

# SUMMARY BUDGET INFORMATION

## TABLE OF CONTENTS

### VOLUME 9

	<u>Page #</u>
<b>2010 Agency Fund Transfers</b> .....	1
<b>Agency Position Usage Report</b> .....	2
<b>Agriculture, Department of</b> .....	3
Action Required: ( 2ZR ) Agri Dept - Operations .....	23
( 33R ) Agri Dept - Federal .....	26
( 36H ) L&P Operations .....	28
( 36J ) L&P Brucellosis Control & Eradication Prgm .....	30
( 36K ) L&P Egg Grading Program .....	33
( 36M ) L&P Small Animal Testing Program .....	36
( 36N ) L&P Large Animals & Poultry .....	39
( 36P ) L&P Brand Registry .....	42
( 36Q ) L&P Indemnities-Revolving .....	44
( 36R ) L&P Show Premiums .....	46
( 36S ) L&P Swamp Fever Testing Program .....	49
( 36T ) L&P Swine Testing Program .....	52
( 36U ) L&P Equine Infect Anemia .....	54
( 36V ) L&P Animal Health .....	57
( 36W ) Agri Dept - Div of Land Survey .....	60
( 37A ) PB Admn/Pest Control .....	63
( 37C ) PB Public Grain Warehouse .....	66
( 37D ) PB Pest Surveillance .....	68
( 37E ) PB Apiary .....	70
( 37F ) PB Product Marketing Program .....	72
( 37G ) PB Pest/Plant Reg Program .....	75
( 37N ) Forestry-Operations-Special .....	77
( 37P ) Forestry-Rural Comm Fire Protection-Fed .....	80
( 37Q ) Forestry-Urban Forestry Services-Federal .....	83
( 37R ) Forestry-Rural Fire Protection Service Loans .....	85
( 37S ) Forestry-St Forestry Trust Program .....	87
( 37T ) Forestry-Southern Pine Beetle Prevention .....	89

- Action Required: ( 37U ) Forestry-Forest Land Enhancement Program ..... 91
- ( 37V ) Forestry-Wild Land Fire Assistance ..... 93
- ( 37W ) Forestry-Forest Health Program ..... 96
- ( 37X ) Forestry-Forest Legacy ..... 98
- ( 37Y ) Forestry-Silvctrl Non-Point Program ..... 101
- ( 37Z ) Agri Dept-Alt Fuels Dev Grants-(GR) ..... 104
- ( 38A ) Agri Dept-Alt Fuels Dev Grants-(SR) ..... 107
- ( ASP ) PB-Univ Scholarship Program ..... 109
- ( D24 ) L&P Poultry Indemnities-Cash ..... 111
- ( D25 ) PB Refunds/Transfers..... 113

**Claims Commission, Arkansas State** ..... 115

- Action Required: ( 227 ) Claims Operations ..... 121
- ( 228 ) Various Claims ..... 123

**DHS - Department Appropriation Summary** ..... 124

**DHS - Director's Office/Office of Chief Counsel** ..... 128

- Action Required: ( 896 ) DHS DO/OCC–Admin Paying Account ..... 186

**DHS - Administrative Services Division** ..... 188

- Action Required: ( 1DE ) Various Building Construction ..... 202
- ( 414 ) Consolidated Cost ..... 204
- ( 58G ) ARRA of 2009 ..... 206
- ( 896 ) DHS DAS–Admin Paying Account ..... 210
- ( 898 ) DHS DAS–Grants Paying Account ..... 214
- ( C99 ) Client Specific Emergency Services–Cash ..... 216

**DHS - Volunteerism Division** ..... 217

- Action Required: ( 896 ) DHS DOV–Admin Paying Account ..... 227
- ( 935 ) Volunteerism – Cash in Treasury ..... 231

**DHS - Aging & Adult Services Division** ..... 232

- Action Required: ( 35M ) Ms. Senior Pageant..... 241
- ( 418 ) Meals on Wheels ..... 243
- ( 642 ) DHS DAAS–Medicaid Expansion Program ..... 246
- ( 896 ) DHS DAAS–Admin Paying Account ..... 252
- ( 978 ) Senior Olympics ..... 256

**DHS - Children & Family Services Division** ..... 257

- Action Required: ( 882 ) State Residential Treatment..... 277
- ( 883 ) Foster Care ..... 280
- ( 896 ) DHS DCFS–Admin Paying Account ..... 284
- ( 898 ) DHS DCFS-Grants Paying Account ..... 287

**DHS - Child Care/Early Childhood Education Division** ..... 290

- Action Required: ( 320 ) Child Care Development-Discretionary ..... 301
- ( 890 ) Food Program ..... 304
- ( 896 ) DHS DCC–Admin Paying Account ..... 308
- ( 898 ) DHS DCC–Grants Paying Account ..... 311
- ( 929 ) Child Care-Treasury Paying ..... 314

**DHS - Behavioral Health Services Division** ..... 315

- Action Required: ( 196 ) Community Mental Health Centers ..... 326
- ( 1EN ) Community Alcohol Safety ..... 328
- ( 1ET ) Alcohol & Drug Abuse Prevention ..... 331
- ( 2MN ) Mental Health Block Grant ..... 333
- ( 655 ) Acute Mental Health Services–Per Capita ..... 335
- ( 896 ) DHS DBH–Admin Paying Account ..... 339
- ( 937 ) Canteen – Cash in Treasury ..... 344
- ( 938 ) Patient Benefits–Cash in Treasury ..... 346

**DHS - County Operations Division** ..... 373

- Action Required: ( 1DK ) Cty-Shelter Plus Care Program ..... 391
- ( 396 ) Cty-Aid To Aged, Blind, Disabled ..... 394
- ( 409 ) Cty-Weatherization Program ..... 396
- ( 410 ) Cty-Emergency Food Program ..... 399
- ( 411 ) Cty-Low Income Energy Assistance Prgm ..... 402
- ( 412 ) Cty-Refugee Resettlement Program ..... 405
- ( 426 ) Cty-Homeless Assistance Grant ..... 407
- ( 59H ) Hunger Coalition ..... 410
- ( 642 ) DHS DCO–Medicaid Expansion Program ..... 413
- ( 896 ) DHS DCO–Admin Paying Account ..... 418
- ( 897 ) DHS DCO–Grants Paying Account ..... 423
- ( 898 ) DHS DCO–Grants Paying Account ..... 426
- ( 930 ) Cty-Commodity Distrib & Salvage Container ..... 429

**DHS - Developmental Disabilities Services Division** ..... 431

- Action Required: ( 147 ) Special Olympics ..... 444
- ( 397 ) Children's Medical Services ..... 446
- ( 408 ) Children's Medical Services-Federal ..... 448
- ( 59J ) Autism Treat/Coord ..... 451
- ( 657 ) Community Programs ..... 453

- Action Required: ( 658 ) Grants to Community Providers ..... 455
- ( 896 ) DHS DDS–Admin Paying Account ..... 459
- ( 982 ) Inter-Divisional Programs ..... 463

**DHS - Medical Services Division** ..... 464

- Action Required: ( 4KS ) Nursing Home Quality ..... 484
- ( 642 ) DHS DMS–Medicaid Expansion Program ..... 486
- ( 648 ) Medicaid Exp - Prescription Drugs ..... 488
- ( 648 ) Medicaid Exp - Hospital & Medical Services ..... 489
- ( 876 ) Nursing Home Closure Costs ..... 493
- ( 878 ) Long Term Care Facility Receivership ..... 495
- ( 896 ) DHS DMS–Admin Paying Account ..... 503
- ( 897 ) Private Home Nursing Care ..... 510
- ( 897 ) Prescription Drugs ..... 511
- ( 897 ) Hospital & Medical Services ..... 512
- ( 897 ) ARKIDS B Program ..... 513
- ( 898 ) Child & Family Life Institute ..... 522
- ( 898 ) Infant Infirmary ..... 523
- ( 898 ) Public Nursing Home ..... 524

**DHS - Services for the Blind Division** ..... 528

- Action Required: ( 896 ) DHS DSB–Admin Paying Account ..... 536

**DHS - Youth Services Division** ..... 540

- Action Required: ( 2QZ ) Community Based Sanctions ..... 553
- ( 2RA ) Juvenile Account Incentive Block Grant ..... 555
- ( 2RB ) Community Services ..... 558
- ( 2RC ) Federal Child & Youth Service Grants ..... 561
- ( 2YH ) Residential Services ..... 564
- ( 896 ) DHS DYS–Admin Paying Account ..... 568

**Emergency Management, Department of** ..... 570

- Action Required: ( 1EM ) Homeland Security ..... 581
- ( 219 ) State Operations ..... 584
- ( 220 ) Federal Operations ..... 587
- ( 221 ) Disaster Relief Grants ..... 590
- ( 38V ) Emergency Operations Center - Cash ..... 593
- ( 59K ) ADEM Federal Surplus Property Prgm ..... 595
- ( 613 ) Hazardous Materials ..... 598



	<b><u>Page #</u></b>
Action Required: ( 740 ) Disaster Relief Trust .....	601
( 950 ) Radiological Emergency Response Grants .....	603
<b>Ethics Commission</b> .....	605
Action Required: ( 192 ) Ethics Operations .....	611



**2010 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**

<b><u>Agency</u></b>	<b><u>Blanket Surety Bond Premiums ACA §21-2-710</u></b>	<b><u>Claims ACA §19-10-204</u></b>	<b><u>Workers' Compensation Administrative Cost Reimbursement ACA §11-9-307</u></b>
Agriculture, Department of	\$918	\$1,496	\$11,722
Claims Commission, Arkansas State	\$100	\$0	\$329
DHS - Director's Office/Office of Chief Counsel	\$323	\$0	\$5,171
DHS - Administrative Services Division	\$436	\$12,937	\$7,969
DHS - Volunteerism Division	\$100	\$0	\$514
DHS - Aging & Adult Services Division	\$269	\$205	\$5,177
DHS - Children & Family Services Division	\$1,386	\$56,462	\$22,722
DHS - Child Care/Early Childhood Education Division	\$230	\$9	\$3,616
DHS - Behavioral Health Services Division	\$1,380	\$13,991	\$24,679
DHS - County Operations Division	\$2,554	\$2,454	\$37,567
DHS - Developmental Disabilities Services Division	\$3,507	\$7,686	\$45,578
DHS - Medical Services Division	\$385	\$1,674	\$8,885
DHS - Services for the Blind Division	\$100	\$0	\$1,725
DHS - Youth Services Division	\$113	\$9	\$3,514
Emergency Management, Department of	\$125	\$0	\$362
Ethics Commission	\$100	\$0	\$0

## AGENCY POSITION USAGE REPORT

Agency	FY2010 - FY2011						3 YEAR AVERAGE(FY09,FY10,FY11)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
Agriculture, Department of	627	570	57	627	0	9.09 %	623	572	51	623	0	8.19 %
Claims Commission, Arkansas State	10	10	0	10	0	0.00 %	10	10	0	10	0	0.00 %
DHS - Director's Office/Office of Chief Counsel	188	164	14	178	10	12.77 %	187	165	14	179	8	11.76 %
DHS - Administrative Services Division	359	379	48	427	-68	-5.57 %	358	353	29	382	-24	1.40 %
DHS - Volunteerism Division	24	20	4	24	0	16.67 %	23	21	2	23	0	8.70 %
DHS - Aging & Adult Services Division	203	182	12	194	9	10.34 %	203	184	10	194	9	9.36 %
DHS - Children & Family Services Division	1,194	1,028	32	1,060	134	13.90 %	1,175	1,000	41	1,041	134	14.89 %
DHS - Child Care/Early Childhood Education Division	171	159	12	171	0	7.02 %	171	160	10	170	1	6.43 %
DHS - Behavioral Health Services Division	1,167	983	19	1,002	165	15.77 %	1,168	991	11	1,002	166	15.15 %
DHS - County Operations Division	1,943	1,811	71	1,882	61	6.79 %	1,943	1,801	59	1,860	83	7.31 %
DHS - Developmental Disabilities Services Division	2,726	2,377	170	2,547	179	12.80 %	2,683	2,378	126	2,504	179	11.37 %
DHS - Medical Services Division	328	287	33	320	8	12.50 %	320	279	34	313	7	12.81 %
DHS - Services for the Blind Division	75	77	8	85	-10	-2.67 %	73	72	5	77	-4	1.37 %
DHS - Youth Services Division	161	75	13	88	73	53.42 %	161	75	14	89	72	53.42 %
Emergency Management, Department of	100	88	12	100	0	12.00 %	94	85	9	94	0	9.57 %
Ethics Commission	9	9	0	9	0	0.00 %	9	9	0	9	0	0.00 %

Department of Human Services (0710) - Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 242 of 2010 section 17(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-214(5)(A)).

# ARKANSAS AGRICULTURE DEPARTMENT

## Enabling Laws

Act 280 of 2010

A.C.A. §2-16-201 et seq.

A.C.A. §2-33-101 et seq.

A.C.A. §2-40-201 et seq.

A.C.A. §15-31-101 et seq.

A.C.A. §25-38-201 et seq.

## History and Organization

Act 1978 of the 2005 Regular Session created the Arkansas Agriculture Department. The Department came into being on August 15, 2005. The executive head of the Department is the Secretary who is selected by the Arkansas Agriculture Board and confirmed by the Governor.

The responsibility of the Secretary and Department is to develop and implement policies and programs for Arkansas agriculture and forestry to keep them competitive in world markets while ensuring safe food, fiber and forest products for the citizens of Arkansas and the nation.

The enabling legislation connected three agencies to the Department: the Arkansas Forestry Commission, the Arkansas Livestock and Poultry Commission and the Arkansas State Plant Board. Each remains intact with its own commission or board, executive director, budget and personnel. The 2010-12 Base Level Budget for the Department includes appropriation of approximately \$66.2 million with 627 positions.

The enabling legislation directs the Secretary to administer and coordinate activities of the agencies and parts of the agencies transferred to the Department while creating new programs to enhance the marketing of Arkansas's agricultural products in state, national and international markets. It also directs the Secretary to coordinate activities of the Department with the federal government and governments of other states on matters pertaining to agriculture, forestry, aquaculture, horticulture and kindred industries. The Secretary is authorized to employ personnel to carry out activities to the extent funds are available.

The Department also houses the office of the State Land Surveyor. The Division of Land Surveys was created by Act 458 of 1973 and provides that the head of the division be known as the State Surveyor. Act 1417 of 2001 transferred the Division of Land Surveys from the Geological Commission to the Arkansas Commissioner of State Lands. Act 752 of 2007 transferred the Division of Land Surveys from the Arkansas Commissioner of State Lands to the Arkansas Agriculture Department .

The primary functions of the Division of Land Surveys include (1) the establishment, maintenance, and preservation of land monuments, section corners, and other physical markers of the United States Public Land Survey within Arkansas, the field notes, plats and other documents relating and evidencing the United States Public Land Survey, and (2) the prescribing of general land survey regulations.

The Division of Land Surveys houses and maintains copies of the original survey notes and plats and other land survey information. Duplicates of all survey information may be obtained upon request.

### **ARKANSAS FORESTRY COMMISSION**

Mission - The Arkansas Forestry Commission promotes forest resource health, conservation, and stewardship.

Statutory Responsibility - By Act 234 of 1931, the Arkansas Legislature created the Forestry Commission to cooperate with the United States Secretary of Agriculture, state agencies, farmers and timber owners in the prevention and suppression of forest fires, the distribution of forest planting stock, and the dissemination of information concerning Arkansas's forests. The Forestry Commission was comprised of five members and authorized to employ a State Forester, who was to employ such administrative and clerical assistants as were deemed necessary.

Act 85 of 1935 authorized employees of the Forestry Commission to enforce the fire laws of Arkansas.

Act 48 of 1939 recreated the Forestry Commission with a nine-member board.

Act 138 of 1945 abolished the Forestry Commission. The Forestry Commission's duties were transferred to the Arkansas Resources and Development Commission. The Act provided that the Division of Forestry and Parks should exercise the function formerly exercised by the Arkansas Forestry Commission. The Arkansas Resources and Development Commission had fifteen members.

Act 409 of 1947, as amended by Act 174 of 1959, Act 412 of 1961, and Act 249 of 1963, authorized and empowered the Forestry Commission to acquire and hold in the name of the State of Arkansas, title to lands which are valuable for state forests. The lands so acquired would be appropriately named, designated, administered, protected and developed as state forests.

Act 42 of 1953, as amended by Act 99 of 1955 and Act 232 of 1959, recreated the Forestry Commission, separating it from the Resources and Development Commission and giving it virtually the same duties outlined in Act 234 of 1931 plus the authority to originate and conduct research in forestry matters and cooperate with other organizations, both public and private.

Act 38 of 1971 reorganized the Executive Department of State government into thirteen major departments. The Forestry Commission became a Division of the Department of Commerce, along with twelve other state agencies. The Forestry Commission was transferred to the Principal department under a Type 1 Transfer whereby the Forestry Commission retained the same prescribed statutory powers, authority,

duties and function before the transfer except all budgeting, purchasing and related management functions of the Forestry Commission were performed under the direction and supervision of the Head of the Principal Department.

Act 36 of 1979 established a Rural Fire Protection service within the Forestry Commission. The Act authorized the Forestry Commission to develop rural fire protection plans, to provide training in fire suppression, to make available to rural firefighting groups fire control equipment, and to establish a revolving loan fund for fire departments.

Act 691 of 1983 abolished the Department of Commerce and restored the Forestry Commission to the status of an independent agency. The same duty, authority and responsibility existing before transfer to the Department of Commerce were restored with the provision that the State Forester shall be employed by the Board of Forestry Commissioners, with the approval of the Governor, and shall serve at the pleasure of the Governor.

Act 135 of 1995 authorized the Forestry Commission to designate certain employees with the powers of peace officers in the enforcement of fire laws, theft of property laws to the extent they apply to theft of timber, and laws pertaining to the unlawful disposal of solid waste when the disposal occurs on forest land.

Act 136 of 1995 required the State Forester to have earned at a minimum a bachelor's degree in forestry from an accredited four-year program at an institution of higher education.

Act 27 of 1999 clarified the function, powers and duties of the Arkansas Forestry Commission.

Act 1978 of 2005 connected the Forestry Commission to the Arkansas Agriculture Department.

Primary Activities - Forestry Commission administration, which includes personnel, fiscal and conservation education, leads, directs and supports employees to accomplish the agency mission. The Forest Protection program is responsible for the protection of Arkansas's forests through wildland fire protection, law enforcement and rural community fire protection. The Forest Management program works with private non-industrial forest landowners, forest industry, universities, private forestry consultants, other governmental agencies and communities to promote stewardship and sustainability of Arkansas's rural and urban forests. Bluff City Tree Improvement Complex produces genetically improved tree seed. Baucum Nursery provides tree seedlings to landowners for reforestation. Poison Springs State Forest provides timber sale revenues, demonstrates forest management techniques, and offers free recreational opportunities, including camping and hunting.

Advisory Commission - A.C.A. §15-31-102 identifies the Board of the Forestry Commission. It consists of nine members to be appointed by the Governor with advice and consent of the Senate from resident electors of Arkansas having a long-standing interest in the forest resources of Arkansas. Term of office is nine years.

## **ARKANSAS LIVESTOCK AND POULTRY COMMISSION**

The Arkansas Livestock and Poultry Commission, created by Act 87 of 1963, has full authority for the control, suppression and eradication of livestock and poultry diseases and pests and supervision of livestock and poultry sanitary work in the state. The purpose of the Agency includes the development of livestock and poultry industries and the administration of relevant laws and regulations. The Commission is authorized to enter into cooperative agreements with federal agencies in matters relating to disease control programs. Act 150 of 1985 clarified and expanded the authority of the Commission relating to the control and eradication of diseases and has provided an important instrument in the progression and success of all programs.

The mission of the agency is to safeguard human and animal health, assure food safety and quality and promote Arkansas livestock and poultry industries for the benefit of our citizens. Mission goals include the following:

1. Protect human and animal health from zoonotic and other toxicological diseases
2. Protect humans and animals from environmental and toxicological threats
3. Protect consumers by ensuring food safety and quality
4. Promote and enhance marketability of livestock, poultry and their products both nationally and internationally.

## **ARKANSAS STATE PLANT BOARD**

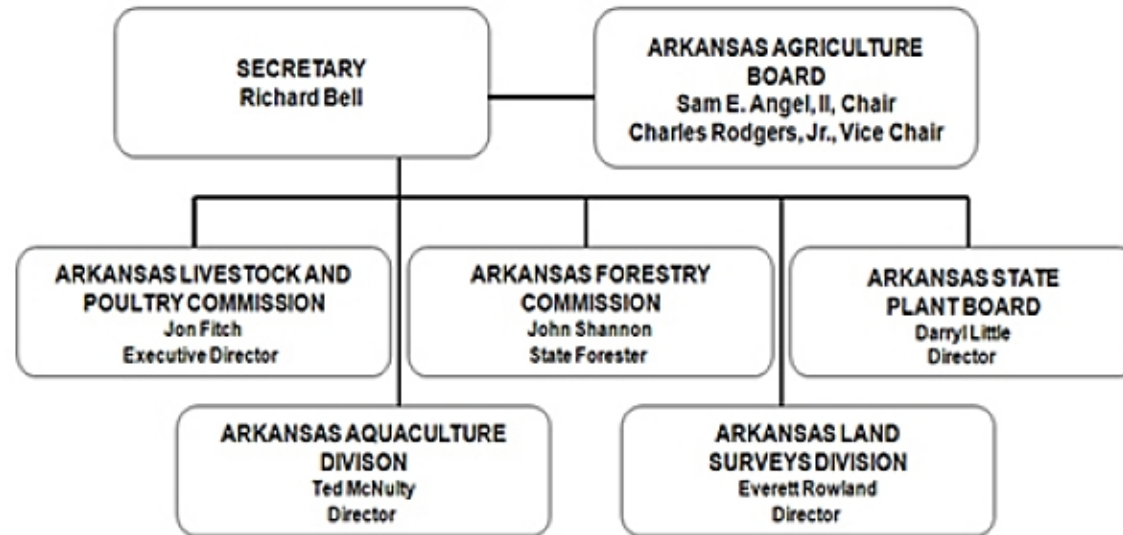
**HISTORY:** The Arkansas State Plant Board was created by the General Assembly on March 28, 1917, by the passage of Act 414, the Plant Act. In 2005 the Plant Board became an agency within the Arkansas Agriculture Department created by Act 1978 of 2005. Duties of the Board are to make rules and regulations under the laws that have been enacted by the legislature and to take action against those who violate these laws. The Board meets at least once each quarter. When created, the Board consisted of five members and the primary duty was to make and enforce plant quarantine regulations. Succeeding legislatures have increased the number of Board members to sixteen.

The Board currently has 29 laws under its jurisdiction. These are: (1) Plant Act, (2) Emergency Plant Act, (3) Pest Control Law, (4) Pesticide Control Act, (5) Pesticide Use & Application Act, (6) Seed Certification Law, (7) Nursery Act, (8) Products Grading Act, (9) Fruit and Vegetable Labeling Act, (10) Fertilizer Law, (11) Feed Law, (12) Strawberry Quality Act, (13) Liming Materials Act, (14) Apiary Law, (15) Soil Amendment Act, (16) Public Grain Warehouse Act, (17) Ginseng Act, (18) Catfish Processor Fair Practices Act, (19) Agricultural Consultants Licensing Act, (20) Natural Organic Fertilizer Law, (21) Seed Arbitration Board Act, (22) Boll Weevil Eradication Act, (23) Weights and Measures Act, (24) Grain Moisture Meter Act, (25) Petroleum Quality Act, (26) Aflatoxin Sampling Act, (27) Rice Certification Act, and (28) Certification of Ornamental and Baitfish Act, (29) Arkansas Mold Investigator Licensing Act.

