | 2010-2011 Executive |
| Regular Salaries | 5010000 | 3,322,690 | 4,036,288 | 5,598,030 | 4,109,369 | 5,796,268 | 5,796,268 | 4,175,614 | 5,901,283 | 5,901,283 |
| #Positions | | 90 | 93 | 160 | 93 | 159 | 159 | 93 | 159 | 159 |
| Extra Help | 5010001 | 8,828 | 40,008 | 40,008 | 40,008 | 40,008 | 40,008 | 40,008 | 40,008 | 40,008 |
| #Extra Help | | 2 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 |
| Personal Services Matching | 5010003 | 995,782 | 1,098,447 | 1,826,388 | 1,273,537 | 1,936,222 | 1,936,222 | 1,286,340 | 1,956,518 | 1,956,518 |
| Overtime | 5010006 | 0 | 8,004 | 8,004 | 8,004 | 8,004 | 8,004 | 8,004 | 8,004 | 8,004 |
| Operating Expenses | 5020002 | 2,230,174 | 2,220,832 | 2,220,832 | 2,220,832 | 3,148,933 | 3,148,933 | 2,220,832 | 2,992,380 | 2,992,380 |
| Conference & Travel Expenses | 5050009 | 62,853 | 89,000 | 89,000 | 89,000 | 89,000 | 89,000 | 89,000 | 89,000 | 89,000 |
| Professional Fees | 5060010 | 223,960 | 312,192 | 750,485 | 312,192 | 312,192 | 312,192 | 312,192 | 312,192 | 312,192 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 125,302 | 107,487 | 107,487 | 0 | 167,325 | 167,325 | 0 | 167,325 | 167,325 |
| Total | | 6,969,589 | 7,912,258 | 10,640,234 | 8,052,942 | 11,497,952 | 11,497,952 | 8,131,990 | 11,466,710 | 11,466,710 |

| Funding Sources | | | | | | | | | | |
|--------------------------------|---------|------------------|------------------|--|------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| General Revenue | 4000010 | 7,636,617 | 8,542,332 | | 8,668,772 | 9,248,293 | 8,998,293 | 8,739,816 | 9,287,661 | 9,068,936 |
| Federal Revenue | 4000020 | 324,160 | 342,660 | | 348,753 | 348,753 | 348,753 | 352,176 | 352,176 | 352,176 |
| Transfer to Ar Pub Defender | 4000603 | (240,000) | (240,000) | | (240,000) | (240,000) | (240,000) | (240,000) | (240,000) | (240,000) |
| Transfer to DFA Disbursing | 4000610 | (400,000) | (400,000) | | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) |
| Transfer to Medicaid Match | 4000660 | (591,177) | (791,177) | | (791,177) | (791,177) | (791,177) | (791,177) | (791,177) | (791,177) |
| Various Program Support | 4000730 | 239,989 | 458,443 | | 466,594 | 466,594 | 466,594 | 471,175 | 471,175 | 471,175 |
| Total Funding | | 6,969,589 | 7,912,258 | | 8,052,942 | 8,632,463 | 8,382,463 | 8,131,990 | 8,679,835 | 8,461,110 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 2,865,489 | 3,115,489 | 0 | 2,786,875 | 3,005,600 |
| Grand Total | | 6,969,589 | 7,912,258 | | 8,052,942 | 11,497,952 | 11,497,952 | 8,131,990 | 11,466,710 | 11,466,710 |

Actual Operating Expenses exceeds Authorized by authority of a Reallocation of Resources.

Actual Capital Outlay exceeds Authorized due to appropriation received from DFA Motor Vehicle Acquisition.

Transfer of \$400,000 to DFA Disbursing is to the Juvenile Detention Facilities Operating Fund that provides funding for operating expenses of fourteen local juvenile detention facilities.

Change Level by Appropriation

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Agency Request

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 8,052,942 | 93 | 8,052,942 | 100.0 | 8,131,990 | 93 | 8,131,990 | 100.0 |
| C01 | Existing Program | 255,000 | 0 | 8,307,942 | 103.2 | 255,000 | 0 | 8,386,990 | 103.1 |
| C05 | Unfunded Appropriation | 2,885,970 | 67 | 11,193,912 | 139.0 | 2,807,757 | 67 | 11,194,747 | 137.7 |
| C07 | Agency Transfer | (40,960) | (1) | 11,152,952 | 138.5 | (41,762) | (1) | 11,152,985 | 137.1 |
| C08 | Technology | 345,000 | 0 | 11,497,952 | 142.8 | 313,725 | 0 | 11,466,710 | 141.0 |

Executive Recommendation

| Change Level | | 2009-2010 | Pos | Cumulative | % of BL | 2010-2011 | Pos | Cumulative | % of BL |
|--------------|------------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 8,052,942 | 93 | 8,052,942 | 100.0 | 8,131,990 | 93 | 8,131,990 | 100.0 |
| C01 | Existing Program | 255,000 | 0 | 8,307,942 | 103.2 | 255,000 | 0 | 8,386,990 | 103.1 |
| C05 | Unfunded Appropriation | 2,885,970 | 67 | 11,193,912 | 139.0 | 2,807,757 | 67 | 11,194,747 | 137.7 |
| C07 | Agency Transfer | (40,960) | (1) | 11,152,952 | 138.5 | (41,762) | (1) | 11,152,985 | 137.1 |
| C08 | Technology | 345,000 | 0 | 11,497,952 | 142.8 | 313,725 | 0 | 11,466,710 | 141.0 |

Justification

| | |
|-----|--|
| C01 | (1.) Maintenance fees for the electronic surveillance systems at Arkansas Juvenile Assessment and Treatment Center and the Dermott Juvenile Treatment Program facilities. (2.) Capital Equipment - to replace aging equipment such as large refrigerators, stoves, and air conditioners at the Division's residential facilities. |
| C05 | (1.) To request restoration of 67 unbudgeted positions (salaries and match) to have available in the event the agency decides it would be more advantageous or critical for the State to operate a juvenile facility rather than a contracted provider. (2.) To request appropriation only for expansion of the juvenile tracking system to include data from mobile assessments, education data, treatment plans, interstate compact, and jail monitoring; for technical education training appropriate to the continued development of support, maintenance, hardware and software utilization relevant to information technology staff duties; and for Geographic Information System (GIS) technology for tracking, monitoring, analyzing, report, and disaster preparedness. |
| C07 | One (1) MPA I, (Cost Center 420057; Position # 22111814) from the Division of Youth Services to the Office of Chief Counsel (Cost Center: 416740) to manage the Appeals and Hearings Database and supervise all support staff. Transfer of General Revenue and appropriation is requested |
| C08 | (1.) To replace aging computers that are out of warranty and are too slow to operate with newer software and additional security software. (2.) Capital Equipment - To replace aging computer equipment and network printers. IT Plan: Page 11, IT Support Costs/Hardware & Software. |