**PRIMARY ACTIVITIES:** Primary activities include sampling of seed, feed, fertilizer, pesticides, and petroleum products to insure product quality. The Board maintains several plant pest quarantines, regulates the use of pesticides, and maintains a quality control program for certified seed. Other activities include checking the accuracy of all commercial weighing and measuring devices.



The Plant Board is currently working with other state agencies, other states, and federal agencies to ensure that our programs support and assist the mission of homeland security and disaster recovery. These activities are ongoing and are complimentary to the Board's mission.



## Agency Commentary

In keeping with the intent of the Arkansas General Assembly in 2005 when it established the Arkansas Agriculture Department, the Administration proposes personnel and programs to meet the goals of the enabling legislation.

### **OFFICE OF THE SECRETARY**

The Office of the Secretary of the Arkansas Agriculture Department has six authorized Base Level positions: Secretary of Agriculture (unclassified), Deputy Director of Agriculture (unclassified), Deputy Director of Aquaculture (unclassified), Agriculture Director of Marketing (Grade C129), Executive Assistant to the Director (Grade C118) and Administrative Specialist III (Grade C112). Additional staffing is needed to fulfill the potential of the department and goals set by the General Assembly when the department was established. The Department is

requesting one new Grade C119 Grants Coordinator position to be used as a Marketing Director position. This position will be utilized to aggressively locate and establish new grants for the Department of Agriculture. There are many grants available for agricultural purposes, and with the additional position, the Department will be better capable of serving the citizens of Arkansas through these agricultural grants. Additionally, the Office of the Secretary has requested an increase of \$48,132 in Operating Expenses and \$10,700 in Conference Fees and Travel. These increases are the associated operating cost and travel costs for the new Marketing Director position.

### **ALTERNATIVE FUELS**

The Department's Alternative Fuels appropriations are used to provide grant incentives to alternative fuels producers, feedstock processors and alternative fuels distributors. The Department's Base Level budget includes no general revenue funding and \$877,045 funded from remaining fund balances in the the Alternative Fuels Development Special Revenue Fund. The Department's Change Level Request includes additional appropriation and general revenue funding in the amount of \$5 million each year to support the Alternative Fuels Program. This request will be used to provide three types of incentive grants: Capital and Production Grants to Alternative Fuels Producers, Production Grants to feedstock processors, and Distribution Grants to alternative fuels distributors.

### **DIVISION OF LAND SURVEY**

The Division of Land Survey has four authorized Base Level positions: one Land Survey State Surveyor (grade N901), one Agriculture Program Manager (grade C120) and two Administrative Specialist III (grade C112) positions. The Land Survey's Base Level budget includes general revenue funding of \$418,626.

The Division is requesting a Change Level increase in Professional Fees for increased expenses related to setting and refurbishing monuments. For the past two years, the Division has been forced to cut off services after the 3rd quarter due to insufficient funding.

### **ARKANSAS FORESTRY COMMISSION**

The Forestry Commission continues to protect and develop the forest resources of Arkansas by preventing, mitigating, and suppressing wildfires; assisting volunteer fire departments; facilitating forest stewardship and reforestation; monitoring and promoting forest health; and gathering forest inventory data and disseminating forest resource information.

The Forestry Commission did not request additional positions. It is requesting changes to 64 existing positions as follows.

## CLASSIFICATION CHANGE REQUEST:

1. 22088797 from B072C Agri Program Coordinator to B049C Agri Program Manager - The classification of this position to an Agri Program Coordinator created an inequity in program managers within the Arkansas Agriculture Department and within specific program areas of the Forestry Commission. In the requirement to meet deadlines, it appears that the working title of the position, BMP (Best Management Practices) Coordinator, erroneously caused the position to fall into the Agri Program Coordinator classification, despite the responsibilities of the position over an entire program area with supervisory responsibilities.
2. Reclassify 53 - B102C Forest Ranger I positions to B098C Forest Ranger II. There was a misunderstanding during the pay plan implementation regarding the differences in a Forest Ranger I and Forest Ranger II.
  - a. It was not feasible to request 53 OPM pool positions to correct the error, and at the advice of the OPM Administrator the Forestry Commission agreed to wait until the next biennium (2011-2013) to address this error.
  - b. The Forestry Commission has a plan approved by OPM to move Rangers with 4 years or more experience to Forest Ranger II. Without the 53 Ranger I's being reclassified, it is impossible to implement the plan. New hire Rangers with no Ranger experience will continue to be placed in a position that has been downgraded to a Forest Ranger I. Current employees that do not meet the requirement will have their positions downgraded to Forest Ranger I until they meet the Ranger II requirement.
3. Reclassify 3-positions 22088507, 22088455, and 22088456 from B101C Natural Resource Program Technicians to B098C Forest Ranger II. These three positions work at Poison Springs State Forest. They are responsible for all work on the State Forest including fire fighting. The positions also assist Nevada and Ouachita Counties in fighting wildfires when needed. As a condition of employment they must meet physical fitness standards and the same training curriculum as Forest Ranger II. Their former title of Forest Technician may have caused these positions to fall into another Technician classification when in actuality the Forest Ranger II is the more accurate job description. These three positions function as Forest Rangers assigned to the State Forest.
4. Position 22088526 from B098C Forest Ranger II to B088C County Forest Ranger. This position supervises the three positions in #3 above. This position is misclassified as a Forest Ranger II, which has no supervisory duties. In addition to supervision, this position also fights wildfires, must meet physical fitness standards and the same training curriculum of a County Forest Ranger.

## NEW TITLE REQUEST:

1. Auto/Diesel Technician - this request does not replace the S053C A/D Mechanic classification but requires more skills, training, and technical knowledge than S053C, C112. The Forestry Commission has five A/D Mechanics. The new title would only be for four employees at the Rural Fire Protection shop that require a greater skill. The market rate pay for this skill set is \$13.33 to \$18.15; request is for C114 entry level \$13.3933.

2. Auto/Diesel Tech Supervisor - this request does not replace the S036C A/D Mechanic Supervisor classification but requires more skills, training, and technical knowledge than S036C, C115. The Forestry Commission has two A/D Mechanic Supervisors that require a greater skill to supervise A/D Technicians. The market rate pay for this skill set is \$15.42 to \$20.51; request is for C116 entry level \$14.766.

Following are several issues that should be addressed during the 2011-2013 biennium.

- While the recession has reduced funds available to all of state government, the downturn in new home construction has significantly reduced Special Revenues (timber sales, seedling sales, and timber severance tax receipts) to the Forestry Commission. Because sawmills have been permanently closed, timber severance tax collections will not return to the pre-recession level. The Forestry Commission has initiated a policy discussion to identify new ways to fund its operations.
- The Forestry Commission fights wildland fires statewide. This emergency preparedness requires firefighters and firefighting equipment assigned statewide. Forestry Commission funding for maintenance and operations has been inadequate for years. The Forestry Commission can no longer absorb, within its current budget, the increased costs of both aviation, vehicle fuels, and overhead costs. Accordingly, the Forestry Commission requests an increase in Operating Expenses appropriation and funding in the amount of \$120,000 for each year of the biennium.
- The Forestry Commission, in cooperation with the Arkansas Game & Fish Commission, the Fire Academy, and the U.S. Coast Guard, conducts annual fireboat training for volunteer fire departments (VFD). This year 34 VFDs with 268 volunteers participated in the training. The Forestry Commission provides VFDs with fire boats through the federal excess personal property program. The Forestry Commission requests \$15,000 per year in appropriation and funds to continue this increasingly important training.
- Additional Capital Outlay of \$1,000,000 in the Rural Community Fire Protection Program. This program provides assistance to communities, organizations, institutions, volunteer fire departments and other groups to reduce their risk of loss from wildfires in the woodland urban interface.
- The Forest Legacy program to restore the Capital Outlay appropriation of \$4,192,000, to all the Forestry Commission to acquire conservation easements or forestlands.
- The Silvicultural Nonpoint Program needs restoration of \$20,000 in Capital Outlay, the will be used to provide training equipment.

## ARKANSAS LIVESTOCK AND POULTRY COMMISSION

Livestock and Poultry Commission programs are supported by general revenue, special revenue and federal revenue.

Pursuant to Governor's Executive policy statement, the Arkansas Livestock & Poultry Commission submits a base level budget for the 2011-2013 biennium with the exception of Livestock and Poultry Show Premiums funded with General Revenue (Miscellaneous Agencies Fund) and Capital Outlay needs funded with special revenue and federal funds.

- General Revenue is requested for the following:

### Livestock & Poultry Show Premiums (General Revenue)

The Agency requests additional appropriation and general revenue funding of \$90,000 each year of the biennium for increased travel reimbursement expenses paid from the following line items: ARSHS Rodeo Association, FFA Clubs Refunds/Reimbursement and 4H Clubs Refunds/Reimbursement.

- Capital Outlay appropriations requested for special revenue and federal revenue funded programs are as follows:

### Egg and Poultry Grading Program(Special Revenue)

\$50,000 requested each year for Capital Outlay appropriation to replace necessary program equipment.

### Brucellosis Control and Eradication Program(Special Revenue)

\$20,000 is requested each year for Capital Outlay appropriation to replace necessary testing equipment.

### Large Animal and Poultry Testing(Special Revenue)

\$120,000 is requested each year for Capital Outlay appropriation to replace necessary testing equipment in the AL&PC Diagnostic Laboratory.

### Small Animal Testing Program(Special Revenue)

\$50,000 is requested each year for Capital Outlay appropriation to replace testing equipment in the AL&PC Diagnostic Laboratory.

### Equine Infections Anemia Control Program(Special Revenue)

\$100,000 is requested each year for Capital Outlay Appropriation to replace office machines and equipment.

### Swamp Fever Testing Program(Special Revenue)

\$57,500 is requested each year for Capital Outlay appropriation to replace testing equipment in the AL&PC Diagnostic Laboratory.

### Animal Health(Federal Funding)

\$472,769 is requested each year for Capital Outlay appropriation to purchase additional testing equipment for the AL&PC Diagnostic

## **ARKANSAS STATE PLANT BOARD**

The cost of basic input items such as seed, fertilizer, feed, pesticides, and fuel are high. The Plant Board must maintain a sound inspection program for these inputs to insure that farmers are getting the quality products they need for maximum efficiency.

Biotechnology, global positioning systems, satellite imagery, and other new technologies are changing production practices and increasing productivity. The impact of these new technologies is considered revolutionary and comparable with the impact on agriculture of cotton gins, and mechanical harvesters. In order to support the agricultural industries of Arkansas, the Plant Board must integrate these technologies into our regulatory programs. This requires considerable investment in equipment and continuous training of employees.

In addition to technological changes, international markets are opening and changing. The Plant Board must be in a position to support industry in adhering to import restrictions and requirements of trading partners who buy Arkansas agricultural products. The Plant Board is responsible for enforcing and carrying out the intents and mandates of 29 laws.

Activities are funded through thirteen appropriations. These are (1) Overpayments/Refunds - Cash; (2) Administrative/Pest Control; (3) Pesticide Surveillance; (4) Apiary; (5) Public Grain Warehouse; (6) Survey and Quarantine; (7) Pesticide/Plant Regulator Program; (8) Bureau of Standards and (9) Product Marketing. The remaining four appropriations are for scholarships granted to agricultural students in the State's universities. Survey and Quarantine and the Bureau of Standards are funded with general revenue. All of the other appropriations are funded with special revenue from fees paid by regulated industries with the exception of the Product Marketing program, which is funded by federal revenue.

### Overpayments/Refunds (Cash)

This appropriation is used to transfer fees to the State Treasury, make refunds and other transfers as required and to transfer funds to the University of Arkansas for fertilizer and lime tonnage fees.

Request is for appropriation at Base Level.

### Administration/Pest Control (Special Revenues)

Because of the payment of appreciable fees in these programs, the people and industries under regulation feel that they are paying for Plant Board services and protection. Consequently, they expect and deserve prompt response and full service. To provide this, the Plant Board must maintain a reserve of supporting funds appropriated to it for this use. Personnel needs vary during the year, depending upon seasonal demand for services.

In addition to Base Level, The Arkansas State Plant Board requests the restoration of a Miscellaneous Federal Grant (MFG) appropriation in the amount of \$98,121, including \$48,156 in Extra Help, \$3,762 in related Matching, \$39,203 in Operating Expenses and \$7,000 in Conference Fees and Travel. This appropriation will support federal grants for the Tomato Leaf Miner Survey Program, the Emerald Ash Borer Survey, and the Light Brown Apple Moth Survey, for the purpose of conducting pest surveys in potential problem areas of the state, and the Pest Detection - Core Infrastructure Program, the purpose of which is to coordinate with the United States Department of Agriculture - Animal and Plant Health Inspection Services (USDA-APHIS) to oversee pest detection efforts through the Cooperative Agricultural Pest Survey (CAPS) Program. Additionally, the Plant Board requests increases in Extra Help appropriation of \$60,000 and related matching of \$4,686 to support needed increases in surveys and trapping for exotic pests and invasive species. Capital Outlay of \$572,000 in FY12 and \$513,000 in FY13 for sales tax on vehicle purchases, lab equipment and office fixtures/equipment for the various divisions appropriation within the Plant Board, including Data Processing Equipment, file servers and other IT equipment. These additions to Base Level will be funded by Special Revenues.

Pesticide Surveillance (Special Revenues)

Request is for appropriation at Base Level.

Apiary (Special Revenues)

Request is for appropriation at Base Level.

Public Grain Warehouse (Special Revenues)

Request is for appropriation at Base Level.

Abandoned Pesticide/Plant Regulatory Program (Special Revenues)

Request is for appropriation at Base Level.

Product Marketing Program (Federal Funds)

The Product Marketing Program began in November, 2001, as a Miscellaneous Federal Grant to promote the sale of various agricultural products. In addition to Base Level, \$25,000 of capital outlay is requested. this will be used for the purchase of equipment.

Grants for Scholarships and Internships (Special Revenues)

This program is for internships and scholarship grants from civil penalties collected in Special Revenue Programs. Grants are for agricultural students at the University of Arkansas, Arkansas State University, Southern Arkansas University, and Arkansas Tech University. Continuation at Base Level is requested for the 2011-2013 Biennium.

# Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS AGRICULTURE DEPARTMENT  
FOR THE YEAR ENDED JUNE 30, 2008

## Findings

The Arkansas Livestock and Poultry Commission, a division of the Arkansas Agriculture Department, receipts various monies relating to the control and eradication of disease and pests in livestock and poultry. For the fiscal year ended June 30, 2008, these receipts exceeded \$5 million. During our review of these receipts, it was noted that there was insufficient receipting documentation and a lack of adequate internal controls. Specifically, the following deficiencies were noted:

- Funds were not deposited in a timely manner.
- Checks were not restrictively endorsed at the original point of receipt.
- Checks were returned to the payee without any documentation to support the return of the check to the payee, or the adjustment to the receipt log.
- Changes were made to the receipt log without proper documentation and approval.

Adequate receipting documentation and good internal controls are essential to insure all receipts are deposited timely and intact.

During our review of the internal controls over payroll and personnel at the Arkansas Livestock and Poultry Commission, a division of the Arkansas Agriculture Department, we noted the following deficiencies:

- Timesheets were not always approved by a supervisor.
- Timesheets were not retained to support all payroll disbursements.
- Documentation was not retained to support the payment of, and management's approval of, overtime pay to egg graders.

Lack of sound internal controls related to payroll and personnel could lead to incorrect payments to employees and place Agency assets at risk.

Agency fuel card purchases were reviewed and testing revealed the following internal control deficiencies:

- Lack of supervisor approval on invoice.
- Insufficient supporting documentation.
- Monthly vehicle mileage reports listed no evidence of review and approval by supervisor.

## Recommendations

The Arkansas Livestock and Poultry Commission strengthen receipting controls and adequately document collections to insure all receipts are deposited timely and intact.

Seek appropriate financial management training for personnel and maintain an effective system of internal controls to ensure assets are properly safeguarded and financial documentation is maintained.

Internal Controls over payroll related functions be strengthened and payroll related documents be properly prepared, approved, and retained.

Strengthen internal controls over fuel card purchases.



DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS AGRICULTURE DEPARTMENT  
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Without sound internal controls over fuel card purchases, misappropriation of Agency assets could occur.

The fiscal departments of the Agency failed to maintained accurate fixed asset records for the year ended June 30, 2008. The following weaknesses were noted during our review of fixed assets:

- Deletions of equipment were not recorded in AASIS.
- Equipment items could not be located.
- Equipment additions were not appropriately capitalized.
- Items of equipment which were on AASIS did not have an inventory tag attached.
- Equipment items were tagged but were not listed in AASIS.
- Monies transferred to the Agency from the Motor Vehicle Acquisition Fund for the acquisition of vehicles were not reconciled to insure that all funding received belonged to the Agency.

The failure to maintain adequate internal controls over fixed assets has placed these assets at risk.

The State Forestry Commission, a division of the Arkansas Agriculture Department, maintained two bank accounts that were not properly recorded. The balances as well as the transactions for the two accounts were not recorded in AASIS as required by the Department of Finance and Administration Financial Management Guide.

Recommendations

Maintain accurate fixed asset records in AASIS to reduce the risk of misappropriation of assets.

Record bank account balances and activity in AASIS in accordance with the Department of Finance and Administration Financial Management Guide.

## **Employment Summary**

	Male	Female	Total	%
White Employees	412	117	529	92 %
Black Employees	16	14	30	5 %
Other Racial Minorities	6	8	14	3 %
	Total Minorities		44	8 %
	Total Employees		573	100 %

## **Cash Fund Balance Description as of June 30, 2010**

Fund Account	Balance	Type	Location
1250201	\$0	Checking	Bank of America

### Statutory/Other Restrictions on use:

A.C.A. 2-40-109

### Statutory Provisions for Fees, Fines, Penalties:

Allows Agency to negotiate compensation with the owner of a disease flock. The Poultry Federation provides the Agency with necessary funds to destroy diseased flocks.

### Revenue Receipts Cycle:

Funds are deposited into account when received from the Poultry Federation to pay poultry indemnities.

### Fund Balance Utilization:

Funds are used only for paying owners indemnities for diseased flocks.

<b>Fund Account</b>	<b>Balance</b>	<b>Type</b>	<b>Location</b>
1640001	\$30,057	Checking	Simmons First National Bank

**Statutory/Other Restrictions on use:**

A.C.A. 19-4-801 establishes this appropriation to be payable from cash funds transferred to the State Treasury, University of Arkansas and refunds for overpayment of fees collected.

**Statutory Provisions for Fees, Fines, Penalties:**

A.C.A. 2-16-107 authorizes the agency to collect fees, fines and penalties.

**Revenue Receipts Cycle:**

Fees, fines and penalties are collected throughout the year.

**Fund Balance Utilization:**

Funds are collected on a daily basis, deposited in bank and transferred to the State Treasury at the end of each month. This functions as an administrative account, no as an Agency cash fund. It is used primarily to transfer funds to State Treasury by check.

**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 Forestry Commission Annual Report	ACA 15-31-106-(a)(3)	Y	N	50	Required by state law. The annual report describes expenditures, accomplishments and future planned tasks.

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2ZR Agri Dept - Operations	14,364,417	235	15,376,328	237	16,195,459	237	15,433,237	237	15,700,926	238	15,593,299	237	15,433,237	237	15,700,926	238	15,593,299	237
33R Agri Dept - Federal	7,815,885	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
36H L&P Operations	0	0	77,131	0	77,131	0	77,131	0	77,131	0	77,131	0	77,131	0	77,131	0	77,131	0
36J L&P Brucellosis Control & Eradication Prgm	793,752	11	1,696,464	22	1,692,889	22	1,665,979	22	1,685,979	22	1,685,979	22	1,665,979	22	1,685,979	22	1,685,979	22
36K L&P Egg Grading Program	2,957,720	42	3,826,025	47	3,904,972	47	3,795,791	47	3,845,791	47	3,845,791	47	3,795,791	47	3,845,791	47	3,845,791	47
36M L&P Small Animal Testing Program	284,115	0	350,000	0	350,000	0	300,000	0	350,000	0	350,000	0	300,000	0	350,000	0	350,000	0
36N L&P Large Animals & Poultry	707,839	1	1,455,064	3	1,612,383	3	1,335,105	3	1,455,105	3	1,455,105	3	1,335,105	3	1,455,105	3	1,455,105	3
36P L&P Brand Registry	0	0	6,000	0	6,000	0	6,000	0	6,000	0	6,000	0	6,000	0	6,000	0	6,000	0
36Q L&P Indemnities-Revolving	0	0	45,000	0	45,000	0	45,000	0	45,000	0	45,000	0	45,000	0	45,000	0	45,000	0
36R L&P Show Premiums	736,780	0	736,780	0	736,780	0	736,780	0	826,780	0	736,780	0	736,780	0	826,780	0	736,780	0
36S L&P Swamp Fever Testing Program	219,247	0	323,128	0	323,218	0	265,632	0	323,132	0	323,132	0	265,632	0	323,132	0	323,132	0
36T L&P Swine Testing Program	0	0	30,000	0	30,000	0	30,000	0	30,000	0	30,000	0	30,000	0	30,000	0	30,000	0
36U L&P Equine Infect Anemia	192,593	4	471,348	4	468,661	4	370,657	4	470,657	4	470,657	4	370,657	4	470,657	4	470,657	4
36V L&P Animal Health	641,530	11	1,866,272	5	1,874,015	5	1,402,169	5	1,874,938	5	1,874,938	5	1,402,169	5	1,874,938	5	1,874,938	5
36W Agri Dept - Div of Land Survey	376,626	4	426,856	4	471,693	4	418,626	4	438,626	4	418,626	4	418,626	4	438,626	4	418,626	4
37A PB Admn/Pest Control	5,861,164	88	8,281,077	94	8,078,018	94	7,607,243	94	8,342,050	94	8,342,050	94	7,607,243	94	8,283,050	94	8,283,050	94
37C PB Public Grain Warehouse	268,718	4	281,144	4	320,839	4	281,345	4	281,345	4	281,345	4	281,345	4	281,345	4	281,345	4
37D PB Pest Surveillance	286,799	4	286,380	4	344,708	4	284,267	4	284,267	4	284,267	4	284,267	4	284,267	4	284,267	4
37E PB Apiary	200,747	3	204,120	3	244,256	3	206,430	3	206,430	3	206,430	3	206,430	3	206,430	3	206,430	3
37F PB Product Marketing Program	170,630	0	694,637	1	694,764	1	669,654	1	694,654	1	694,654	1	669,654	1	694,654	1	694,654	1
37G PB Pest/Plant Reg Program	96,048	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
37H U of A Agri Scholarships	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0
37J ASU Agri Scholarships	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0
37K AR Tech Agri Scholarships	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0
37M SAU Agri Scholarships	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0
37N Forestry-Operations-Special	10,715,322	194	11,912,118	197	12,312,803	197	11,927,858	197	11,973,004	197	11,971,116	197	11,927,858	197	11,973,004	197	11,971,116	197
37P Forestry-Rural Comm Fire Protection-Fed	1,596,125	2	1,532,291	2	1,533,203	2	1,151,999	2	2,151,999	2	2,151,999	2	1,151,999	2	2,151,999	2	2,151,999	2
37Q Forestry-Urban Forestry Services-Federal	315,094	0	436,675	0	436,675	0	436,675	0	436,675	0	436,675	0	436,675	0	436,675	0	436,675	0
37R Forestry-Rural Fire Protection Service Loans	525,484	0	1,210,000	0	1,210,000	0	1,210,000	0	1,210,000	0	1,210,000	0	1,210,000	0	1,210,000	0	1,210,000	0
37S Forestry-St Forestry Trust Program	0	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0
37T Forestry-Southern Pine Beetle Prevention	409,764	0	1,740,000	0	1,740,000	0	1,740,000	0	1,740,000	0	1,740,000	0	1,740,000	0	1,740,000	0	1,740,000	0
37U Forestry-Forest Land Enhancement Program	45,874	0	275,000	0	275,000	0	275,000	0	275,000	0	275,000	0	275,000	0	275,000	0	275,000	0
37V Forestry-Wild Land Fire Assistance	2,549,215	0	3,125,318	0	178,800	0	178,800	0	178,800	0	178,800	0	178,800	0	178,800	0	178,800	0

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
37W Forestry-Forest Health Program	5,814	0	209,521	0	209,521	0	209,521	0	209,521	0	209,521	0	209,521	0	209,521	0	209,521	0
37X Forestry-Forest Legacy	2,068,284	0	4,242,000	0	4,242,000	0	50,000	0	4,242,000	0	4,242,000	0	50,000	0	4,242,000	0	4,242,000	0
37Y Forestry-Silvctrl Non-Point Program	17,988	0	120,000	0	120,000	0	100,000	0	120,000	0	120,000	0	100,000	0	120,000	0	120,000	0
37Z Agri Dept-Alt Fuels Dev Grants-(GR)	0	0	0	0	5,000,000	0	0	0	5,000,000	0	0	0	0	0	5,000,000	0	0	0
38A Agri Dept-Alt Fuels Dev Grants-(SR)	124,193	0	877,045	0	11,000,000	0	877,045	0	877,045	0	877,045	0	877,045	0	877,045	0	877,045	0
D24 L&P Poultry Indemnities-Cash	0	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0
D25 PB Refunds/Transfers	31,560	0	6,765,600	0	6,765,600	0	6,765,600	0	6,765,600	0	6,765,600	0	6,765,600	0	6,765,600	0	6,765,600	0
<b>NOT REQUESTED FOR THE BIENNIUM</b>																		
37B PB Bureau of Standards	0	0	35,000	0	35,000	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>54,399,327</b>	<b>604</b>	<b>75,294,322</b>	<b>627</b>	<b>88,909,388</b>	<b>627</b>	<b>66,233,544</b>	<b>627</b>	<b>78,498,455</b>	<b>628</b>	<b>73,278,940</b>	<b>627</b>	<b>66,233,544</b>	<b>627</b>	<b>78,439,455</b>	<b>628</b>	<b>73,219,940</b>	<b>627</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	12,467,290	18.3	13,857,875	16.3	9,846,788	13.5	9,846,788	11.7	9,846,788	12.5	7,654,273	10.8	6,584,320	8.1	6,586,208	8.7	
General Revenue	4000010	15,477,823	22.7	16,539,964	19.4	16,588,643	22.7	21,966,332	26.1	16,748,705	21.2	16,588,643	23.4	21,966,332	27.1	16,748,705	22.1	
Federal Revenue	4000020	9,688,698	14.2	21,335,314	25.1	16,253,936	22.3	21,963,705	26.1	21,963,705	27.8	16,253,936	23.0	21,963,705	27.1	21,963,705	29.0	
Special Revenue	4000030	17,152,538	25.1	18,440,839	21.7	18,300,805	25.1	18,408,305	21.9	18,408,305	23.3	18,300,805	25.8	18,408,305	22.7	18,408,305	24.3	
Non-Revenue Receipts	4000040	680,724	1.0	1,100,000	1.3	1,100,000	1.5	1,100,000	1.3	1,100,000	1.4	1,100,000	1.6	1,100,000	1.4	1,100,000	1.5	
Cash Fund	4000045	33,590	0.0	6,775,600	8.0	6,775,600	9.3	6,775,600	8.0	6,775,600	8.6	6,775,600	9.6	6,775,600	8.4	6,775,600	8.9	
Trust Fund	4000050	8,992	0.0	1,600,000	1.9	1,600,000	2.2	1,600,000	1.9	1,600,000	2.0	1,600,000	2.3	1,600,000	2.0	1,600,000	2.1	
DFA Motor Vehicle Acquisition	4000184	358,856	0.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Federal Funds-ARRA	4000244	10,365,100	15.2	2,946,518	3.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Intra-agency Fund Transfer	4000317	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Miscellaneous Revolving	4000350	0	0.0	45,000	0.1	45,000	0.1	45,000	0.1	45,000	0.1	45,000	0.1	45,000	0.1	45,000	0.1	
Other	4000370	2,023,591	3.0	2,500,000	2.9	2,500,000	3.4	2,500,000	3.0	2,500,000	3.2	2,500,000	3.5	2,500,000	3.1	2,500,000	3.3	
<b>Total Funds</b>		<b>68,257,202</b>	<b>100.0</b>	<b>85,141,110</b>	<b>100.0</b>	<b>73,010,772</b>	<b>100.0</b>	<b>84,205,730</b>	<b>100.0</b>	<b>78,988,103</b>	<b>100.0</b>	<b>70,818,257</b>	<b>100.0</b>	<b>80,943,262</b>	<b>100.0</b>	<b>75,727,523</b>	<b>100.0</b>	
Excess Appropriation/(Funding)		(13,857,875)		(9,846,788)		(6,777,228)		(5,707,275)		(5,709,163)		(4,584,713)		(2,503,807)		(2,507,583)		
<b>Grand Total</b>		<b>54,399,327</b>		<b>75,294,322</b>		<b>66,233,544</b>		<b>78,498,455</b>		<b>73,278,940</b>		<b>66,233,544</b>		<b>78,439,455</b>		<b>73,219,940</b>		

The FY11 Budget in the L&P Brucellosis Control & Eradication Prgm and the L&P Equine Infect Anemia Prgm exceeds the Authorized due to salary adjustments during the 2009-2011 biennium.  
 The FY11 Budget exceeds Authorized in PB Admin/ Pest Control and Forestry - Wild Land Fire Assistance due to a transfer from the Miscellaneous Federal Grant Holding Account.  
 Fund Balance from FY2012 to FY2013 does not equal due to unfunded appropriation in the Agri Dept - Alt Fuels Dev Grants-(SR) program.

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
617	576	40	616	1	6.65 %	627	571	56	627	0	8.93 %	627	570	57	627	0	9.09 %

## **Analysis of Budget Request**

**Appropriation:** 2ZR - Agri Dept - Operations

**Funding Sources:** HAD - Department of Agriculture Fund Account

This appropriation provides general revenue funding to support the administrative operations of the Department, including the Office of the Secretary, the Arkansas Forestry Commission, the Arkansas State Plant Board and the Arkansas Livestock and Poultry Commission.

Base Level includes appropriation and general revenue funding of \$15,433,237 in each year of the biennium with 237 Regular positions and 50 Extra Help positions.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of unclassified positions reflects the FY11 line item maximum. The Base Level request for Regular Salaries includes board member stipend payments.

### **OFFICE OF THE SECRETARY**

Base Level for the Office of the Secretary includes appropriation and general revenue funding of \$687,704 in each year of the biennium with 6 Regular positions and 2 Extra Help positions.

The Agency Change Level Request for the Office of the Secretary includes increases in Regular Salaries of \$35,554 and Personal Services Matching of \$11,887 each fiscal year for one (1) C119 - Grants Coordinator position, to be assigned as a Marketing Director. This position will be used in the Secretary's office to research and secure additional agricultural grants and enhance the marketing of Arkansas agricultural and forestry products, enabling the Department to offer additional agricultural assistance to the citizens of Arkansas.

Additionally, an increase in Operating Expenses of \$48,132 for each fiscal year is requested. This increase is associated with the new position request. The increases will be used for office supplies, marketing materials and educational materials.

There is also an increase in Conference Fees and Travel of \$10,700 for each fiscal year. This increase will be used to allow the new Marketing Director position to travel both nationally and internationally to market Arkansas Agricultural and Forestry products.

The Executive Recommendation provides for Base Level.

### **FORESTRY COMMISSION**

Base Level for the Forestry Commission includes appropriation and general revenue funding of \$8,214,217 in each year of the biennium along with 130 Regular positions and 27 Extra Help positions.

The Agency Change Level Request includes an increase in Regular Salaries of \$21,910 for the following reclasses: One (1) C115 Auto/Diesel Mechanic Supervisor to a C116 Auto/ Diesel Technician Supervisor, Twenty (20) C113 Forest Ranger I to C114 Forest Ranger II, Two (2) C112 Auto/ Diesel Mechanic to C114 Auto/ Diesel Technician.

A total increase in Operating Expenses of \$120,000 for each fiscal year is also requested. Of the requested increase, \$61,000 is for increased telecommunication costs, \$9,000 for telecommunications wireless costs, \$20,000 in increased fuel costs and \$30,000 for seed fertilizer increases.

Also, an increase in Grants and Aid of \$15,000 each fiscal year is requested. This request will be used to support the annual Fire Boat School. This will provide improved and consistent training for fire boat crews from around the State.

The Executive Recommendation provides for the Agency Request in funded appropriation for the Operating Expense and Grants and Aid. The Executive Recommendation also allows for the reclass of the twenty (20) C113 Forest Ranger I to C114 Forest Ranger II.

### **LIVESTOCK AND POULTRY COMMISSION**

Base Level for the Livestock and Poultry Commission includes appropriation and general revenue funding of \$3,934,905 in each year of the biennium with 59 Regular positions and 21 Extra Help positions.

The Agency is requesting continuation of Base Level for the Livestock and Poultry Commission.

The Executive Recommendation provides for the Agency Request.

### **PLANT BOARD**

Base Level for the Plant Board includes appropriation and general revenue funding of \$2,596,411 in each year of the biennium along with 42 Regular positions.

The Agency is requesting continuation of Base Level for the Plant Board.

The Executive Recommendation provides for the Agency Request.



# Appropriation Summary

**Appropriation:** 2ZR - Agri Dept - Operations  
**Funding Sources:** HAD - Department of Agriculture Fund Account

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	9,134,571	9,456,842	9,440,091	9,302,119	9,359,583	9,322,905	9,302,119	9,359,583	9,322,905
<b>#Positions</b>		<b>235</b>	<b>237</b>	<b>237</b>	<b>237</b>	<b>238</b>	<b>237</b>	<b>237</b>	<b>238</b>	<b>237</b>
Extra Help	5010001	82,430	161,868	161,868	161,868	161,868	161,868	161,868	161,868	161,868
<b>#Extra Help</b>		<b>19</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
Personal Services Matching	5010003	2,625,717	2,800,993	3,048,701	3,012,625	3,029,018	3,016,901	3,012,625	3,029,018	3,016,901
Overtime	5010006	1,553	37,600	37,600	37,600	37,600	37,600	37,600	37,600	37,600
Uniform Allowance	5010016	11,055	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Operating Expenses	5020002	2,345,913	2,484,587	2,599,856	2,484,587	2,652,719	2,604,587	2,484,587	2,652,719	2,604,587
Conference & Travel Expenses	5050009	30,272	56,113	62,113	56,113	66,813	56,113	56,113	66,813	56,113
Professional Fees	5060010	30,436	170,422	193,422	170,422	170,422	170,422	170,422	170,422	170,422
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	15,000	0	15,000	15,000	0	15,000	15,000
Refunds/Reimbursements	5110014	6,418	6,418	6,418	6,418	6,418	6,418	6,418	6,418	6,418
Capital Outlay	5120011	0	0	10,000	0	0	0	0	0	0
Boll Weevil Program	5900046	16,949	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Buffalo Gnat Control Program	5900047	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Fire Fighting Equipment	5900048	71,103	143,485	562,390	143,485	143,485	143,485	143,485	143,485	143,485
<b>Total</b>		<b>14,364,417</b>	<b>15,376,328</b>	<b>16,195,459</b>	<b>15,433,237</b>	<b>15,700,926</b>	<b>15,593,299</b>	<b>15,433,237</b>	<b>15,700,926</b>	<b>15,593,299</b>
<b>Funding Sources</b>										
General Revenue	4000010	14,364,417	15,376,328		15,433,237	15,700,926	15,593,299	15,433,237	15,700,926	15,593,299
Total Funding		14,364,417	15,376,328		15,433,237	15,700,926	15,593,299	15,433,237	15,700,926	15,593,299
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		14,364,417	15,376,328		15,433,237	15,700,926	15,593,299	15,433,237	15,700,926	15,593,299

The FY11 Budget Amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-11 biennium for the Arkansas Forestry Commission.

## Change Level by Appropriation

**Appropriation:** 2ZR - Agri Dept - Operations  
**Funding Sources:** HAD - Department of Agriculture Fund Account

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>15,433,237</b>	<b>237</b>	<b>15,433,237</b>	<b>100.0</b>	<b>15,433,237</b>	<b>237</b>	<b>15,433,237</b>	<b>100.0</b>
C01	Existing Program	241,273	1	15,674,510	101.6	241,273	1	15,674,510	101.6
C10	Reclass	26,416	0	15,700,926	101.7	26,416	0	15,700,926	101.7

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>15,433,237</b>	<b>237</b>	<b>15,433,237</b>	<b>100.0</b>	<b>15,433,237</b>	<b>237</b>	<b>15,433,237</b>	<b>100.0</b>
C01	Existing Program	135,000	0	15,568,237	100.9	135,000	0	15,568,237	100.9
C10	Reclass	25,062	0	15,593,299	101.0	25,062	0	15,593,299	101.0

### Justification

C01	The Office of the Secretary requests one (1) new Grants Coordinator Position with additional appropriation and general revenue funding of \$47,771 each year, which includes \$35,554 for Regular Salaries and \$11,887 for Personal Services Matching. This position is requested for the purpose of locating and establishing new agricultural grants. The Office of The Secretary is also requesting additional appropriation and general revenue funding of \$48,132 for Operating Expenses and \$10,700 for Conference Fees and Travel. These increases are the associated operating costs and travel cost associated with the new requested Marketing Director position. The Arkansas Forestry Commission is requesting additional appropriation and general revenue funding of \$120,000 for Operating Expenses and \$15,000 for Grants and Aid. The increase in operating expenses of \$120,000 is needed due to AFC literally shut down discretionary spending in March of last year and only authorized overhead expenditures to be paid to get to the end of the year. Many expenditures were also charged to General Revenue in lieu of special revenues due to the special revenue short fall. Discretionary spending is necessary for the AFC to maintain Fire Fighting Equipment, fire safe and fire worthy. With overhead costs increasing every year and no new General Revenue increases maintaining Fire Fighting equipment, fire safe and fire worthy is getting more complicated/difficult. The request for \$15,000 in grants and aid will allow the AFC to support the annual Fire Boat School, which coordinates national, state and local efforts to provide enhanced and consistent training for boat crews from across the State of Arkansas.
C10	The Arkansas Forestry Commission requests \$26,416 for the reclassification of one (1) Agri Program Coordinator Position, fifty three (53) Forest Ranger 1 Positions, three (3) Natural Resource Program Technician Positions, one (1) Forest Ranger II, four (4) Auto/Diesel Mechanic Positions and two (2) Auto/Diesel Mechanic Supervisor Positions. These positions are cost distributed between the Agency's General Revenue funded appropriation (2ZR) and the Agency's Special/Federal Revenue appropriation. The General Revenue portion of the request includes \$21,910 for Regular Salaries and \$4,506 in related Matching.

## **Analysis of Budget Request**

**Appropriation:** 33R - Agri Dept - Federal

**Funding Sources:** FAD - Federal Funds

This appropriation supports the United States Department of Agriculture (USDA) Farm Service Agency (FSA) Livestock Assistance Grant Program (LAGP), which provides funding in state block grants to help livestock producers partially recover forage production losses due to certain drought conditions. Funding for this appropriation consists entirely of federal revenues.

The Agency Base Level request includes Grants and Aid appropriation in the amount of \$4 million each year of the biennium.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 33R - Agri Dept - Federal

**Funding Sources:** FAD - Federal Funds

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
ARRA of 2009 5900052	7,815,885	0	0	0	0	0	0	0	0
<b>Total</b>	<b>7,815,885</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	0	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Federal Funds-ARRA 4000244	7,815,885	0		0	0	0	0	0	0
<b>Total Funding</b>	<b>7,815,885</b>	<b>4,000,000</b>		<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>7,815,885</b>	<b>4,000,000</b>		<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>

## **Analysis of Budget Request**

**Appropriation:** 36H - L&P Operations

**Funding Sources:** HLP - Livestock & Poultry Fund

This appropriation provides a special revenue funded operations budget to supplement the Agency's general revenue funded operating budget. Pursuant to A.C.A. §2-33-115, fees are derived from cow tests, horses sold, and surcharges on gate admission to each state, county, and district fair. The fees are deposited in the Livestock and Poultry Special Revenue Fund and are transferred to the Livestock and Poultry Commission Fund as necessary.

The Agency requests the continuation of Base Level appropriation in the amount of \$77,131 each year of the biennium.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 36H - L&P Operations

**Funding Sources:** HLP - Livestock & Poultry Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	77,131	77,131	77,131	77,131	77,131	77,131	77,131	77,131
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
<b>Total</b>	<b>0</b>	<b>77,131</b>	<b>77,131</b>	<b>77,131</b>	<b>77,131</b>	<b>77,131</b>	<b>77,131</b>	<b>77,131</b>	<b>77,131</b>
<b>Funding Sources</b>									
Special Revenue 4000030	0	77,131		77,131	77,131	77,131	77,131	77,131	77,131
<b>Total Funding</b>	<b>0</b>	<b>77,131</b>		<b>77,131</b>	<b>77,131</b>	<b>77,131</b>	<b>77,131</b>	<b>77,131</b>	<b>77,131</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>0</b>	<b>77,131</b>		<b>77,131</b>	<b>77,131</b>	<b>77,131</b>	<b>77,131</b>	<b>77,131</b>	<b>77,131</b>

## **Analysis of Budget Request**

**Appropriation:** 36J - L&P Brucellosis Control & Eradication Prgm

**Funding Sources:** SPC - Livestock & Poultry Commission Disease and Pest Control Fund

The Arkansas Livestock & Poultry Commission's Brucellosis Control and Eradication program is funded from a fee per head of cattle sold in the state (A.C.A. §2-40-206) and all fines and penalties resulting from arrests made or citations issued by Livestock and Poultry Inspection Commission enforcement Officers (A.C.A. §2-33-113(b)). Federal funding from the United States Department of Agriculture (USDA) Animal and Plant Health Inspection Services (APHIS) and Veterinary Services (VS) also supports this program.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Base Level Request includes appropriation of \$1,665,979 each year with 22 Regular positions and 21 Extra Help positions.

The Agency requests additional Capital Outlay appropriation of \$20,000 each year for the replacement of equipment.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 36J - L&P Brucellosis Control & Eradication Prgm  
**Funding Sources:** SPC - Livestock & Poultry Commission Disease and Pest Control Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	358,237	672,516	666,171	663,616	663,616	663,616	663,616	663,616	663,616
<b>#Positions</b>	<b>11</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>
Extra Help 5010001	2,015	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
<b>#Extra Help</b>	<b>1</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>
Personal Services Matching 5010003	170,293	243,356	246,126	241,771	241,771	241,771	241,771	241,771	241,771
Operating Expenses 5020002	189,039	255,592	255,592	255,592	255,592	255,592	255,592	255,592	255,592
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	74,168	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Capital Outlay 5120011	0	20,000	20,000	0	20,000	20,000	0	20,000	20,000
Brucellosis Depopulation 5900046	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Total</b>	<b>793,752</b>	<b>1,696,464</b>	<b>1,692,889</b>	<b>1,665,979</b>	<b>1,685,979</b>	<b>1,685,979</b>	<b>1,665,979</b>	<b>1,685,979</b>	<b>1,685,979</b>
<b>Funding Sources</b>									
Fund Balance 4000005	1,468,319	1,462,474		816,010	816,010	816,010	200,031	180,031	180,031
Federal Revenue 4000020	123,238	300,000		300,000	300,000	300,000	300,000	300,000	300,000
Special Revenue 4000030	664,669	750,000		750,000	750,000	750,000	750,000	750,000	750,000
<b>Total Funding</b>	<b>2,256,226</b>	<b>2,512,474</b>		<b>1,866,010</b>	<b>1,866,010</b>	<b>1,866,010</b>	<b>1,250,031</b>	<b>1,230,031</b>	<b>1,230,031</b>
Excess Appropriation/(Funding)	(1,462,474)	(816,010)		(200,031)	(180,031)	(180,031)	415,948	455,948	455,948
<b>Grand Total</b>	<b>793,752</b>	<b>1,696,464</b>		<b>1,665,979</b>	<b>1,685,979</b>	<b>1,685,979</b>	<b>1,665,979</b>	<b>1,685,979</b>	<b>1,685,979</b>

The FY11 Budget Amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.



## Change Level by Appropriation

**Appropriation:** 36J - L&P Brucellosis Control & Eradication Prgm  
**Funding Sources:** SPC - Livestock & Poultry Commission Disease and Pest Control Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,665,979</b>	<b>22</b>	<b>1,665,979</b>	<b>100.0</b>	<b>1,665,979</b>	<b>22</b>	<b>1,665,979</b>	<b>100.0</b>
C01	Existing Program	20,000	0	1,685,979	101.2	20,000	0	1,685,979	101.2

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,665,979</b>	<b>22</b>	<b>1,665,979</b>	<b>100.0</b>	<b>1,665,979</b>	<b>22</b>	<b>1,665,979</b>	<b>100.0</b>
C01	Existing Program	20,000	0	1,685,979	101.2	20,000	0	1,685,979	101.2

### Justification

C01	The Agency requests to restore capital outlay appropriation of \$20,000 each year to replace testing equipment used for the Brucellosis Control and Eradication Program.
-----	--

## **Analysis of Budget Request**

**Appropriation:** 36K - L&P Egg Grading Program

**Funding Sources:** SIP - Poultry and Egg Grading Fund

This appropriation supports the poultry and egg grading program established in cooperation with the United States Department of Agriculture (USDA) and in compliance with the applicable standards and requirements as prescribed by the USDA for federal poultry and egg grading purposes. The appropriation is funded from egg and poultry grading and inspection fees as authorized by A.C.A. §19-6-301(34).

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level includes appropriation of \$3,795,791 each year with 47 Regular positions and 5 Extra Help positions.

The Agency requests additional appropriation of \$50,000 each year for the following:

- Restoration of Capital Outlay: \$50,000 each year to purchase new and replacement equipment for the Egg and Poultry Division

The Executive Recommendation provides for Agency Request.

# Appropriation Summary

**Appropriation:** 36K - L&P Egg Grading Program  
**Funding Sources:** SIP - Poultry and Egg Grading Fund

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,427,524	1,627,578	1,659,956	1,613,478	1,613,478	1,613,478	1,613,478	1,613,478	1,613,478
<b>#Positions</b>		<b>42</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>
Extra Help	5010001	341	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500
<b>#Extra Help</b>		<b>1</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Personal Services Matching	5010003	496,643	579,227	625,796	613,093	613,093	613,093	613,093	613,093	613,093
Overtime	5010006	247,686	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Operating Expenses	5020002	178,072	230,902	230,902	230,902	230,902	230,902	230,902	230,902	230,902
Conference & Travel Expenses	5050009	2,858	18,350	18,350	18,350	18,350	18,350	18,350	18,350	18,350
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	597,090	887,968	887,968	887,968	887,968	887,968	887,968	887,968	887,968
Capital Outlay	5120011	0	50,000	50,000	0	50,000	50,000	0	50,000	50,000
Egg Promotion Expense	5900046	7,506	64,500	64,500	64,500	64,500	64,500	64,500	64,500	64,500
<b>Total</b>		<b>2,957,720</b>	<b>3,826,025</b>	<b>3,904,972</b>	<b>3,795,791</b>	<b>3,845,791</b>	<b>3,845,791</b>	<b>3,795,791</b>	<b>3,845,791</b>	<b>3,845,791</b>
<b>Funding Sources</b>										
Fund Balance	4000005	2,577,413	3,169,657		2,843,632	2,843,632	2,843,632	2,547,841	2,497,841	2,497,841
Special Revenue	4000030	3,549,964	3,500,000		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total Funding		6,127,377	6,669,657		6,343,632	6,343,632	6,343,632	6,047,841	5,997,841	5,997,841
Excess Appropriation/(Funding)		(3,169,657)	(2,843,632)		(2,547,841)	(2,497,841)	(2,497,841)	(2,252,050)	(2,152,050)	(2,152,050)
<b>Grand Total</b>		<b>2,957,720</b>	<b>3,826,025</b>		<b>3,795,791</b>	<b>3,845,791</b>	<b>3,845,791</b>	<b>3,795,791</b>	<b>3,845,791</b>	<b>3,845,791</b>

## Change Level by Appropriation

**Appropriation:** 36K - L&P Egg Grading Program  
**Funding Sources:** SIP - Poultry and Egg Grading Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,795,791</b>	<b>47</b>	<b>3,795,791</b>	<b>100.0</b>	<b>3,795,791</b>	<b>47</b>	<b>3,795,791</b>	<b>100.0</b>
C01	Existing Program	50,000	0	3,845,791	101.3	50,000	0	3,845,791	101.3

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,795,791</b>	<b>47</b>	<b>3,795,791</b>	<b>100.0</b>	<b>3,795,791</b>	<b>47</b>	<b>3,795,791</b>	<b>100.0</b>
C01	Existing Program	50,000	0	3,845,791	101.3	50,000	0	3,845,791	101.3

### Justification

C01	The Agency requests to restore Capital Outlay appropriation of \$50,000 each year to replace office machines, furniture and equipment for the Egg and Poultry Inspection Division.
-----	--

## **Analysis of Budget Request**

**Appropriation:** 36M - L&P Small Animal Testing Program

**Funding Sources:** SPS - Livestock & Poultry Special Revenue Fund

The Arkansas Livestock & Poultry Commission's Small Animal Testing appropriation is used to perform diagnostic laboratory services on small animals such as dogs, cats and other animals that are considered to be household or family pets. The appropriation is funded entirely by fee revenues as authorized by A.C.A. §2-33-112.

Base Level includes appropriation of \$300,000 each year of the biennium.

The Agency requests additional appropriation of \$50,000 each year for the following:

- Restoration of Capital Outlay: \$50,000 each year to replace and maintain small animal testing equipment in the Agency's diagnostic laboratory

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 36M - L&P Small Animal Testing Program  
**Funding Sources:** SPS - Livestock & Poultry Special Revenue Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	284,115	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
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	50,000	50,000	0	50,000	50,000	0	50,000	50,000
<b>Total</b>	<b>284,115</b>	<b>350,000</b>	<b>350,000</b>	<b>300,000</b>	<b>350,000</b>	<b>350,000</b>	<b>300,000</b>	<b>350,000</b>	<b>350,000</b>
<b>Funding Sources</b>									
Special Revenue 4000030	284,115	350,000		300,000	350,000	350,000	300,000	350,000	350,000
<b>Total Funding</b>	<b>284,115</b>	<b>350,000</b>		<b>300,000</b>	<b>350,000</b>	<b>350,000</b>	<b>300,000</b>	<b>350,000</b>	<b>350,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>284,115</b>	<b>350,000</b>		<b>300,000</b>	<b>350,000</b>	<b>350,000</b>	<b>300,000</b>	<b>350,000</b>	<b>350,000</b>

## Change Level by Appropriation

**Appropriation:** 36M - L&P Small Animal Testing Program  
**Funding Sources:** SPS - Livestock & Poultry Special Revenue Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>300,000</b>	<b>0</b>	<b>300,000</b>	<b>100.0</b>	<b>300,000</b>	<b>0</b>	<b>300,000</b>	<b>100.0</b>
C01	Existing Program	50,000	0	350,000	116.7	50,000	0	350,000	116.7

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>300,000</b>	<b>0</b>	<b>300,000</b>	<b>100.0</b>	<b>300,000</b>	<b>0</b>	<b>300,000</b>	<b>100.0</b>
C01	Existing Program	50,000	0	350,000	116.7	50,000	0	350,000	116.7

### Justification

C01	The Agency requests to restore Capital Outlay appropriation to replace and maintain small animal testing equipment in the agency's diagnostic lab.
-----	--

## **Analysis of Budget Request**

**Appropriation:** 36N - L&P Large Animals & Poultry

**Funding Sources:** SPS - Livestock & Poultry Special Revenue Fund

The Arkansas Livestock & Poultry Commission Large Animals and Poultry program is used to provide diagnostic lab testing services for all species of livestock and poultry. Funding for this appropriation consists of fees charged for diagnostic services performed (A.C.A. §2-33-111).

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level includes appropriation in the amount of \$1,335,105 each year with three (3) Regular positions.

The Agency requests additional appropriation of \$120,000 each year for the following:

- Restoration of Capital Outlay: \$120,000 each year for the purchase of new and replacement testing equipment in the Agency's Diagnostic Laboratory.

The Executive Recommendation provides for Agency Request.



## Appropriation Summary

**Appropriation:** 36N - L&P Large Animals & Poultry  
**Funding Sources:** SPS - Livestock & Poultry Special Revenue Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	58,675	135,518	262,784	135,518	135,518	135,518	135,518	135,518	135,518
<b>#Positions</b>		<b>1</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Personal Services Matching	5010003	26,983	41,469	71,522	41,510	41,510	41,510	41,510	41,510	41,510
Operating Expenses	5020002	610,623	1,058,077	1,058,077	1,058,077	1,058,077	1,058,077	1,058,077	1,058,077	1,058,077
Conference & Travel Expenses	5050009	5,303	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Construction	5090005	0	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	6,255	120,000	120,000	0	120,000	120,000	0	120,000	120,000
<b>Total</b>		<b>707,839</b>	<b>1,455,064</b>	<b>1,612,383</b>	<b>1,335,105</b>	<b>1,455,105</b>	<b>1,455,105</b>	<b>1,335,105</b>	<b>1,455,105</b>	<b>1,455,105</b>
<b>Funding Sources</b>										
Fund Balance	4000005	1,757,157	1,718,933		1,163,869	1,163,869	1,163,869	728,764	608,764	608,764
Special Revenue	4000030	669,615	900,000		900,000	900,000	900,000	900,000	900,000	900,000
<b>Total Funding</b>		<b>2,426,772</b>	<b>2,618,933</b>		<b>2,063,869</b>	<b>2,063,869</b>	<b>2,063,869</b>	<b>1,628,764</b>	<b>1,508,764</b>	<b>1,508,764</b>
Excess Appropriation/(Funding)		(1,718,933)	(1,163,869)		(728,764)	(608,764)	(608,764)	(293,659)	(53,659)	(53,659)
<b>Grand Total</b>		<b>707,839</b>	<b>1,455,064</b>		<b>1,335,105</b>	<b>1,455,105</b>	<b>1,455,105</b>	<b>1,335,105</b>	<b>1,455,105</b>	<b>1,455,105</b>

## Change Level by Appropriation

**Appropriation:** 36N - L&P Large Animals & Poultry  
**Funding Sources:** SPS - Livestock & Poultry Special Revenue Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,335,105</b>	<b>3</b>	<b>1,335,105</b>	<b>100.0</b>	<b>1,335,105</b>	<b>3</b>	<b>1,335,105</b>	<b>100.0</b>
C01	Existing Program	120,000	0	1,455,105	109.0	120,000	0	1,455,105	109.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,335,105</b>	<b>3</b>	<b>1,335,105</b>	<b>100.0</b>	<b>1,335,105</b>	<b>3</b>	<b>1,335,105</b>	<b>100.0</b>
C01	Existing Program	120,000	0	1,455,105	109.0	120,000	0	1,455,105	109.0

### Justification

C01	The Agency request to restore Capital Outlay appropriation to replace large animal and poultry testing equipment in the agency's diagnostic laboratory.
-----	---

## **Analysis of Budget Request**

**Appropriation:** 36P - L&P Brand Registry

**Funding Sources:** SPS - Livestock & Poultry Special Revenue Fund

The Arkansas Livestock & Poultry Commission's Brand Registry appropriation is used to document the ownership of cattle, horses, and swine that are registered through the Commission. The Agency publishes a Brand Registry book every two years. Funding for this program consists entirely of brand registry and renewal fees.

The Agency requests the continuation of Base Level appropriation in the amount of \$6,000 each year of the biennium.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 36P - L&P Brand Registry

**Funding Sources:** SPS - Livestock & Poultry Special Revenue Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Brand Registry 5900046	0	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Total	0	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
<b>Funding Sources</b>									
Special Revenue 4000030	0	6,000		6,000	6,000	6,000	6,000	6,000	6,000
Total Funding	0	6,000		6,000	6,000	6,000	6,000	6,000	6,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	6,000		6,000	6,000	6,000	6,000	6,000	6,000

## **Analysis of Budget Request**

**Appropriation:** 36Q - L&P Indemnities-Revolving

**Funding Sources:** MTA - Miscellaneous Revolving Fund

The Arkansas Livestock & Poultry Commission's Indemnities appropriation allows the Commission to purchase and destroy diseased poultry flocks if necessary to prevent contamination of commercial flocks and the public. Expenses for this program are payable from the Miscellaneous Revolving Fund (A.C.A. §9-5-1009).

The Agency requests the continuation of Base Level appropriation in the amount of \$45,000 each year of the biennium.

The Executive Recommendation provides Agency Request.

## Appropriation Summary

**Appropriation:** 36Q - L&P Indemnities-Revolving

**Funding Sources:** MTA - Miscellaneous Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
<b>Total</b>	0	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
<b>Funding Sources</b>									
Miscellaneous Revolving 4000350	0	45,000		45,000	45,000	45,000	45,000	45,000	45,000
<b>Total Funding</b>	0	45,000		45,000	45,000	45,000	45,000	45,000	45,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	0	45,000		45,000	45,000	45,000	45,000	45,000	45,000

## **Analysis of Budget Request**

**Appropriation:** 36R - L&P Show Premiums

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The Arkansas Livestock & Poultry Commission's Show Premiums appropriation provides grant appropriation to fair associations to be used for paying awards on approved livestock entry classifications. The amount of state funding provided to various fair associations is determined by a point system calculated by the Agency. This appropriation is also used to provide grant funding to the Arkansas Razorback State High School (ARSHS) Rodeo Association and refund/reimbursement funding to Arkansas High School 4-H (Head, Heart, Hands, and Health) Clubs, FFA (Future Farmers of America) Clubs and the Miss AR Rodeo for expenses incurred while representing the State of Arkansas at national conferences and events outside the State.

Base Level includes appropriation and general revenue funding of \$736,780 each year of the biennium.

The Agency requests additional appropriation and general revenue funding of \$90,000 each year to provide for increased travel costs of high school members attending out of state competitions and conventions. This request includes the following:

- ARSHS Rodeo Association: \$30,000 each year
- 4-H Clubs: \$30,000 each year
- FFA Clubs: \$30,000 each year

The Executive Recommendation provides for Base Level for this program. Additionally, the Executive Recommendation provides for the \$90,000 request out of the General Improvement Fund.

## Appropriation Summary

**Appropriation:** 36R - L&P Show Premiums

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Distr Jr Livestock Show Prem	5100004	28,430	28,430	28,430	28,430	28,430	28,430	28,430	28,430	28,430
Distr Livestock Show Premiums	5100004	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000
State Livestock Show Premiums	5100004	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
4 Sts Livestock Show Premiums	5100004	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
ARSHS Rodeo Association	5100004	20,000	20,000	20,000	20,000	50,000	20,000	20,000	50,000	20,000
Co Livestock Show Premiums	5100004	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000
Miss Ark Rodeo Refunds/Reimb	5110014	350	350	350	350	350	350	350	350	350
FFA Clubs Refunds/Reimb	5110014	20,000	20,000	20,000	20,000	50,000	20,000	20,000	50,000	20,000
4H Clubs Refunds/Reimb	5110014	20,000	20,000	20,000	20,000	50,000	20,000	20,000	50,000	20,000
<b>Total</b>		<b>736,780</b>	<b>736,780</b>	<b>736,780</b>	<b>736,780</b>	<b>826,780</b>	<b>736,780</b>	<b>736,780</b>	<b>826,780</b>	<b>736,780</b>
<b>Funding Sources</b>										
General Revenue	4000010	736,780	736,780		736,780	826,780	736,780	736,780	826,780	736,780
Total Funding		736,780	736,780		736,780	826,780	736,780	736,780	826,780	736,780
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>736,780</b>	<b>736,780</b>		<b>736,780</b>	<b>826,780</b>	<b>736,780</b>	<b>736,780</b>	<b>826,780</b>	<b>736,780</b>



## Change Level by Appropriation

**Appropriation:** 36R - L&P Show Premiums  
**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>736,780</b>	<b>0</b>	<b>736,780</b>	<b>100.0</b>	<b>736,780</b>	<b>0</b>	<b>736,780</b>	<b>100.0</b>
C01	Existing Program	90,000	0	826,780	112.2	90,000	0	826,780	112.2

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>736,780</b>	<b>0</b>	<b>736,780</b>	<b>100.0</b>	<b>736,780</b>	<b>0</b>	<b>736,780</b>	<b>100.0</b>
C01	Existing Program	0	0	736,780	100.0	0	0	736,780	100.0

### Justification

C01	The Agency Requests additional appropriation and general revenue funding of \$90,000 each year of the biennium to supplement the increased travel costs of high school rodeo participants and members of the Future Farmers of America (FFA) Club and 4-H Club who attend out of state competitions and conventions.								
-----	--	--	--	--	--	--	--	--	--

## **Analysis of Budget Request**

**Appropriation:** 36S - L&P Swamp Fever Testing Program

**Funding Sources:** SPS - Livestock & Poultry Special Revenue Fund

The Arkansas Livestock & Poultry Commission's Swamp Fever Testing Program controls the spread of a number of diseases that are acquired in wet, swampy environments including Leptospirosis, Malaria and Equine Infections Anemia. This appropriation is funded from testing fees as authorized by A.C.A. §2-33-111, for diagnostic tests at the Little Rock laboratory.

Base Level includes appropriation of \$265,632 each year of the biennium with 1 Extra Help position.

The Agency requests additional appropriation of \$57,500 each year of the biennium for the following:

- Restoration of Capital Outlay: \$57,500 each year to purchase new and replacement testing equipment in the Agency's diagnostic lab

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 36S - L&P Swamp Fever Testing Program  
**Funding Sources:** SPS - Livestock & Poultry Special Revenue Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help 5010001	6,308	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500
<b>#Extra Help</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching 5010003	880	1,128	1,218	1,132	1,132	1,132	1,132	1,132	1,132
Operating Expenses 5020002	126,203	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
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	85,856	57,500	57,500	0	57,500	57,500	0	57,500	57,500
<b>Total</b>	<b>219,247</b>	<b>323,128</b>	<b>323,218</b>	<b>265,632</b>	<b>323,132</b>	<b>323,132</b>	<b>265,632</b>	<b>323,132</b>	<b>323,132</b>
<b>Funding Sources</b>									
Special Revenue 4000030	138,428	323,128		265,632	323,132	323,132	265,632	323,132	323,132
DFA Motor Vehicle Acquisition 4000184	80,819	0		0	0	0	0	0	0
<b>Total Funding</b>	<b>219,247</b>	<b>323,128</b>		<b>265,632</b>	<b>323,132</b>	<b>323,132</b>	<b>265,632</b>	<b>323,132</b>	<b>323,132</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>219,247</b>	<b>323,128</b>		<b>265,632</b>	<b>323,132</b>	<b>323,132</b>	<b>265,632</b>	<b>323,132</b>	<b>323,132</b>

## Change Level by Appropriation

**Appropriation:** 36S - L&P Swamp Fever Testing Program  
**Funding Sources:** SPS - Livestock & Poultry Special Revenue Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>265,632</b>	<b>0</b>	<b>265,632</b>	<b>100.0</b>	<b>265,632</b>	<b>0</b>	<b>265,632</b>	<b>100.0</b>
C01	Existing Program	57,500	0	323,132	121.6	57,500	0	323,132	121.6

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>265,632</b>	<b>0</b>	<b>265,632</b>	<b>100.0</b>	<b>265,632</b>	<b>0</b>	<b>265,632</b>	<b>100.0</b>
C01	Existing Program	57,500	0	323,132	121.6	57,500	0	323,132	121.6

### Justification

C01	The agency requests to restore Capital Outlay appropriation of \$57,500 each year to replace swamp fever testing equipment used in the diagnostic laboratory.
-----	---

## **Analysis of Budget Request**

**Appropriation:** 36T - L&P Swine Testing Program

**Funding Sources:** SST - Livestock & Poultry Swine Testing Fund

The Arkansas Livestock & Poultry Commission's Swine Testing appropriation supports the pseudorabies eradication program for disease prevention in swine. Funding for this program consists of a \$1 fee collected for each spent sow and boar sold in Arkansas markets (A.C.A. § 2-40-1201).

The Agency requests the continuation of Base Level appropriation in the amount of \$30,000 each year of the biennium.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 36T - L&P Swine Testing Program

**Funding Sources:** SST - Livestock & Poultry Swine Testing Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Swine Testing Program 5900046	0	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
<b>Total</b>	0	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
<b>Funding Sources</b>									
Fund Balance 4000005	1,949	2,064		0	0	0	0	0	0
Special Revenue 4000030	115	27,936		30,000	30,000	30,000	30,000	30,000	30,000
<b>Total Funding</b>	2,064	30,000		30,000	30,000	30,000	30,000	30,000	30,000
Excess Appropriation/(Funding)	(2,064)	0		0	0	0	0	0	0
<b>Grand Total</b>	0	30,000		30,000	30,000	30,000	30,000	30,000	30,000

## **Analysis of Budget Request**

**Appropriation:** 36U - L&P Equine Infect Anemia

**Funding Sources:** SIA - Livestock & Poultry Equine Infectious Anemia Control Fund

The Arkansas Livestock & Poultry Commission's Equine Infectious Anemia (EIA) program controls the spread of Equine Infectious Anemia, which is an infectious and potentially fatal disease of members of the horse family. The EIA program oversees EIA testing of horses in Arkansas and measures to quarantine animals that tested positive for this disease. This program is funded by special revenue derived from fees assessed to Arkansas veterinarians for each Arkansas domiciled animal tested (A.C.A §2-40-806).

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level includes appropriation of \$370,657 each year with 4 Regular positions.

The Agency requests restoration of Capital Outlay appropriation in the amount of \$100,000 each year for the replacement of medical equipment and office equipment that support the EIA program.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 36U - L&P Equine Infect Anemia

**Funding Sources:** SIA - Livestock & Poultry Equine Infectious Anemia Control Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	100,885	101,986	99,038	101,386	101,386	101,386	101,386	101,386	101,386
<b>#Positions</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Personal Services Matching	5010003	37,732	39,362	39,623	39,271	39,271	39,271	39,271	39,271	39,271
Operating Expenses	5020002	53,976	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Capital Outlay	5120011	0	100,000	100,000	0	100,000	100,000	0	100,000	100,000
<b>Total</b>		<b>192,593</b>	<b>471,348</b>	<b>468,661</b>	<b>370,657</b>	<b>470,657</b>	<b>470,657</b>	<b>370,657</b>	<b>470,657</b>	<b>470,657</b>
<b>Funding Sources</b>										
Fund Balance	4000005	525,748	514,383		343,035	343,035	343,035	272,378	172,378	172,378
Special Revenue	4000030	181,228	300,000		300,000	300,000	300,000	300,000	300,000	300,000
<b>Total Funding</b>		<b>706,976</b>	<b>814,383</b>		<b>643,035</b>	<b>643,035</b>	<b>643,035</b>	<b>572,378</b>	<b>472,378</b>	<b>472,378</b>
Excess Appropriation/(Funding)		(514,383)	(343,035)		(272,378)	(172,378)	(172,378)	(201,721)	(1,721)	(1,721)
<b>Grand Total</b>		<b>192,593</b>	<b>471,348</b>		<b>370,657</b>	<b>470,657</b>	<b>470,657</b>	<b>370,657</b>	<b>470,657</b>	<b>470,657</b>

The FY11 Budget Amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-11 biennium.



## Change Level by Appropriation

**Appropriation:** 36U - L&P Equine Infect Anemia

**Funding Sources:** SIA - Livestock & Poultry Equine Infectious Anemia Control Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>370,657</b>	<b>4</b>	<b>370,657</b>	<b>100.0</b>	<b>370,657</b>	<b>4</b>	<b>370,657</b>	<b>100.0</b>
C01	Existing Program	100,000	0	470,657	127.0	100,000	0	470,657	127.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>370,657</b>	<b>4</b>	<b>370,657</b>	<b>100.0</b>	<b>370,657</b>	<b>4</b>	<b>370,657</b>	<b>100.0</b>
C01	Existing Program	100,000	0	470,657	127.0	100,000	0	470,657	127.0

### Justification

C01	The Agency Request is to restore capital outlay appropriation to replace office machines and equipment for the Equine Infectious Anemia Program.
-----	--

## **Analysis of Budget Request**

**Appropriation:** 36V - L&P Animal Health

**Funding Sources:** FFA - Federal Funds

The Arkansas Livestock & Poultry Commission's Animal Health appropriation is used to increase the level of protection, preparedness, and response and recovery should a foreign animal disease enter the state. This appropriation includes the following five programs: High Path Avian Influenza control, Low Path Avian Influenza control, the National Animal ID System, Johnnes Disease surveillance and control and Emergency Animal Disease Response. This appropriation is supported by federal funding from the United States Department of Agriculture (USDA) Animal and Plant Health Inspection Services (APHIS) and Veterinary Services (VS) as well as from the United States Department of Homeland Security.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level includes appropriation of \$1,402,169 each year 5 Regular positions and 2 Extra Help positions.

The Agency requests additional appropriation of \$472,769 each year for the following:

- Restoration of Capital Outlay: \$472,769 each year to purchase new and replacement equipment in support of the animal health disease control programs

The Executive Recommendation provides Agency Request.

## Appropriation Summary

**Appropriation:** 36V - L&P Animal Health

**Funding Sources:** FFA - Federal Funds

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	367,643	448,713	448,713	448,263	448,263	448,263	448,263	448,263	448,263
<b>#Positions</b>	<b>11</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Extra Help 5010001	6,363	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
<b>#Extra Help</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching 5010003	81,456	109,219	116,962	118,335	118,335	118,335	118,335	118,335	118,335
Operating Expenses 5020002	116,775	615,161	615,161	615,161	615,161	615,161	615,161	615,161	615,161
Conference & Travel Expenses 5050009	1,350	20,910	20,910	20,910	20,910	20,910	20,910	20,910	20,910
Professional Fees 5060010	0	147,500	147,500	147,500	147,500	147,500	147,500	147,500	147,500
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	67,943	472,769	472,769	0	472,769	472,769	0	472,769	472,769
<b>Total</b>	<b>641,530</b>	<b>1,866,272</b>	<b>1,874,015</b>	<b>1,402,169</b>	<b>1,874,938</b>	<b>1,874,938</b>	<b>1,402,169</b>	<b>1,874,938</b>	<b>1,874,938</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	641,530	1,866,272		1,402,169	1,874,938	1,874,938	1,402,169	1,874,938	1,874,938
Total Funding	641,530	1,866,272		1,402,169	1,874,938	1,874,938	1,402,169	1,874,938	1,874,938
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	641,530	1,866,272		1,402,169	1,874,938	1,874,938	1,402,169	1,874,938	1,874,938

## Change Level by Appropriation

**Appropriation:** 36V - L&P Animal Health  
**Funding Sources:** FFA - Federal Funds

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,402,169</b>	<b>5</b>	<b>1,402,169</b>	<b>100.0</b>	<b>1,402,169</b>	<b>5</b>	<b>1,402,169</b>	<b>100.0</b>
C01	Existing Program	472,769	0	1,874,938	133.7	472,769	0	1,874,938	133.7

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,402,169</b>	<b>5</b>	<b>1,402,169</b>	<b>100.0</b>	<b>1,402,169</b>	<b>5</b>	<b>1,402,169</b>	<b>100.0</b>
C01	Existing Program	472,769	0	1,874,938	133.7	472,769	0	1,874,938	133.7

### Justification

C01	Additional appropriation of \$472,769 is requested each year of the biennium for Capital Outlay. This appropriation will be use to re-establish a budget to purchase new and replacement laboratory and emergency disease control equipment for the animal health program.
-----	--

## **Analysis of Budget Request**

**Appropriation:** 36W - Agri Dept - Div of Land Survey

**Funding Sources:** HAD - Department of Agriculture Fund Account

The Division of Land Survey was transferred from the Arkansas Commissioner of State Lands Office to the Arkansas Agriculture Department during the 2007-09 biennium. The Division maintains original survey notes, plats, and other land survey information; records survey documentation and establishes uniform, professional surveying and mapping methods and standards within the state. Funding consists entirely of general revenue.

The Agency Base Level Request includes appropriation and general revenue funding of \$418,626 and 4 Regular positions each year of the biennium.

The Agency requests additional Professional Fees appropriation and general revenue funding in the amount of \$20,000 each year to provide for increased expenses related to setting and refurbishing monuments.

The Executive Recommendation provides for Base Level.

## Appropriation Summary

**Appropriation:** 36W - Agri Dept - Div of Land Survey  
**Funding Sources:** HAD - Department of Agriculture Fund Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	199,738	203,076	211,839	196,699	196,699	196,699	196,699	196,699	196,699
<b>#Positions</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Personal Services Matching 5010003	47,798	50,325	61,518	58,591	58,591	58,591	58,591	58,591	58,591
Operating Expenses 5020002	33,088	61,986	61,986	61,986	61,986	61,986	61,986	61,986	61,986
Conference & Travel Expenses 5050009	1,002	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350
Professional Fees 5060010	95,000	97,000	97,000	97,000	117,000	97,000	97,000	117,000	97,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	10,119	35,000	0	0	0	0	0	0
<b>Total</b>	<b>376,626</b>	<b>426,856</b>	<b>471,693</b>	<b>418,626</b>	<b>438,626</b>	<b>418,626</b>	<b>418,626</b>	<b>438,626</b>	<b>418,626</b>
<b>Funding Sources</b>									
General Revenue 4000010	376,626	426,856		418,626	438,626	418,626	418,626	438,626	418,626
Total Funding	376,626	426,856		418,626	438,626	418,626	418,626	438,626	418,626
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>376,626</b>	<b>426,856</b>		<b>418,626</b>	<b>438,626</b>	<b>418,626</b>	<b>418,626</b>	<b>438,626</b>	<b>418,626</b>

## Change Level by Appropriation

**Appropriation:** 36W - Agri Dept - Div of Land Survey  
**Funding Sources:** HAD - Department of Agriculture Fund Account

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>418,626</b>	<b>4</b>	<b>418,626</b>	<b>100.0</b>	<b>418,626</b>	<b>4</b>	<b>418,626</b>	<b>100.0</b>
C01	Existing Program	20,000	0	438,626	104.8	20,000	0	438,626	104.8

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>418,626</b>	<b>4</b>	<b>418,626</b>	<b>100.0</b>	<b>418,626</b>	<b>4</b>	<b>418,626</b>	<b>100.0</b>
C01	Existing Program	0	0	418,626	100.0	0	0	418,626	100.0

### Justification

C01	The Division of Land Survey requests an increase in Professional Fees appropriation and General Revenue funding of \$20,000 each year to provide for increased expenses related to setting and refurbishing monuments. For the past two years, the Agency has been forced to cut off services after the 3rd quarter due to insufficient funding.
-----	--

## **Analysis of Budget Request**

**Appropriation:** 37A - PB Admn/Pest Control

**Funding Sources:** SDP - State Plant Board Fund

The State Plant Board's Administration/Pest Control appropriation is funded by special revenues derived from registration and inspection fees from various farm crops, pesticides, feeds, fertilizers, seeds, and soils as authorized in A.C.A. §20-20-206 and various sections from §2-16-209 through §2-37-109. Federal funding from the United States Department of Agriculture (USDA) and the Environmental Protection Agency (EPA) also supports this program.

Base Level salaries and matching do not include appropriation of a Cost of Living Adjustment or Career Service Payments. Base Level salary of the unclassified position reflects the FY11 line item maximum.

Base Level includes appropriation of \$7,607,243 each year with 94 Regular positions and 27 Extra Help positions.

The Agency requests additional appropriation of \$734,807 in FY12 and \$675,807 in FY13 for the following:

- Extra Help and Related Matching: \$116,604 each year
- Operating Expenses: \$39,203 each year
- Conference Fees & Travel: \$7,000 each year
- Capital Outlay: \$572,000 in FY12 and \$513,000 in FY13 to purchase new and replacement lab and office equipment for the Nursery Division, the Pest Control Division, the Feed Division, the Seed Laboratory and the Chemical Laboratory

The Executive Recommendation provides Agency Request.



# Appropriation Summary

**Appropriation:** 37A - PB Admn/Pest Control  
**Funding Sources:** SDP - State Plant Board Fund

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	3,274,601	3,781,012	3,714,798	3,709,662	3,709,662	3,709,662	3,709,662	3,709,662	3,709,662
<b>#Positions</b>	<b>88</b>	<b>94</b>	<b>94</b>	<b>94</b>	<b>94</b>	<b>94</b>	<b>94</b>	<b>94</b>	<b>94</b>
Extra Help 5010001	77,353	123,616	75,460	75,460	183,616	183,616	75,460	183,616	183,616
<b>#Extra Help</b>	<b>10</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>
Personal Services Matching 5010003	1,003,114	1,235,713	1,193,227	1,199,588	1,208,036	1,208,036	1,199,588	1,208,036	1,208,036
Overtime 5010006	464	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Operating Expenses 5020002	1,024,270	1,331,613	1,292,410	1,292,410	1,331,613	1,331,613	1,292,410	1,331,613	1,331,613
Conference & Travel Expenses 5050009	64,192	83,613	76,613	76,613	83,613	83,613	76,613	83,613	83,613
Professional Fees 5060010	4,200	244,510	244,510	244,510	244,510	244,510	244,510	244,510	244,510
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	412,970	472,000	472,000	0	572,000	572,000	0	513,000	513,000
Pest Eradication 5900046	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Total</b>	<b>5,861,164</b>	<b>8,281,077</b>	<b>8,078,018</b>	<b>7,607,243</b>	<b>8,342,050</b>	<b>8,342,050</b>	<b>7,607,243</b>	<b>8,283,050</b>	<b>8,283,050</b>
<b>Funding Sources</b>									
Fund Balance 4000005	3,717,066	4,355,524		3,074,447	3,074,447	3,074,447	2,467,204	1,732,397	1,732,397
Federal Revenue 4000020	901,955	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Special Revenue 4000030	5,581,033	6,000,000		6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
DFA Motor Vehicle Acquisition 4000184	16,634	0		0	0	0	0	0	0
<b>Total Funding</b>	<b>10,216,688</b>	<b>11,355,524</b>		<b>10,074,447</b>	<b>10,074,447</b>	<b>10,074,447</b>	<b>9,467,204</b>	<b>8,732,397</b>	<b>8,732,397</b>
Excess Appropriation/(Funding)	(4,355,524)	(3,074,447)		(2,467,204)	(1,732,397)	(1,732,397)	(1,859,961)	(449,347)	(449,347)
<b>Grand Total</b>	<b>5,861,164</b>	<b>8,281,077</b>		<b>7,607,243</b>	<b>8,342,050</b>	<b>8,342,050</b>	<b>7,607,243</b>	<b>8,283,050</b>	<b>8,283,050</b>

FY11 Budget Amount exceeds authorized amount in Regular Salaries, Extra Help, Personal Services Matching, Operating Expenses and Conference and Travel due to a transfer from the Miscellaneous Federal Grant Holding Account.

## Change Level by Appropriation

**Appropriation:** 37A - PB Admn/Pest Control  
**Funding Sources:** SDP - State Plant Board Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,607,243</b>	<b>94</b>	<b>7,607,243</b>	<b>100.0</b>	<b>7,607,243</b>	<b>94</b>	<b>7,607,243</b>	<b>100.0</b>
C01	Existing Program	620,686	0	8,227,929	108.2	557,686	0	8,164,929	107.3
C06	Restore Position/Approp	98,121	0	8,326,050	109.4	98,121	0	8,263,050	108.6
C08	Technology	16,000	0	8,342,050	109.7	20,000	0	8,283,050	108.9

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,607,243</b>	<b>94</b>	<b>7,607,243</b>	<b>100.0</b>	<b>7,607,243</b>	<b>94</b>	<b>7,607,243</b>	<b>100.0</b>
C01	Existing Program	620,686	0	8,227,929	108.2	557,686	0	8,164,929	107.3
C06	Restore Position/Approp	98,121	0	8,326,050	109.4	98,121	0	8,263,050	108.6
C08	Technology	16,000	0	8,342,050	109.7	20,000	0	8,283,050	108.9
C14	Title Change	0	0	8,342,050	109.7	0	0	8,283,050	108.9

### Justification

C01	Extra Help appropriation of \$60,000 and related matching of \$4,686 requested to support needed increases in surveys and trapping for exotic pests and invasive species. Capital Outlay appropriation of \$556,000 in FY12 and \$493,000 in FY13 for sales tax on vehicle purchases, lab equipment and office fixtures/equipment for the various divisions within the Plant Board.
C06	The Arkansas State Plant Board requests the restoration of Miscellaneous Federal Grant (MFG) appropriation in the amount of \$98,121, including \$48,156 in Extra Help, \$3,762 in related Matching, \$39,203 in Operating Expenses and \$7,000 in Conference Fees and Travel. This appropriation will support federal grants for the Tomato Leaf Miner Survey Program, the Emerald Ash Borer Survey, and the Light Brown Apple Moth Survey, for the purpose of conducting pest surveys in potential problem areas of the state, and the Pest Detection - Core Infrastructure Program, the purpose of which is to coordinate with the United States Department of Agriculture - Animal and Plant Health Inspection Services (USDA-APHIS) to oversee pest detection efforts through the Cooperative Agricultural Pest Survey (CAPS) Program.
C08	Capital Outlay appropriation of \$16,000 in FY12 and \$20,000 in FY13 for Data Processing Equipment including file servers and other IT equipment. This can be found in the Agency IT Plan under the "Hardware" Tab.
C14	Change title of two (2) C120 Systems Coordination Analyst II to C120 Systems Coordination Analyst to better align the positions with the actual job duties assigned.

## **Analysis of Budget Request**

**Appropriation:** 37C - PB Public Grain Warehouse

**Funding Sources:** SDP - Plant Board Fund

The State Plant Board's Public Grain Warehouse Inspection Program monitors public grain warehouse companies by maintaining copies of current licenses and renewals and performing annual examinations and inspections of public grain warehouses. This program is funded entirely by special revenue including license application fees and annual license fees required for persons operating public grain warehouses (A.C.A. §2-17-238).

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency requests the continuation of Base Level appropriation in the amount of \$281,345 each year with 4 Regular positions.

The Executive Recommendation provides for Agency Request.

# Appropriation Summary

**Appropriation:** 37C - PB Public Grain Warehouse

**Funding Sources:** SDP - Plant Board Fund

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	154,008	162,146	185,571	157,044	157,044	157,044	157,044	157,044	157,044
<b>#Positions</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Personal Services Matching 5010003	47,337	45,250	61,520	50,553	50,553	50,553	50,553	50,553	50,553
Operating Expenses 5020002	67,373	67,935	67,935	67,935	67,935	67,935	67,935	67,935	67,935
Conference & Travel Expenses 5050009	0	4,613	4,613	4,613	4,613	4,613	4,613	4,613	4,613
Professional Fees 5060010	0	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>268,718</b>	<b>281,144</b>	<b>320,839</b>	<b>281,345</b>	<b>281,345</b>	<b>281,345</b>	<b>281,345</b>	<b>281,345</b>	<b>281,345</b>
<b>Funding Sources</b>									
Special Revenue 4000030	268,718	281,144		281,345	281,345	281,345	281,345	281,345	281,345
Total Funding	268,718	281,144		281,345	281,345	281,345	281,345	281,345	281,345
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>268,718</b>	<b>281,144</b>		<b>281,345</b>	<b>281,345</b>	<b>281,345</b>	<b>281,345</b>	<b>281,345</b>	<b>281,345</b>

## **Analysis of Budget Request**

**Appropriation:** 37D - PB Pest Surveillance

**Funding Sources:** SDP - Plant Board Fund

The State Plant Board's Pesticide Surveillance Program is used to monitor the application, sale and handling of pesticides. The program is funded entirely by special revenues derived from pesticide registration, labeling, and application fees and licenses as authorized in A.C.A. §2-16-407.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency requests the continuation of Base Level appropriation in the amount of \$284,267 each year with 4 Regular positions.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 37D - PB Pest Surveillance

**Funding Sources:** SDP - Plant Board Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	172,965	174,313	218,693	172,513	172,513	172,513	172,513	172,513	172,513
<b>#Positions</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Personal Services Matching	5010003	55,994	54,001	67,949	53,688	53,688	53,688	53,688	53,688	53,688
Operating Expenses	5020002	52,014	52,066	52,066	52,066	52,066	52,066	52,066	52,066	52,066
Conference & Travel Expenses	5050009	5,826	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
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
<b>Total</b>		<b>286,799</b>	<b>286,380</b>	<b>344,708</b>	<b>284,267</b>	<b>284,267</b>	<b>284,267</b>	<b>284,267</b>	<b>284,267</b>	<b>284,267</b>
<b>Funding Sources</b>										
Special Revenue	4000030	286,799	286,380		284,267	284,267	284,267	284,267	284,267	284,267
<b>Total Funding</b>		<b>286,799</b>	<b>286,380</b>		<b>284,267</b>	<b>284,267</b>	<b>284,267</b>	<b>284,267</b>	<b>284,267</b>	<b>284,267</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>286,799</b>	<b>286,380</b>		<b>284,267</b>	<b>284,267</b>	<b>284,267</b>	<b>284,267</b>	<b>284,267</b>	<b>284,267</b>

## **Analysis of Budget Request**

**Appropriation:** 37E - PB Apiary

**Funding Sources:** SDP - Plant Board Fund

The State Plant Board's Apiary Program registers beekeepers and inspects beehives periodically to guard against the spread of diseases and parasites. Funding for this appropriation consists entirely of Special Revenue registration and renewal fees.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency requests the continuation of Base Level appropriation in the amount of \$206,430 each year along with 3 Regular positions and 6 Extra Help positions.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 37E - PB Apiary

**Funding Sources:** SDP - Plant Board Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	102,402	103,774	128,699	101,674	101,674	101,674	101,674	101,674	101,674
<b>#Positions</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Extra Help 5010001	7,383	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
<b>#Extra Help</b>	<b>3</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Personal Services Matching 5010003	36,397	31,177	46,388	35,587	35,587	35,587	35,587	35,587	35,587
Operating Expenses 5020002	51,587	53,519	53,519	53,519	53,519	53,519	53,519	53,519	53,519
Conference & Travel Expenses 5050009	2,978	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650
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
<b>Total</b>	<b>200,747</b>	<b>204,120</b>	<b>244,256</b>	<b>206,430</b>	<b>206,430</b>	<b>206,430</b>	<b>206,430</b>	<b>206,430</b>	<b>206,430</b>
<b>Funding Sources</b>									
Special Revenue 4000030	200,747	204,120		206,430	206,430	206,430	206,430	206,430	206,430
<b>Total Funding</b>	<b>200,747</b>	<b>204,120</b>		<b>206,430</b>	<b>206,430</b>	<b>206,430</b>	<b>206,430</b>	<b>206,430</b>	<b>206,430</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>200,747</b>	<b>204,120</b>		<b>206,430</b>	<b>206,430</b>	<b>206,430</b>	<b>206,430</b>	<b>206,430</b>	<b>206,430</b>



## **Analysis of Budget Request**

**Appropriation:** 37F - PB Product Marketing Program

**Funding Sources:** FFA - Plant Board Federal Funds

The Product Marketing Program supports the promotion and enhancement of the agricultural industry and its products. Funding consists of a Specialty Block Grant from the United States Department of Agriculture (USDA). This Program enables the Agency to utilize federal funding for the following projects:

- Organic Cost Share - To assist specialty crop producers with organic certification cost and encourage the expansion of organic production in Arkansas.
- Farmers Markets and Naturally Arkansas Promotion - To provide promotional sacks to vendors at Arkansas Farmers' Markets to increase awareness of the "Arkansas Brand" and farmers' markets.
- Audit Fee Assistance and Food Safety Promotion - To inform Arkansas produce growers/handlers of the importance of following and documenting GAAP in their businesses for both liability issues and market access.
- Electronic Benefits Transfer (EBT) in Farmers' Markets - To establish EBT access at farmers' markets throughout Arkansas to enable Arkansas Food Stamp Program participants to utilize their food assistance benefits in Arkansas Farmers Markets.
- Produce Marketing Association Fresh Summit Show - To promote Arkansas produce growers with a booth at the Annual Fresh Summit Show.
- Floriculture Workshop - To host a two day floriculture educational workshop focusing on crop selection, post harvest handling and marketing.

Base Level salary and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level includes federal appropriation of \$669,654 each year with one (1) Regular Position.

The Agency requests restoration of Capital Outlay appropriation of \$25,000 each year for the purchase of equipment.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 37F - PB Product Marketing Program

**Funding Sources:** FFA - Plant Board Federal Funds

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	43,217	43,217	43,217	43,217	43,217	43,217	43,217	43,217
<b>#Positions</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Extra Help 5010001	0	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
<b>#Extra Help</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching 5010003	0	14,361	14,488	14,378	14,378	14,378	14,378	14,378	14,378
Operating Expenses 5020002	66,853	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000
Conference & Travel Expenses 5050009	2,444	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Professional Fees 5060010	0	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Promotional Items 5090028	37,421	97,059	97,059	97,059	97,059	97,059	97,059	97,059	97,059
Grants and Aid 5100004	63,912	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Capital Outlay 5120011	0	25,000	25,000	0	25,000	25,000	0	25,000	25,000
<b>Total</b>	<b>170,630</b>	<b>694,637</b>	<b>694,764</b>	<b>669,654</b>	<b>694,654</b>	<b>694,654</b>	<b>669,654</b>	<b>694,654</b>	<b>694,654</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	170,630	694,637		669,654	694,654	694,654	669,654	694,654	694,654
Total Funding	170,630	694,637		669,654	694,654	694,654	669,654	694,654	694,654
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	170,630	694,637		669,654	694,654	694,654	669,654	694,654	694,654

Agency has one extra help section providing flexibility to move their positions, if needed, to appropriations with extra help line items.

## Change Level by Appropriation

**Appropriation:** 37F - PB Product Marketing Program  
**Funding Sources:** FFA - Plant Board Federal Funds

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>669,654</b>	<b>1</b>	<b>669,654</b>	<b>100.0</b>	<b>669,654</b>	<b>1</b>	<b>669,654</b>	<b>100.0</b>
C01	Existing Program	25,000	0	694,654	103.7	25,000	0	694,654	103.7

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>669,654</b>	<b>1</b>	<b>669,654</b>	<b>100.0</b>	<b>669,654</b>	<b>1</b>	<b>669,654</b>	<b>100.0</b>
C01	Existing Program	25,000	0	694,654	103.7	25,000	0	694,654	103.7

### Justification

C01	Increase in federal appropriation of \$25,000 each year for Capital Outlay. This request will enable the agency to continue utilizing federal grant funding that supports promoting Arkansas Agriculture products.
-----	--

## **Analysis of Budget Request**

**Appropriation:** 37G - PB Pest/Plant Reg Program

**Funding Sources:** TAD - Abandoned Agricultural Pesticide and Plant Regulator Disposal Trust Fund

The State Plant Board uses the Pesticide/Plant Regulatory Program to contract with counties and other local entities approved by the Abandoned Pesticide Advisory Board for the collection and disposal of abandoned agricultural pesticides. Funding primarily consists of a \$50 fee collected for annual registration of each pesticide approved for use in Arkansas (A.C.A. §8-7-1201 et seq.). Funding by gifts and grants from other sources is also authorized.

The Agency requests the continuation of Base Level appropriation in the amount of \$750,000 each year.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 37G - PB Pest/Plant Reg Program

**Funding Sources:** TAD - Abandoned Agricultural Pesticide and Plant Regulator Disposal Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	96,048	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
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
<b>Total</b>		<b>96,048</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	327,406	637,922		637,922	637,922	637,922	637,922	637,922	637,922
Special Revenue	4000030	406,564	750,000		750,000	750,000	750,000	750,000	750,000	750,000
<b>Total Funding</b>		<b>733,970</b>	<b>1,387,922</b>		<b>1,387,922</b>	<b>1,387,922</b>	<b>1,387,922</b>	<b>1,387,922</b>	<b>1,387,922</b>	<b>1,387,922</b>
Excess Appropriation/(Funding)		(637,922)	(637,922)		(637,922)	(637,922)	(637,922)	(637,922)	(637,922)	(637,922)
<b>Grand Total</b>		<b>96,048</b>	<b>750,000</b>		<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>

## **Analysis of Budget Request**

**Appropriation:** 37N - Forestry-Operations-Special

**Funding Sources:** SDF - State Forestry Fund

This appropriation supports the staffing and general operations of the Forestry Commission. Funding consists of special revenue for the Timber Severance tax and Fire Protection tax, federal revenue for United States Department of Agriculture (USDA) Forest Service Grants as well as other revenue collected for fire protection and prescribed burn fees, seedling sales and timber sales.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum.

Base Level includes appropriation of \$11,927,858 each year with 197 Regular positions and 59 Extra Help positions.

The Agency requests additional appropriation of \$45,146 each year for the following:

- Regular Salaries and related matching: \$45,146 for reclassification requests.

The Executive Recommendation provides for the reclass of the one (1) Forest Ranger II, three (3) Natural Resource Program Technician positions and thirty three (33) Forest Ranger 1 positions.

# Appropriation Summary

**Appropriation:** 37N - Forestry-Operations-Special

**Funding Sources:** SDF - State Forestry Fund

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,486,438	6,878,427	6,851,245	6,789,452	6,827,058	6,825,486	6,789,452	6,827,058	6,825,486
<b>#Positions</b>		<b>194</b>	<b>197</b>	<b>197</b>	<b>197</b>	<b>197</b>	<b>197</b>	<b>197</b>	<b>197</b>	<b>197</b>
Extra Help	5010001	79,219	136,620	164,455	136,620	136,620	136,620	136,620	136,620	136,620
<b>#Extra Help</b>		<b>15</b>	<b>59</b>	<b>59</b>	<b>59</b>	<b>59</b>	<b>59</b>	<b>59</b>	<b>59</b>	<b>59</b>
Personal Services Matching	5010003	2,065,513	2,216,534	2,366,183	2,321,249	2,328,789	2,328,473	2,321,249	2,328,789	2,328,473
Overtime	5010006	2,205	52,400	52,400	52,400	52,400	52,400	52,400	52,400	52,400
Uniform Allowance	5010016	2,041	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Operating Expenses	5020002	1,527,002	2,228,293	2,228,293	2,228,293	2,228,293	2,228,293	2,228,293	2,228,293	2,228,293
Conference & Travel Expenses	5050009	15,128	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600
Professional Fees	5060010	764	0	250,383	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	9,610	14,628	14,628	14,628	14,628	14,628	14,628	14,628	14,628
Capital Outlay	5120011	262,116	0	0	0	0	0	0	0	0
Federal Initiative Program	5900047	265,286	321,616	321,616	321,616	321,616	321,616	321,616	321,616	321,616
<b>Total</b>		<b>10,715,322</b>	<b>11,912,118</b>	<b>12,312,803</b>	<b>11,927,858</b>	<b>11,973,004</b>	<b>11,971,116</b>	<b>11,927,858</b>	<b>11,973,004</b>	<b>11,971,116</b>

Funding Sources										
Fund Balance	4000005	276,778	711,122		669,122	669,122	669,122	611,382	566,236	568,124
Federal Revenue	4000020	3,392,402	4,740,118		4,740,118	4,740,118	4,740,118	4,740,118	4,740,118	4,740,118
Special Revenue	4000030	4,900,543	4,630,000		4,630,000	4,630,000	4,630,000	4,630,000	4,630,000	4,630,000
DFA Motor Vehicle Acquisition	4000184	261,403	0		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	571,727	0		0	0	0	0	0	0
Other	4000370	2,023,591	2,500,000		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
<b>Total Funding</b>		<b>11,426,444</b>	<b>12,581,240</b>		<b>12,539,240</b>	<b>12,539,240</b>	<b>12,539,240</b>	<b>12,481,500</b>	<b>12,436,354</b>	<b>12,438,242</b>
Excess Appropriation/(Funding)		(711,122)	(669,122)		(611,382)	(566,236)	(568,124)	(553,642)	(463,350)	(467,126)
<b>Grand Total</b>		<b>10,715,322</b>	<b>11,912,118</b>		<b>11,927,858</b>	<b>11,973,004</b>	<b>11,971,116</b>	<b>11,927,858</b>	<b>11,973,004</b>	<b>11,971,116</b>

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.

The FY10 Intra-Agency Fund Transfer reflects a transfer from the State Forestry Trust Fund (TZF) to the State Forestry Fund (SDF) by authority of special language transfer in Act 280 of 2010 Sec. 49.

## Change Level by Appropriation

**Appropriation:** 37N - Forestry-Operations-Special  
**Funding Sources:** SDF - State Forestry Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>11,927,858</b>	<b>197</b>	<b>11,927,858</b>	<b>100.0</b>	<b>11,927,858</b>	<b>197</b>	<b>11,927,858</b>	<b>100.0</b>
C10	Reclass	45,146	0	11,973,004	100.4	45,146	0	11,973,004	100.4

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>11,927,858</b>	<b>197</b>	<b>11,927,858</b>	<b>100.0</b>	<b>11,927,858</b>	<b>197</b>	<b>11,927,858</b>	<b>100.0</b>
C10	Reclass	43,258	0	11,971,116	100.4	43,258	0	11,971,116	100.4

### Justification

C10	The Arkansas Forestry Commission requests \$26,416 for the reclassification of one (1) Agri Program Coordinator Position, fifty three (53) Forest Ranger 1 Positions, three (3) Natural Resource Program Technician Positions, one (1) Forest Ranger II, four (4) Auto/Diesal Mechanic Positions and two (2) Auto/Diesal Mechanic Supervisor Positions. These positions are cost distributed between the Agency's General Revenue funded appropriation (2ZR) and the Agency's Special/Federal Revenue appropriation. The Special/Federal portion of the request includes \$45,146 (\$37,606 for Regular Salaries and \$7,540 in related Matching).
-----	--



## **Analysis of Budget Request**

**Appropriation:** 37P - Forestry-Rural Comm Fire Protection-Fed

**Funding Sources:** FIT - Federal Funds

The Forestry Commission's Rural Community Fire Protection Program employs federal funds with state and local matches to assist volunteer fire departments and local communities with fire-fighting equipment purchases and upgrades. Funding consists of federal funding from the United States Department of Agriculture Forest Service Agency (USDA-FSA).

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level includes appropriation in the amount of \$1,151,999 each year with 2 Regular positions and 2 Extra Help positions.

The Agency requests additional Capital Outlay appropriation of \$1 million each year to support the Firewise Communities Program. This program provides assistance to communities, organizations, institutions, volunteer fire departments and other groups to reduce their risk of loss from wildfires in the woodland urban interface. Projects must meet the National Fire Plan's objective for risk assessment, hazard reductions, fire prevention/education and homeowner/community involvement in reducing the wildfire risk to homes and communities across Arkansas.

The Executive Recommendation provides for Agency Request.

# Appropriation Summary

**Appropriation:** 37P - Forestry-Rural Comm Fire Protection-Fed

**Funding Sources:** FIT - Federal Funds

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	69,949	77,419	77,933	77,419	77,419	77,419	77,419	77,419	77,419
<b>#Positions</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Extra Help	5010001	1,965	16,260	16,260	16,260	16,260	16,260	16,260	16,260	16,260
<b>#Extra Help</b>		<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching	5010003	22,697	26,294	26,692	26,322	26,322	26,322	26,322	26,322	26,322
Operating Expenses	5020002	164,065	356,893	356,893	356,893	356,893	356,893	356,893	356,893	356,893
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	43,500	129,744	129,744	129,744	129,744	129,744	129,744	129,744	129,744
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	356,000	545,361	545,361	545,361	545,361	545,361	545,361	545,361	545,361
Capital Outlay	5120011	937,949	380,320	380,320	0	1,000,000	1,000,000	0	1,000,000	1,000,000
<b>Total</b>		<b>1,596,125</b>	<b>1,532,291</b>	<b>1,533,203</b>	<b>1,151,999</b>	<b>2,151,999</b>	<b>2,151,999</b>	<b>1,151,999</b>	<b>2,151,999</b>	<b>2,151,999</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	1,596,125	1,532,291		1,151,999	2,151,999	2,151,999	1,151,999	2,151,999	2,151,999
<b>Total Funding</b>		<b>1,596,125</b>	<b>1,532,291</b>		<b>1,151,999</b>	<b>2,151,999</b>	<b>2,151,999</b>	<b>1,151,999</b>	<b>2,151,999</b>	<b>2,151,999</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>1,596,125</b>	<b>1,532,291</b>		<b>1,151,999</b>	<b>2,151,999</b>	<b>2,151,999</b>	<b>1,151,999</b>	<b>2,151,999</b>	<b>2,151,999</b>

## Change Level by Appropriation

**Appropriation:** 37P - Forestry-Rural Comm Fire Protection-Fed  
**Funding Sources:** FIT - Federal Funds

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,151,999</b>	<b>2</b>	<b>1,151,999</b>	<b>100.0</b>	<b>1,151,999</b>	<b>2</b>	<b>1,151,999</b>	<b>100.0</b>
C01	Existing Program	1,000,000	0	2,151,999	186.8	1,000,000	0	2,151,999	186.8

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,151,999</b>	<b>2</b>	<b>1,151,999</b>	<b>100.0</b>	<b>1,151,999</b>	<b>2</b>	<b>1,151,999</b>	<b>100.0</b>
C01	Existing Program	1,000,000	0	2,151,999	186.8	1,000,000	0	2,151,999	186.8

### Justification

C01	The Agency Request for each year of the biennium includes the restoration of Capital Outlay appropriation in the amount of \$1 million each year to support the Firewise Communities Program.
-----	---

## **Analysis of Budget Request**

**Appropriation:** 37Q - Forestry-Urban Forestry Services-Federal

**Funding Sources:** SDF - State Forestry Fund

The Federal Urban Forestry Services program provides matching grants to support forestry services in urban areas. Grant awards are made in five categories: Local Government Program Development (tree ordinance development, tree inventories, management plans, etc.), Site Specific Projects (tree planting on public land, tree protection and maintenance projects), Non Profit Administration (personnel costs to help nonprofit groups support local tree management programs), Information and Education (educational programs, workshops and training sessions) and Urban Forestry or Arboricultural Training (to provide cost share funding for the development of new or continuing education or degree track courses in urban forestry).

Funding consists of federal funding from the United States Department of Agriculture (USDA) Forest Service Grant for Urban and Community Forestry.

The Agency Base Level Request includes appropriation in the amount of \$436,675 each year of the biennium.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 37Q - Forestry-Urban Forestry Services-Federal

**Funding Sources:** SDF - State Forestry Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	19,146	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	175,087	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	120,861	363,675	363,675	363,675	363,675	363,675	363,675	363,675	363,675
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>315,094</b>	<b>436,675</b>	<b>436,675</b>	<b>436,675</b>	<b>436,675</b>	<b>436,675</b>	<b>436,675</b>	<b>436,675</b>	<b>436,675</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	315,094	436,675		436,675	436,675	436,675	436,675	436,675	436,675
Total Funding		315,094	436,675		436,675	436,675	436,675	436,675	436,675	436,675
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>315,094</b>	<b>436,675</b>		<b>436,675</b>	<b>436,675</b>	<b>436,675</b>	<b>436,675</b>	<b>436,675</b>	<b>436,675</b>

## **Analysis of Budget Request**

**Appropriation:** 37R - Forestry-Rural Fire Protection Service Loans

**Funding Sources:** MRF - Rural Fire Protection Revolving Fund

The Rural Fire Protection Service Loans Program provides loans to local fire departments for the purchase of fire-fighting equipment. Funding consists of repayments of rural fire protection loans.

The Agency requests the continuation of Base Level appropriation in the amount of \$1,210,000 each year of the biennium.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 37R - Forestry-Rural Fire Protection Service Loans

**Funding Sources:** MRF - Rural Fire Protection Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Loans 5120029	525,484	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
<b>Total</b>	<b>525,484</b>	<b>1,210,000</b>	<b>1,210,000</b>	<b>1,210,000</b>	<b>1,210,000</b>	<b>1,210,000</b>	<b>1,210,000</b>	<b>1,210,000</b>	<b>1,210,000</b>
<b>Funding Sources</b>									
Fund Balance 4000005	223,454	378,694		268,694	268,694	268,694	158,694	158,694	158,694
Non-Revenue Receipts 4000040	680,724	1,100,000		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
<b>Total Funding</b>	<b>904,178</b>	<b>1,478,694</b>		<b>1,368,694</b>	<b>1,368,694</b>	<b>1,368,694</b>	<b>1,258,694</b>	<b>1,258,694</b>	<b>1,258,694</b>
Excess Appropriation/(Funding)	(378,694)	(268,694)		(158,694)	(158,694)	(158,694)	(48,694)	(48,694)	(48,694)
<b>Grand Total</b>	<b>525,484</b>	<b>1,210,000</b>		<b>1,210,000</b>	<b>1,210,000</b>	<b>1,210,000</b>	<b>1,210,000</b>	<b>1,210,000</b>	<b>1,210,000</b>

## **Analysis of Budget Request**

**Appropriation:** 37S - Forestry-St Forestry Trust Program

**Funding Sources:** TZT - State Forestry Trust Fund

The State Forestry Trust Program is used for the acquisition and management of state forests, the purchase of fire-fighting equipment, other forest fire suppression activities, improvements at State Forestry Commission nurseries and the seedling storage and distribution system and any other purpose as may be authorized by law (A.C.A. §19-5-927). Funding consists of income derived from the management of state forests and state nurseries to the extent that this income is not needed to fund the general operations of the Commission.

The Agency requests the continuation of Base Level appropriation in the amount of \$1,600,000 each year of the biennium.

The Executive Recommendation provides for Agency Request.



## Appropriation Summary

**Appropriation:** 37S - Forestry-St Forestry Trust Program

**Funding Sources:** TZT - State Forestry Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0
Fire Control/Communicate	5900046	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Management & Operations	5900047	0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
<b>Total</b>		<b>0</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	562,735	0		0	0	0	0	0	0
Trust Fund	4000050	8,992	1,600,000		1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Intra-agency Fund Transfer	4000317	(571,727)	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>0</b>	<b>1,600,000</b>		<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>0</b>	<b>1,600,000</b>		<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>

The FY10 Intra-Agency Fund Transfer reflects a transfer from the State Forestry Trust Fund (TZT) to the State Forestry Fund (SDF) by authority of special language transfer in Act 280 of 2010 Sec. 49.

## **Analysis of Budget Request**

**Appropriation:** 37T - Forestry-Southern Pine Beetle Prevention

**Funding Sources:** FIT - Federal Funds

The Southern Pine Beetle (SPB) program provides for a cost share program to allow low density pine plantings, pre-commercial thinning and pre-commercial SPB suppression. The Arkansas Forestry Commission conducts aerial and ground surveys to identify high hazard stands. Funding consists of a federal grant from the United States Department of Agriculture Forest Service Agency (USDA-FSA).

The Agency Base Level Request includes appropriation in the amount of \$1,740,000 each year.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 37T - Forestry-Southern Pine Beetle Prevention

**Funding Sources:** FIT - Federal Funds

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	409,764	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>409,764</b>	<b>1,740,000</b>	<b>1,740,000</b>	<b>1,740,000</b>	<b>1,740,000</b>	<b>1,740,000</b>	<b>1,740,000</b>	<b>1,740,000</b>	<b>1,740,000</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	409,764	1,740,000		1,740,000	1,740,000	1,740,000	1,740,000	1,740,000	1,740,000
<b>Total Funding</b>	<b>409,764</b>	<b>1,740,000</b>		<b>1,740,000</b>	<b>1,740,000</b>	<b>1,740,000</b>	<b>1,740,000</b>	<b>1,740,000</b>	<b>1,740,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>409,764</b>	<b>1,740,000</b>		<b>1,740,000</b>	<b>1,740,000</b>	<b>1,740,000</b>	<b>1,740,000</b>	<b>1,740,000</b>	<b>1,740,000</b>

## **Analysis of Budget Request**

**Appropriation:** 37U - Forestry-Forest Land Enhancement Program

**Funding Sources:** FIT - Federal Funds

This appropriation provides financial assistance to landowners who adopt conservation practices such as planting site preparation, tree planting, prescribed burning, and forest stand improvement. Funding consists of forest land enhancement grants from the United States Department of Agriculture Forest Service Agency (USDA-FSA).

The Agency Base Level Request includes appropriation in the amount of \$275,000 each year.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 37U - Forestry-Forest Land Enhancement Program

**Funding Sources:** FIT - Federal Funds

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	45,874	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000
<b>Total</b>	<b>45,874</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	45,874	275,000		275,000	275,000	275,000	275,000	275,000	275,000
<b>Total Funding</b>	<b>45,874</b>	<b>275,000</b>		<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>45,874</b>	<b>275,000</b>		<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>

## **Analysis of Budget Request**

**Appropriation:** 37V - Forestry-Wild Land Fire Assistance

**Funding Sources:** FIT - Federal Funds

The Wild Land Fire Assistance Program implements prescribed burns to reduce fuel loads in natural areas adjacent to Forest Service lands, thereby protecting nearby communities. Funding consists of federal funding from a Community Fire Assistance Grant from the Federal Emergency Management Agency (FEMA).

During FY10 and FY11, the Agency received ARRA Funding to be used by 30 counties in northern Arkansas that sustained ice storm damage during February 2009.

The Agency Base Level Request includes appropriation in the amount of \$178,800 each year.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 37V - Forestry-Wild Land Fire Assistance

**Funding Sources:** FIT - Federal Funds

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800
ARRA of 2009 5900052	2,549,215	2,946,518	0	0	0	0	0	0	0
<b>Total</b>	<b>2,549,215</b>	<b>3,125,318</b>	<b>178,800</b>	<b>178,800</b>	<b>178,800</b>	<b>178,800</b>	<b>178,800</b>	<b>178,800</b>	<b>178,800</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	0	178,800		178,800	178,800	178,800	178,800	178,800	178,800
Federal Funds-ARRA 4000244	2,549,215	2,946,518		0	0	0	0	0	0
<b>Total Funding</b>	<b>2,549,215</b>	<b>3,125,318</b>		<b>178,800</b>	<b>178,800</b>	<b>178,800</b>	<b>178,800</b>	<b>178,800</b>	<b>178,800</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>2,549,215</b>	<b>3,125,318</b>		<b>178,800</b>	<b>178,800</b>	<b>178,800</b>	<b>178,800</b>	<b>178,800</b>	<b>178,800</b>

The FY11 Budget exceeds authorized amount in the ARRA of 2009 line item due to a transfer from the Miscellaneous Federal Grant Holding Account.

## Change Level by Appropriation

**Appropriation:** 37V - Forestry-Wild Land Fire Assistance  
**Funding Sources:** FIT - Federal Funds

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>178,800</b>	<b>0</b>	<b>178,800</b>	<b>100.0</b>	<b>178,800</b>	<b>0</b>	<b>178,800</b>	<b>100.0</b>
C03	Discontinue Program	(2,946,518)	0	(2,767,718)	-1,547.9	(2,946,518)	0	(2,767,718)	-1,547.9
C16	ARRA	2,946,518	0	178,800	100.0	2,946,518	0	178,800	100.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>178,800</b>	<b>0</b>	<b>178,800</b>	<b>100.0</b>	<b>178,800</b>	<b>0</b>	<b>178,800</b>	<b>100.0</b>
C03	Discontinue Program	(2,946,518)	0	(2,767,718)	-1,547.9	(2,946,518)	0	(2,767,718)	-1,547.9
C16	ARRA	2,946,518	0	178,800	100.0	2,946,518	0	178,800	100.0

### Justification

C03	The Arkansas Forestry Commission anticipates that all remaining ARRA funds will be expended during FY11. Consequently, no additional appropriation is requested for Fiscal Years 2012 and 2013.
C16	During FY10, the Arkansas Forestry Commission recieved Competetive Grant from the American Recovery & Reinvestment Act of 2009 in the amount of \$3.6 million to support the Agency's Forest Health Program. The amount budgeted in the FY11 Annual Operations Plan was \$2,946,518, due to available balance in May of 2010.



## **Analysis of Budget Request**

**Appropriation:** 37W - Forestry-Forest Health Program

**Funding Sources:** FIT - Federal Funds

This appropriation supports the Invasive Species Management Program within the Cooperative Forest Health Program. This program provides for a cost sharing program to manage invasive species on private non-industrial forest lands and for forest health training related to invasive species for Arkansas Forestry Commission personnel. Funding consists of a Forest Service Grant from the United States Department of Agriculture (USDA).

The Agency Base Level Request includes Grants and Aid appropriation in the amount of \$209,521 each year.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 37W - Forestry-Forest Health Program

**Funding Sources:** FIT - Federal Funds

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	5,814	209,521	209,521	209,521	209,521	209,521	209,521	209,521	209,521
<b>Total</b>	<b>5,814</b>	<b>209,521</b>	<b>209,521</b>	<b>209,521</b>	<b>209,521</b>	<b>209,521</b>	<b>209,521</b>	<b>209,521</b>	<b>209,521</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	5,814	209,521		209,521	209,521	209,521	209,521	209,521	209,521
<b>Total Funding</b>	<b>5,814</b>	<b>209,521</b>		<b>209,521</b>	<b>209,521</b>	<b>209,521</b>	<b>209,521</b>	<b>209,521</b>	<b>209,521</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>5,814</b>	<b>209,521</b>		<b>209,521</b>	<b>209,521</b>	<b>209,521</b>	<b>209,521</b>	<b>209,521</b>	<b>209,521</b>

## **Analysis of Budget Request**

**Appropriation:** 37X - Forestry-Forest Legacy

**Funding Sources:** FIT - Federal Funds

The Forest Legacy Program is a conservation program administered by states to conserve environmentally significant privately owned forest lands that are threatened by conversion to non-forest uses. States that enter this program are able to acquire conservation easements of critical forestlands to meet the objectives outlined in the state's Assessment of Need document as submitted to and approved by the Secretary of the United States Department of Agriculture.

Base Level includes Operating Expenses appropriation in the amount of \$50,000 each year.

The Agency requests the restoration of Capital Outlay appropriation in the amount of \$4,192,000 each year to enable the Agency to acquire conservation easements or forestlands.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 37X - Forestry-Forest Legacy

**Funding Sources:** FIT - Federal Funds

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	8,284	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
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	2,060,000	4,192,000	4,192,000	0	4,192,000	4,192,000	0	4,192,000	4,192,000
<b>Total</b>		<b>2,068,284</b>	<b>4,242,000</b>	<b>4,242,000</b>	<b>50,000</b>	<b>4,242,000</b>	<b>4,242,000</b>	<b>50,000</b>	<b>4,242,000</b>	<b>4,242,000</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	2,068,284	4,242,000		50,000	4,242,000	4,242,000	50,000	4,242,000	4,242,000
<b>Total Funding</b>		<b>2,068,284</b>	<b>4,242,000</b>		<b>50,000</b>	<b>4,242,000</b>	<b>4,242,000</b>	<b>50,000</b>	<b>4,242,000</b>	<b>4,242,000</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>2,068,284</b>	<b>4,242,000</b>		<b>50,000</b>	<b>4,242,000</b>	<b>4,242,000</b>	<b>50,000</b>	<b>4,242,000</b>	<b>4,242,000</b>

## Change Level by Appropriation

**Appropriation:** 37X - Forestry-Forest Legacy  
**Funding Sources:** FIT - Federal Funds

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	<b>100.0</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	<b>100.0</b>
C01	Existing Program	4,192,000	0	4,242,000	8,484.0	4,192,000	0	4,242,000	8,484.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	<b>100.0</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	<b>100.0</b>
C01	Existing Program	4,192,000	0	4,242,000	8,484.0	4,192,000	0	4,242,000	8,484.0

### Justification

C01	The Agency request is for increased appropriation of \$4,192,000 in Capital Outlay to enable the agency to utilize federal fund receipts supporting the Forest Legacy Program.
-----	--

## **Analysis of Budget Request**

**Appropriation:** 37Y - Forestry-Silvctrl Non-Point Program

**Funding Sources:** FIT - Federal Funds

The Silvicultural Nonpoint Program provides for a partnership between the state foresters and state water quality agencies to ensure nonpoint source water pollution from forestry activities are kept to a minimum and reduced where possible. This program assists with Best Management Practices (BMPs), provides Implementation Assessments and conducts training for loggers, foresters, and forest landowners. Federal funding consists of an Agroforestry (AFT) Grant from the United States Department of Agriculture (USDA).

Base Level includes Operating Expenses appropriation in the amount of \$100,000 each year.

The Agency requests restoration of Capital Outlay appropriation in the amount of \$20,000 each year to provide for training equipment

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 37Y - Forestry-Silvctrl Non-Point Program

**Funding Sources:** FIT - Federal Funds

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	17,988	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
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	20,000	20,000	0	20,000	20,000	0	20,000	20,000
<b>Total</b>	<b>17,988</b>	<b>120,000</b>	<b>120,000</b>	<b>100,000</b>	<b>120,000</b>	<b>120,000</b>	<b>100,000</b>	<b>120,000</b>	<b>120,000</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	17,988	120,000		100,000	120,000	120,000	100,000	120,000	120,000
<b>Total Funding</b>	<b>17,988</b>	<b>120,000</b>		<b>100,000</b>	<b>120,000</b>	<b>120,000</b>	<b>100,000</b>	<b>120,000</b>	<b>120,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>17,988</b>	<b>120,000</b>		<b>100,000</b>	<b>120,000</b>	<b>120,000</b>	<b>100,000</b>	<b>120,000</b>	<b>120,000</b>

## Change Level by Appropriation

**Appropriation:** 37Y - Forestry-Silvctrl Non-Point Program  
**Funding Sources:** FIT - Federal Funds

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>100.0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>100.0</b>
C01	Existing Program	20,000	0	120,000	120.0	20,000	0	120,000	120.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>100.0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>100.0</b>
C01	Existing Program	20,000	0	120,000	120.0	20,000	0	120,000	120.0

### Justification

C01	Additional Capital Outlay appropriation of \$20,000 each year is necessary to provide an equipment budget to support the Silvicultural Non-Point Pollution Program.								
-----	---	--	--	--	--	--	--	--	--



## **Analysis of Budget Request**

**Appropriation:** 37Z - Agri Dept-Alt Fuels Dev Grants-(GR)

**Funding Sources:** HAD - Department of Agriculture Fund Account

This appropriation provides general revenue funding to support the Arkansas Agriculture Department's Alternative Fuels Development Program (A.C.A. §15-13-301 et seq).

This program includes three types of incentive grants:

- Capital and Production - grants up to \$2 million per fiscal year (based on the gallon production of alternative fuels) for alternative fuels producers for the construction, modification, alteration, or retrofitting of an alternative fuels production facility located and operated in Arkansas and for the operations costs of an alternative fuels production facility located and operated in Arkansas
- Production - grants up to \$2 million per fiscal year for feedstock processors to assist in the construction, modification, alteration, or retrofitting of feedstock processing facilities that are located and operated in Arkansas
- Distribution - grants up to \$50,000 per fiscal year for alternative fuels distributors to improve the statewide supply and distribution of alternative fuels and alternative fuels mixtures that are produced in Arkansas

Although Act 280 of 2010 Sec.42 authorized appropriation of \$5 million for FY11 for the Alternative Fuels Program, no General Revenue funding was authorized to support the program. Consequently, Base Level includes appropriation and general revenue funding of \$0 each year.

The Agency requests additional appropriation and general revenue funding in the amount of \$5 million each year. This request restores the Agency's level of funding to the \$4.5 million that was funded in the 2007-09 biennium and adds an additional \$500,000 each year to provide a total Agency budget of \$5 million each year for incentive grants.

The Executive Recommendation provides for appropriation and funding for this program to be funded by the General Improvement Fund.

## Appropriation Summary

**Appropriation:** 37Z - Agri Dept-Alt Fuels Dev Grants-(GR)

**Funding Sources:** HAD - Department of Agriculture Fund Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	0	5,000,000	0	5,000,000	0	0	5,000,000	0
Total	0	0	5,000,000	0	5,000,000	0	0	5,000,000	0
<b>Funding Sources</b>									
General Revenue 4000010	0	0		0	5,000,000	0	0	5,000,000	0
Total Funding	0	0		0	5,000,000	0	0	5,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	5,000,000	0	0	5,000,000	0

Although Act 280 of 2010 Sec. 42 authorized appropriation of \$5 million for FY11 for the Alternative Fuels Program, no General Revenue funding was authorized to support the program.

## Change Level by Appropriation

**Appropriation:** 37Z - Agri Dept-Alt Fuels Dev Grants-(GR)  
**Funding Sources:** HAD - Department of Agriculture Fund Account

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C01	Existing Program	5,000,000	0	5,000,000	100.0	5,000,000	0	5,000,000	100.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C01	Existing Program	0	0	0	0.0	0	0	0	0.0

### Justification

C01	The Agency Request includes additional appropriation and general revenue funding in the amount of \$5 million each year to support the Agency's Alternative Fuels Program. This request will be used to provide three types of incentive grants: Capital and Production Grants to Alternative Fuels Producers, Production Grants to feedstock processors, and Distribution Grants to alternative fuels distributors.
-----	--

## **Analysis of Budget Request**

**Appropriation:** 38A - Agri Dept-Alt Fuels Dev Grants-(SR)

**Funding Sources:** SFD - Alternative Fuels Development Fund

This appropriation provides special revenue funding to support the Arkansas Agriculture Department's Alternative Fuels Development Program (A.C.A. §15-13-301 et seq.). Funding consists of the remaining fund balance from a one-time fund transfer of \$11 million from the General Revenue Allotment Reserve Fund during the 2007-09 biennium as authorized by the 86th General Assembly in Section 2 of Act 1098 of 2007 less \$9.1 million transferred to the General Improvement Fund as a set aside within the 87th Session Projects Account to be used solely for providing funding for the Dairy Stabilization Program as authorized by Special Language in Section 2 of Act 1303 of 2009.

This program includes three types of incentive grants:

- Capital and Production - grants up to \$2 million per fiscal year (based on the gallon production of alternative fuels) for alternative fuels producers for the construction, modification, alteration, or retrofitting of an alternative fuels production facility located and operated in Arkansas and for the operations costs of an alternative fuels production facility located and operated in Arkansas
- Production - grants up to \$2 million per fiscal year for feedstock processors to assist in the construction, modification, alteration, or retrofitting of feedstock processing facilities that are located and operated in Arkansas
- Distribution - grants up to \$50,000 per fiscal year for alternative fuels distributors to improve the statewide supply and distribution of alternative fuels and alternative fuels mixtures that are produced in Arkansas

The Agency Request is for Base Level of \$877,045 each fiscal year. The fund balance carryforward is contingent on the prior year expenses.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 38A - Agri Dept-Alt Fuels Dev Grants-(SR)  
**Funding Sources:** SFD - Alternative Fuels Development Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	124,193	877,045	11,000,000	877,045	877,045	877,045	877,045	877,045	877,045
<b>Total</b>	124,193	877,045	11,000,000	877,045	877,045	877,045	877,045	877,045	877,045
<b>Funding Sources</b>									
Fund Balance 4000005	1,001,238	877,045		0	0	0	0	0	0
<b>Total Funding</b>	1,001,238	877,045		0	0	0	0	0	0
Excess Appropriation/(Funding)	(877,045)	0		877,045	877,045	877,045	877,045	877,045	877,045
<b>Grand Total</b>	124,193	877,045		877,045	877,045	877,045	877,045	877,045	877,045

Funding consists of remaining fund balance from a one-time funding transfer of \$11 million from the General Revenue Allotment Reserve Fund to the Alternative Fuels Development Fund as authorized by Special Language in Section 2 of Act 1098 of 2007 less \$9.1 million transferred to the General Improvement Fund as a set aside within the 87th Session Projects Account to be used solely for providing funding for the Dairy Stabilization Program as authorized by Special Language in Section 2 of Act 1303 of 2009.

## **Analysis of Budget Request**

**Appropriation:** ASP - PIB-Univ Scholarship Program

**Funding Sources:** SDP - Plant Board Fund

The Agriculture Scholarship Program was created by Act 687 of 2003 for the purpose of providing grants for internships and scholarships to the following:

- University of Arkansas - \$5,000
- Arkansas State University - \$5,000
- Arkansas Tech University - \$5,000
- Southern Arkansas University - \$5,000

Funding consists of civil penalties collected by the State Plant Board.

The Agency requests the continuation of Base Level appropriation each year of the biennium.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** ASP - PIB-Univ Scholarship Program

**Funding Sources:** SDP - Plant Board Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
SAU Agri Scholarships	5100004	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
U of A Agri Scholarships	5100004	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
AR Tech Agri Scholarships	5100004	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
ASU Agri Scholarships	5100004	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
<b>Total</b>		<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Funding Sources</b>										
Special Revenue	4000030	20,000	20,000		20,000	20,000	20,000	20,000	20,000	20,000
<b>Total Funding</b>		<b>20,000</b>	<b>20,000</b>		<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>20,000</b>	<b>20,000</b>		<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>

## **Analysis of Budget Request**

**Appropriation:** D24 - L&P Poultry Indemnities-Cash

**Funding Sources:** 125 - Livestock & Poultry - Cash

The Arkansas Livestock & Poultry Commission's Poultry Indemnities cash appropriation is used to provide indemnities (payments) to the owners of diseased poultry flocks for accomplishing depopulation, thereby lessening the threat of exposure and spread of disease into the state's commercial industry. This appropriation is funded entirely from donations from the poultry industry.

The Agency requests the continuation of Base Level appropriation of \$10,000 each year of the biennium.

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



## Appropriation Summary

**Appropriation:** D24 - L&P Poultry Indemnities-Cash

**Funding Sources:** 125 - Livestock & Poultry - Cash

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Funding Sources</b>									
Cash Fund 4000045	0	10,000		10,000	10,000	10,000	10,000	10,000	10,000
Total Funding	0	10,000		10,000	10,000	10,000	10,000	10,000	10,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	10,000		10,000	10,000	10,000	10,000	10,000	10,000

## **Analysis of Budget Request**

**Appropriation:** D25 - PB Refunds/Transfers

**Funding Sources:** 164 - Plant Board Cash

The State Plant Board's cash fund is used for transfer of special revenue fee collections to the State Treasury after necessary refunds have been made and the University of Arkansas' share of fertilizer and lime tonnage fees has been paid per A.C.A. §2-19-209 and §2-19-211.

The Agency requests the continuation of Base Level appropriation in the amount of \$6,765,600 each year.

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

## Appropriation Summary

**Appropriation:** D25 - PB Refunds/Transfers

**Funding Sources:** 164 - Plant Board Cash

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	500	500	500	500	500	500	500	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
Refunds/Reimbursements	5110014	31,560	6,765,100	6,765,100	6,765,100	6,765,100	6,765,100	6,765,100	6,765,100	6,765,100
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>31,560</b>	<b>6,765,600</b>	<b>6,765,600</b>	<b>6,765,600</b>	<b>6,765,600</b>	<b>6,765,600</b>	<b>6,765,600</b>	<b>6,765,600</b>	<b>6,765,600</b>
<b>Funding Sources</b>										
Fund Balance	4000005	28,027	30,057		30,057	30,057	30,057	30,057	30,057	30,057
Cash Fund	4000045	33,590	6,765,600		6,765,600	6,765,600	6,765,600	6,765,600	6,765,600	6,765,600
<b>Total Funding</b>		<b>61,617</b>	<b>6,795,657</b>		<b>6,795,657</b>	<b>6,795,657</b>	<b>6,795,657</b>	<b>6,795,657</b>	<b>6,795,657</b>	<b>6,795,657</b>
Excess Appropriation/(Funding)		(30,057)	(30,057)		(30,057)	(30,057)	(30,057)	(30,057)	(30,057)	(30,057)
<b>Grand Total</b>		<b>31,560</b>	<b>6,765,600</b>		<b>6,765,600</b>	<b>6,765,600</b>	<b>6,765,600</b>	<b>6,765,600</b>	<b>6,765,600</b>	<b>6,765,600</b>

## Appropriation Summary

**Appropriation:** 37B - PB Bureau of Standards

**Funding Sources:** SDP - Plant Board Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	35,000	35,000	0	0	0	0	0	0
<b>Total</b>	0	35,000	35,000	0	0	0	0	0	0
<b>Funding Sources</b>									
Special Revenue 4000030	0	35,000		0	0	0	0	0	0
<b>Total Funding</b>	0	35,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	0	35,000		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

# ARKANSAS STATE CLAIMS COMMISSION

## Enabling Laws

Act 83 of 2010

A.C.A. §19-10-201 et seq. (Creation & Operations)

A.C.A. §19-10-101 et seq. (Claims against the State)

A.C.A. §21-5-701 et seq. (Death & disability benefit eligibility)

A.C.A. §6-82-501 et seq. (Scholarship benefit eligibility)

## History and Organization

The Arkansas Constitution, adopted in 1874, has constitutional provisions relating to sovereign immunity. The permissive provisions of the Constitution leave the decision of whether to abrogate the doctrine and to what extent, to the discretion of the General Assembly. Arkansas' Constitution in Article 5, Section 20 states: "The State of Arkansas shall never be made a defendant in any of her courts." This provision has prohibited suits against the State.

The Arkansas General Assembly, while maintaining the State's sovereign immunity, established the Claims Commission to mitigate the impact of the rigid rule of "governmental immunity" while adhering to another constitutional direction that the "General Assembly shall from time to time provide for the payment of all just and legal debts of the State."

By creating the Claims Commission a method was found by which damaged or injured persons could be compensated without the State being made a defendant in any of its courts. The first Claims Commission, consisting of the State Auditor, Attorney General and State Comptroller, was created to review claims.

The General Assembly, thereafter, biennially established a special Claims Commission and appropriated money to pay the claims approved by that Commission. This special Claims Commission was replaced by the Board of Fiscal Control in 1945 with the passage of Act 53 of 1945 and, subsequently, by Act 462 of 1949.

In response to a demand for a body removed from political influence that could efficiently determine claims filed against the State, the General Assembly, in Act 276 of 1955, created the Arkansas State Claims Commission as it is known today. Act 861 of 1985 increased the size of the Claims Commission from three to five members, but did not otherwise affect Act 276 of 1955. The ceiling for immediate payment of claims (not including statutorily specified public employee death benefits claims) is \$10,000: claims approved by the Commission exceeding \$10,000

are brought before the General Assembly at its next regular or special session. The Commission's final and binding decision on claims can be appealed only to the General Assembly to be reversed, amended or returned to the Commission for further review.

**Mission Statement-Jurisdiction and Responsibilities:**

A.C.A. §19-10-201 et seq. defines the role of the State Claims Commission. The Claims Commission is a quasi-judicial body established by the Arkansas General Assembly as its arm to hear claims against the State of Arkansas, since such tort-type claims as personal injury, property damage, breach of contract, and other designated claim types, due to the State's constitutional sovereign immunity, cannot be brought in the State courts.

**Primary Activities:**

While living in various locations across the State, the five Commissioners convene hearings on claims in Little Rock, Tucker Maximum Security Unit, or at other sites several days each month.



**Agency Commentary**

The Claims Commission is requesting Base Level funding and appropriation for all appropriations for the 2011-2013 biennium.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS STATE CLAIMS COMMISSION

Findings

A separate report for this Agency was not issued. However, financial activity for the Agency was included in the audit of the State's CAFR for the year ended June 30, 2009.

Recommendations

## Employment Summary

	Male	Female	Total	%
White Employees	3	3	6	60 %
Black Employees	2	1	3	30 %
Other Racial Minorities	0	1	1	10 %
Total Minorities			4	40 %
Total Employees			10	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		
Claims Commission Annual Report	A.C.A. §25-1-103	N	Y	50	Required by legislation and requested by auditors.
Rules and Regulations: State Claims Commission	A.C.A. §19-10-205	N	Y	1,000	Required by the General Assembly.

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
227 Claims Operations	545,964	10	560,412	10	567,397	10	582,369	10	582,369	10	582,369	10	582,369	10	582,369	10	582,369	10
228 Various Claims	949,441	0	1,750,000	0	1,750,000	0	1,750,000	0	1,750,000	0	1,750,000	0	1,750,000	0	1,750,000	0	1,750,000	0
Total	1,495,405	10	2,310,412	10	2,317,397	10	2,332,369	10	2,332,369	10	2,332,369	10	2,332,369	10	2,332,369	10	2,332,369	10

Funding Sources		%		%		%		%		%		%		%		%		%
State Central Services 4000035	545,964	36.5	560,412	24.3			582,369	25.0	582,369	25.0	582,369	25.0	582,369	25.0	582,369	25.0	582,369	25.0
Miscellaneous Revolving 4000350	949,441	63.5	1,750,000	75.7			1,750,000	75.0	1,750,000	75.0	1,750,000	75.0	1,750,000	75.0	1,750,000	75.0	1,750,000	75.0
Total Funds	1,495,405	100.0	2,310,412	100.0			2,332,369	100.0	2,332,369	100.0	2,332,369	100.0	2,332,369	100.0	2,332,369	100.0	2,332,369	100.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
Grand Total	1,495,405		2,310,412				2,332,369		2,332,369		2,332,369		2,332,369		2,332,369		2,332,369	



## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
10	10	0	10	0	0.00 %	10	10	0	10	0	0.00 %	10	10	0	10	0	0.00 %

## **Analysis of Budget Request**

**Appropriation:** 227 - Claims Operations

**Funding Sources:** HSC - State Central Services

This appropriation provides personal services and operating expenses of the State Claims Commission. The Commission is a quasi-judicial body established to hear claims against the State of Arkansas and its agencies, boards, commissions, and institutions, unless otherwise exempted by statute. The Commission consists of a staff of 10 positions, including 5 commissioners appointed by the Governor. The appropriation is funded from the State Central Services fund.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of unclassified positions reflects the FY11 line item maximum.

The Commission request is for Base Level of \$582,369 each year.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 227 - Claims Operations

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	352,580	348,815	354,622	351,749	351,749	351,749	351,749	351,749	351,749
<b>#Positions</b>		<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Personal Services Matching	5010003	101,716	116,207	117,385	135,230	135,230	135,230	135,230	135,230	135,230
Operating Expenses	5020002	81,870	92,390	92,390	92,390	92,390	92,390	92,390	92,390	92,390
Conference & Travel Expenses	5050009	2,382	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
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	7,416	0	0	0	0	0	0	0	0
<b>Total</b>		<b>545,964</b>	<b>560,412</b>	<b>567,397</b>	<b>582,369</b>	<b>582,369</b>	<b>582,369</b>	<b>582,369</b>	<b>582,369</b>	<b>582,369</b>
<b>Funding Sources</b>										
State Central Services	4000035	545,964	560,412		582,369	582,369	582,369	582,369	582,369	582,369
Total Funding		545,964	560,412		582,369	582,369	582,369	582,369	582,369	582,369
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>545,964</b>	<b>560,412</b>		<b>582,369</b>	<b>582,369</b>	<b>582,369</b>	<b>582,369</b>	<b>582,369</b>	<b>582,369</b>

## **Analysis of Budget Request**

**Appropriation:** 228 - Various Claims

**Funding Sources:** MTA - Miscellaneous Revolving Fund

This appropriation provides for the payment of Small Controversial Claims, Non-Controversial Claims, and Death Benefit Awards to the surviving spouses and/or dependent children of policemen, firemen, correctional officers, and specified state employees killed in the official line of duty. Payment of the claims is from the Miscellaneous Revolving Fund.

The Commission Request is for Base Level of \$1,750,000 each year.

The Executive Recommendation provides for the Agency Request.

# Appropriation Summary

**Appropriation:** 228 - Various Claims  
**Funding Sources:** MTA - Miscellaneous Revolving Fund

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Claims 5110015	949,441	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000
<b>Total</b>	<b>949,441</b>	<b>1,750,000</b>	<b>1,750,000</b>	<b>1,750,000</b>	<b>1,750,000</b>	<b>1,750,000</b>	<b>1,750,000</b>	<b>1,750,000</b>	<b>1,750,000</b>
<b>Funding Sources</b>									
Miscellaneous Revolving 4000350	949,441	1,750,000		1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000
<b>Total Funding</b>	<b>949,441</b>	<b>1,750,000</b>		<b>1,750,000</b>	<b>1,750,000</b>	<b>1,750,000</b>	<b>1,750,000</b>	<b>1,750,000</b>	<b>1,750,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>949,441</b>	<b>1,750,000</b>		<b>1,750,000</b>	<b>1,750,000</b>	<b>1,750,000</b>	<b>1,750,000</b>	<b>1,750,000</b>	<b>1,750,000</b>

# Department Appropriation Summary - ALL DHS Divisions

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
147 Special Olympics	153,587	0	178,768	0	179,666	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0
193 State Operations	17,938,419	0	18,793,705	0	19,509,415	0	18,793,705	0	20,766,275	0	20,766,275	0	18,793,705	0	21,747,988	0	21,747,988	0
196 Community Mental Health Centers	8,458,909	0	8,602,384	0	8,780,603	0	8,602,384	0	8,602,384	0	8,602,384	0	8,602,384	0	8,602,384	0	8,602,384	0
1DE Various Building Construction	4,119,599	0	7,688,100	0	8,185,200	0	7,688,100	0	7,688,100	0	7,688,100	0	7,688,100	0	7,688,100	0	7,688,100	0
1DK Cty-Shelter Plus Care Program	1,562,522	0	1,819,974	0	1,819,974	0	1,819,974	0	1,874,574	0	1,874,574	0	1,819,974	0	1,930,811	0	1,930,811	0
1EN Community Alcohol Safety	3,176,449	2	3,550,867	2	3,554,907	2	3,550,019	2	3,631,152	3	3,631,152	3	3,550,019	2	3,631,152	3	3,631,152	3
1ET Alcohol & Drug Abuse Prevention	19,714,642	0	21,114,814	0	21,824,072	0	21,114,814	0	21,114,814	0	21,114,814	0	21,114,814	0	21,114,814	0	21,114,814	0
2MN Mental Health Block Grant	5,810,820	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	2,382,741	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	614,719	0	1,470,215	0	2,188,456	0	1,470,215	0	1,970,215	0	1,970,215	0	1,470,215	0	1,970,215	0	1,970,215	0
2RB Community Services	11,278,981	0	12,502,140	0	21,083,708	0	12,502,140	0	17,502,140	0	17,502,140	0	12,502,140	0	17,502,140	0	17,502,140	0
2RC Federal Child & Youth Service Grants	4,975,977	0	4,923,293	0	6,260,348	0	4,923,293	0	5,623,293	0	5,623,293	0	4,923,293	0	5,623,293	0	5,623,293	0
2YH Residential Services	27,435,821	0	27,348,648	0	35,402,401	0	27,348,648	0	30,326,648	0	30,326,648	0	27,348,648	0	30,326,648	0	30,326,648	0
320 Child Care Development-Discretionary	36,546,359	0	18,469,372	0	39,139,072	0	18,469,372	0	21,469,372	0	21,469,372	0	18,469,372	0	21,469,372	0	21,469,372	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
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	1,688,574	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	1,376,838	0	1,377,338	0	1,377,338	0	1,377,338	0	1,446,205	0	1,446,205	0	1,377,338	0	1,446,205	0	1,446,205	0
409 Cty-Weatherization Program	18,872,766	0	29,741,884	0	18,775,000	0	4,000,000	0	13,898,049	0	13,898,049	0	4,000,000	0	8,000,000	0	8,000,000	0
410 Cty-Emergency Food Program	815,492	0	668,527	0	897,826	0	648,527	0	793,566	0	793,566	0	648,527	0	793,566	0	793,566	0
411 Cty-Low Income Energy Assistance Prgm	34,106,635	0	39,735,151	0	15,487,743	0	15,487,743	0	39,735,151	0	39,735,151	0	15,487,743	0	39,735,151	0	39,735,151	0
412 Cty-Refugee Resettlement Program	5,589	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	669,495	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0
418 Meals on Wheels	2,610,380	0	3,000,000	0	3,500,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
426 Cty-Homeless Assistance Grant	4,024,692	0	5,345,000	0	5,851,246	0	1,345,000	0	4,345,000	0	4,345,000	0	1,345,000	0	1,445,000	0	1,445,000	0
4KS Nursing Home Quality	184,888	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
58G ARRA of 2009	27,266,379	114	94,157,152	118	179,680,169	0	0	0	21,619,313	0	21,619,313	0	0	0	0	0	0	0
59H Hunger Coalition	956,400	0	995,113	0	1,000,000	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0
59J Autism Treat/Coord	1,391,353	0	1,492,500	0	1,500,000	0	1,492,500	0	1,492,500	0	1,492,500	0	1,492,500	0	1,492,500	0	1,492,500	0
642 Medicaid Expansion-Aging	0	0	0	0	0	0	0	0	1,143,531	22	0	0	0	0	1,143,531	22	0	0
642 Medicaid Expansion-Medical Srvs	100,931	2	115,128	2	125,069	2	113,189	2	113,189	2	113,189	2	113,189	2	113,189	2	113,189	2
642 Medicaid Expansion-County Ops	946,080	20	2,730,898	60	2,758,121	61	2,733,472	60	1,622,397	39	2,733,472	60	2,733,472	60	1,622,397	39	2,733,472	60
648 Medicaid Exp-Prescription Drugs	2,000,802	0	2,091,256	0	12,845,491	0	2,079,878	0	4,230,636	0	4,230,636	0	2,079,878	0	5,367,414	0	5,367,414	0

# Department Appropriation Summary - ALL DHS Divisions

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
648 Medicaid Exp-Hospital & Medical Services	35,631,154	0	50,216,689	0	131,164,332	0	48,801,739	0	74,770,861	0	74,770,861	0	48,801,739	0	93,463,577	0	93,463,577	0
653 DDS-State Operations	4,808,195	0	9,328,003	0	13,930,669	0	7,099,242	0	9,328,003	0	9,328,003	0	7,099,242	0	7,099,242	0	7,099,242	0
655 Acute Mental Health Services-Per Capita	5,437,303	0	5,633,293	0	5,750,000	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0
657 Community Programs	10,000	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	15,658,716	0	15,892,045	0	15,909,753	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	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	1,586,966	0	1,330,000	0	1,330,000	0	1,330,000	0	1,341,305	0	1,341,305	0	1,330,000	0	1,341,305	0	1,341,305	0
883 Foster Care	20,862,417	0	17,617,628	0	17,617,628	0	17,617,628	0	23,815,859	0	23,815,859	0	17,617,628	0	23,815,859	0	23,815,859	0
890 Food Program	46,235,621	0	46,791,250	0	46,791,250	0	46,791,250	0	52,291,250	0	52,291,250	0	46,791,250	0	52,291,250	0	52,291,250	0
896 Director's Office	1,023,302	8	1,332,149	9	1,691,005	9	1,343,036	9	1,345,536	9	1,057,654	6	1,343,036	9	1,343,036	9	1,057,654	6
896 Office of Chief Counsel	10,589,115	172	11,449,889	169	11,590,824	179	11,277,939	169	11,625,748	175	11,234,177	168	11,277,939	169	11,535,748	175	11,234,177	168
896 Division of Aging & Adult Services	12,936,479	192	14,641,565	194	15,643,857	203	14,660,301	194	16,090,576	204	16,090,576	204	14,660,301	194	16,090,576	204	16,090,576	204
896 Division of Children & Family Services	69,564,277	1,142	74,050,895	1,060	81,986,431	1,194	74,752,376	1,060	79,391,909	1,175	80,187,785	1,191	74,752,376	1,060	79,391,909	1,175	80,187,785	1,191
896 Division of Child Care/Early Childhood	16,664,815	175	18,357,297	171	17,529,476	171	16,248,760	171	18,249,432	187	17,453,555	171	16,248,760	171	18,249,432	187	17,453,555	171
896 Division of Behavioral Health Services	86,850,954	1,126	87,989,124	1,000	100,787,161	1,165	87,804,947	1,000	101,637,876	1,165	100,507,384	1,165	87,804,947	1,000	101,464,448	1,165	101,280,956	1,165
896 Division of Medical Services	21,834,926	312	24,847,920	318	25,541,661	324	24,615,339	318	25,639,564	333	25,639,564	333	24,615,339	318	25,639,564	333	25,639,564	333
896 Division of County Operations	113,116,196	1,881	121,349,945	1,822	136,352,424	1,882	118,215,610	1,813	123,393,972	1,889	123,391,044	1,889	118,215,610	1,813	121,886,141	1,882	121,883,213	1,882
896 Division of Administrative Services	28,358,170	318	29,954,929	309	32,381,578	359	29,960,603	309	33,393,139	355	33,673,969	358	29,960,603	309	33,319,663	355	33,600,493	358
896 Division of Developmental Disabilities Svcs	128,370,138	2,618	134,874,385	2,547	157,062,814	2,726	132,802,629	2,547	150,748,469	2,725	150,723,311	2,725	132,802,629	2,547	150,427,520	2,725	150,402,362	2,725
896 Division of Services for the Blind	4,920,576	81	6,263,624	85	5,866,311	75	4,927,540	75	6,120,678	74	6,120,678	74	4,927,540	75	5,928,680	74	5,928,680	74
896 Division of Volunteerism	1,351,213	23	1,444,654	24	1,553,456	24	1,439,677	24	1,572,014	24	1,439,677	24	1,439,677	24	1,572,014	24	1,439,677	24
896 Division of Youth Services	6,531,929	84	8,758,874	88	11,722,062	161	8,502,452	88	11,397,014	161	11,397,014	161	8,502,452	88	11,397,014	161	11,397,014	161
897 ARKIDS B Program	93,404,418	0	109,362,368	0	204,023,484	0	109,108,809	0	115,642,425	0	115,642,425	0	109,108,809	0	118,873,417	0	118,873,417	0
897 Hospital & Medical Services	2,909,820,002	0	3,198,851,136	0	4,192,018,983	0	3,074,471,484	0	3,584,528,631	0	3,584,528,631	0	3,074,471,484	0	3,776,570,716	0	3,776,570,716	0
897 Prescription Drugs	318,094,054	0	343,948,311	0	575,144,026	0	330,998,852	0	378,738,146	0	378,738,146	0	330,998,852	0	385,275,742	0	385,275,742	0
897 Private Nursing Home Care	562,494,229	0	597,250,427	0	752,732,888	0	571,374,213	0	639,794,311	0	639,794,311	0	571,374,213	0	670,810,091	0	670,810,091	0
897 TANF Block Grant	18,950,881	0	20,925,000	0	33,640,650	0	20,925,000	0	24,565,650	0	24,565,650	0	20,925,000	0	24,565,650	0	24,565,650	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	22,212,165	0	20,359,437	0	28,125,422	0	20,359,437	0	26,359,437	0	26,359,437	0	20,359,437	0	26,359,437	0	26,359,437	0
898 Community Based Care	0	0	0	0	90,000	0	0	0	90,000	0	90,000	0	0	0	90,000	0	90,000	0
898 Community Svcs. Block Grant	16,805,525	0	15,062,188	0	20,020,518	0	9,437,390	0	9,437,390	0	9,437,390	0	9,437,390	0	9,437,390	0	9,437,390	0
898 Delta Service Corps Grants	2,738,355	0	2,605,509	0	3,094,077	0	2,225,704	0	2,410,704	0	2,410,704	0	2,225,704	0	2,410,704	0	2,410,704	0

# Department Appropriation Summary - ALL DHS Divisions

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
898 Infant Infirmary	21,497,971	0	22,752,600	0	33,152,691	0	21,716,788	0	25,389,673	0	25,389,673	0	21,716,788	0	26,100,584	0	26,100,584	0
898 Nursing Home Care Alternatives	5,230,351	0	5,193,872	0	6,656,003	0	5,193,872	0	6,193,872	0	6,193,872	0	5,193,872	0	6,193,872	0	6,193,872	0
898 Nutrition Program	9,348,657	0	10,424,649	0	12,310,616	0	10,424,649	0	11,424,649	0	11,424,649	0	10,424,649	0	11,424,649	0	11,424,649	0
898 Older Worker Program Grants	1,052,665	0	1,052,664	0	1,132,005	0	1,052,664	0	1,052,664	0	1,052,664	0	1,052,664	0	1,052,664	0	1,052,664	0
898 Project Grants	10,344,887	0	12,331,764	0	14,392,359	0	12,331,764	0	14,331,764	0	14,331,764	0	12,331,764	0	14,331,764	0	14,331,764	0
898 Public Nursing Home Care	174,447,604	0	194,431,274	0	270,815,554	0	185,670,840	0	211,605,788	0	211,605,788	0	185,670,840	0	221,982,063	0	221,982,063	0
898 Purchase of Services	2,819,376	0	3,631,409	0	2,770,628	0	2,573,558	0	3,393,558	0	3,393,558	0	2,573,558	0	3,784,558	0	3,784,558	0
898 Retired & Sr Volunteer Program	69,825	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	3,985	0	139,733	0	139,733	0	139,733	0	139,733	0	139,733	0	139,733	0	139,733	0	139,733	0
898 Sr Citizen Centers	4,747,197	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
898 TANF/Foster Care	41,028,380	0	41,487,599	0	42,294,294	0	40,291,976	0	42,271,111	0	40,291,976	0	40,291,976	0	42,271,111	0	40,291,976	0
929 Child Care-Treasury Paying	0	0	187,537	0	200,000	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0
930 Cty-Commodity Distrib & Salvage Container	31,034	0	274,086	0	274,086	0	274,086	0	275,586	0	275,586	0	274,086	0	274,086	0	274,086	0
935 Volunteerism - Cash in Treasury	2,207	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
937 Canteen - Cash in Treasury	158,082	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	30,404	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	39,350	0	108,644	0	109,190	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	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
<b>NOT REQUESTED FOR THE BIENNIUM</b>																		
35Y Child Abuse/Neglect Program	0	0	0	0	1,244,382	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>5,088,990,905</b>	<b>8,270</b>	<b>5,610,898,218</b>	<b>7,978</b>	<b>7,458,791,732</b>	<b>8,537</b>	<b>5,268,799,224</b>	<b>7,841</b>	<b>6,117,283,827</b>	<b>8,542</b>	<b>6,113,582,697</b>	<b>8,534</b>	<b>5,268,799,224</b>	<b>7,841</b>	<b>6,347,448,105</b>	<b>8,535</b>	<b>6,344,786,475</b>	<b>8,527</b>

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	7,958,126	0.2	6,687,128	0.1			336,057	0.0	336,057	0.0	336,057	0.0	0	0.0	0	0.0	0	0.0
General Revenue	4000010	958,696,581	18.8	1,014,693,384	18.1			1,014,368,936	19.3	1,025,340,146	17.6	1,020,620,842	17.6	1,014,368,936	19.3	1,287,351,559	21.4	1,196,140,310	20.9
Federal Revenue	4000020	3,374,650,867	66.2	3,704,876,782	66.0			3,645,361,604	69.2	3,863,820,862	66.4	3,863,419,777	66.4	3,645,361,604	69.2	4,021,766,799	66.7	3,810,409,038	66.6
Special Revenue	4000030	30,000	0.0	324,275	0.0			324,275	0.0	324,275	0.0	324,275	0.0	324,275	0.0	324,275	0.0	324,275	0.0
Cash Fund	4000045	221,727	0.0	842,671	0.0			842,671	0.0	844,171	0.0	844,171	0.0	842,671	0.0	842,671	0.0	842,671	0.0
Trust Fund	4000050	799,607	0.0	150,156,917	2.7			150,156,917	2.8	233,227,542	4.0	233,227,542	4.0	150,156,917	2.8	176,267,215	2.9	176,267,215	3.1
Cigarette Tax	4000140	2,610,380	0.1	3,000,000	0.1			3,000,000	0.1	3,000,000	0.1	3,000,000	0.1	3,000,000	0.1	3,000,000	0.0	3,000,000	0.1
Drug Rebates	4000200	27,908,793	0.5	25,761,288	0.5			25,761,288	0.5	26,018,901	0.4	26,018,901	0.4	25,761,288	0.5	26,279,090	0.4	26,279,090	0.5
Federal Funds-ARRA	4000244	359,097,644	7.0	219,487,491	3.9			0	0.0	13,035,427	0.2	12,942,927	0.2	0	0.0	125,000	0.0	125,000	0.0



Funding Sources			%		%		%		%		%		%		%		
Hospital Assessment Fee	4000281	0	0.0	38,881,700	0.7	38,881,700	0.7	56,582,819	1.0	56,582,819	1.0	38,881,700	0.7	38,881,700	0.6	38,881,700	0.7
ICF/MR Provider Fee	4000282	1,412,961	0.0	8,703,003	0.2	8,703,003	0.2	15,222,904	0.3	15,222,904	0.3	8,703,003	0.2	10,002,390	0.2	10,002,390	0.2
Insurance Premium Tax	4000298	0	0.0	0	0.0	0	0.0	10,991,568	0.2	10,991,568	0.2	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	62,801,234	1.2	65,405,440	1.2	65,405,440	1.2	68,392,716	1.2	68,392,716	1.2	65,405,440	1.2	71,628,346	1.2	71,628,346	1.3
Reallocation of Resources	4000410	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Refunds	4000415	3,205,752	0.1	2,950,000	0.1	2,950,000	0.1	2,950,000	0.1	2,950,000	0.1	2,950,000	0.1	2,950,000	0.0	2,950,000	0.1
Reimbursement	4000425	30,114,980	0.6	63,766,623	1.1	7,452,043	0.1	25,540,976	0.4	25,540,976	0.4	7,788,100	0.1	7,788,100	0.1	7,788,100	0.1
Tobacco Settlement	4000495	10,260,089	0.2	14,752,543	0.3	14,752,860	0.3	29,520,356	0.5	29,520,356	0.5	14,752,860	0.3	56,321,262	0.9	56,321,262	1.0
Transfer From DWS	4000527	956,437	0.0	0	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	(95,965)	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	(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	(400,000)	0.0
Transfer to Medicaid Match	4000660	(11,688,381)	(0.2)	(11,650,317)	(0.2)	(11,650,317)	(0.2)	(11,650,317)	(0.2)	(11,650,317)	(0.2)	(11,650,317)	(0.2)	(11,650,317)	(0.2)	(11,650,317)	(0.2)
Transfer to State Police	4000675	(1,482,855)	0.0	(1,699,208)	0.0	(1,699,208)	0.0	(1,699,208)	0.0	(1,699,208)	0.0	(1,699,208)	0.0	(1,699,208)	0.0	(1,699,208)	0.0
Various Program Support	4000730	268,505,056	5.3	304,819,555	5.4	304,376,955	5.8	459,342,747	7.9	458,561,243	7.9	304,376,955	5.8	338,380,048	5.6	337,598,544	5.9
Total Funds		5,095,678,033	100.0	5,611,234,275	100.0	5,268,799,224	100.0	5,820,616,942	100.0	5,814,622,549	100.0	5,268,799,224	100.0	6,028,033,930	100.0	5,724,683,416	100.0
Excess Appropriation/(Funding)		(6,687,128)		(336,057)		0		296,666,885		298,960,148		0		319,414,175		620,103,059	
Grand Total		5,088,990,905		5,610,898,218		5,268,799,224		6,117,283,827		6,113,582,697		5,268,799,224		6,347,448,105		6,344,786,475	

## DHS - Director's Office/Office Of Chief Counsel

### Enabling Laws

Act 242 of 2010  
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 10 program divisions and other support 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 approval 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.

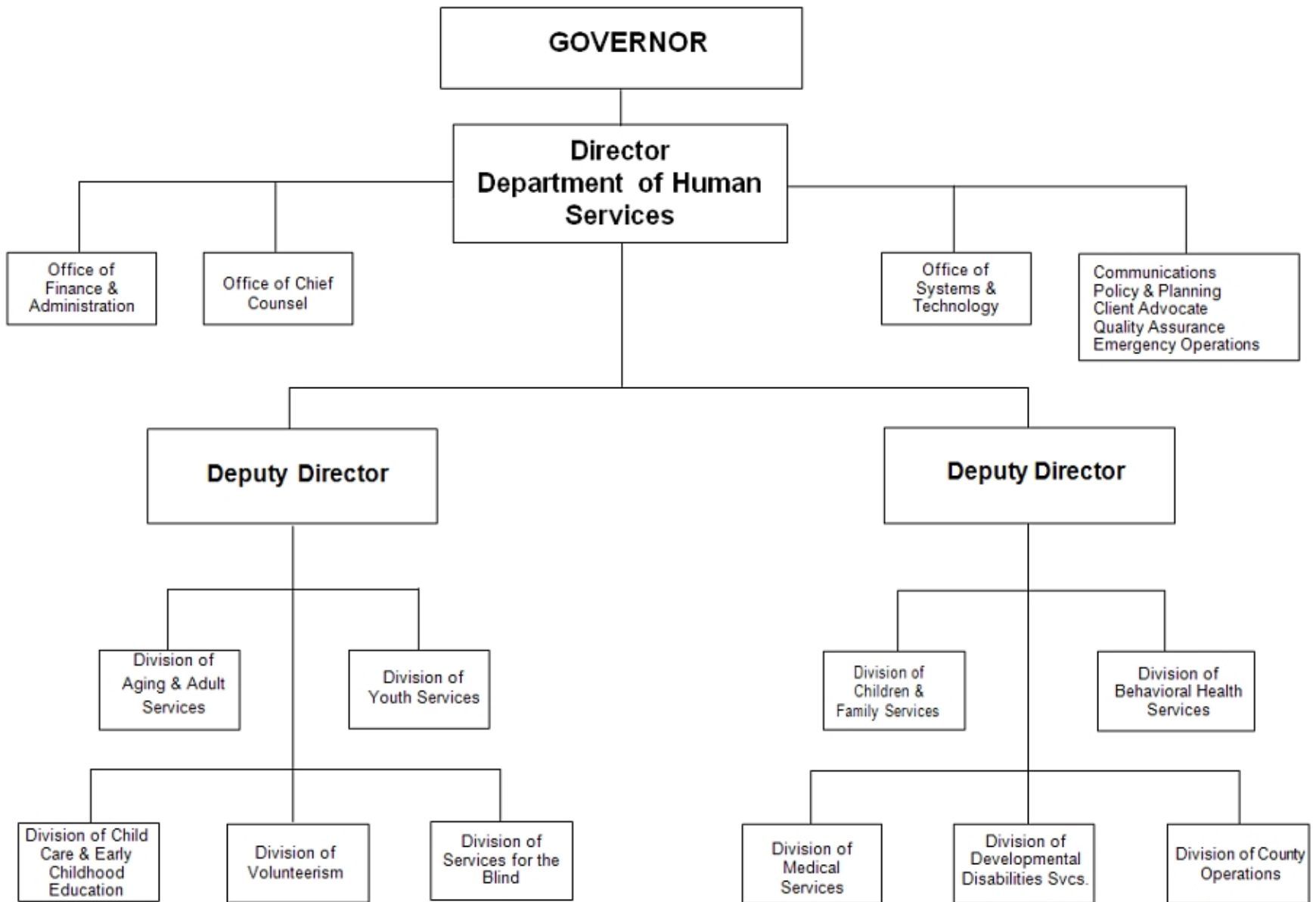
The Mission of the Department is "Together we improve the quality of all Arkansans by protecting the vulnerable, fostering independence, and promoting better health."

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 Intentional Program Violation (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**

The DHS Director's Office consists of 9 budgeted positions in SFY2011 and provides administrative direction to ten (10) program divisions and other support 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.

Funding for this appropriation comes from a mix of sources that include General Revenue, Federal Funds and Other. Federal and Other funding is determined by the Department's Cost Allocation Plan.

The DHS Director's Office requests continuing base level for the new biennium.

DHS Director's Office request ARRA appropriation for SFY2012, in the amount of \$2,500. This appropriation will ensure "in-direct" costs are covered during the fiscal year.

The Office of Chief Counsel consists of 169 budgeted positions in FY2011 and provides legal, investigative, audit and administrative hearing services to the various Divisions and Offices within the Department of Human Services.

Funding for this appropriation comes from a mix of sources that include General Revenue, Federal Funds and Other. Federal and Other funding is determined by the Department's Cost Allocation Plan and from sources such as client fees, food stamp and overpayment collections.

The Office of Chief Counsel requests (7) positions restored for SFY2012 and SFY2013:

Four (4) Senior Auditor positions: #22101207 cost center 416894; #22101211, cost center 416894; #22109093, cost center 416894 (Appropriation and Funding); #22103731, cost center 416897 (Appropriation Only). Three of the four positions are to be funded appropriation (50% State General Revenue \$53,331, 50% Federal \$53,331) and one unfunded appropriation (\$35,554). This request provides additional appropriation and funding to ensure the Department's capability to perform compliance and operational audits, evaluations, investigations, and risk assessments related to the Department's multi-billion dollar programs and operations. Support of this request will improve the Department's ability in detecting fraud, waste, and mismanagement, but also in identifying and implementing new and better ways of conducting business.

Three (3) Legal Support Specialist: #22102488, cost center 416860 (Pulaski County) and #22110916, cost center 416710; cost center 416858 #22099903. The Office of Chief Counsel requests the restoration of these unbudgeted positions (Appropriation Only) to assist the child welfare attorneys manage their case loads and ensure legal documents are transcribed and filed with the courts to meet state and federal mandated time frames.

The Office of Chief Counsel requests transfer of (1) position for SFY 2012 AND SFY 2013:

Transfer out One (1) Legal Services Specialist I, (Cost Center 416700; Position # 22098715) from the Office of Chief Counsel to the Division of Medical Services (Cost Center: 418200) Appropriation only. This position will be better utilized within the department in the production of Medicaid eligibility opinions.

OCC requests ARRA appropriation for SFY 2012, in the amount of \$90,000. This appropriation will ensure "in-direct" costs are covered during the fiscal year.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2008

Findings

The Office of Financial Management had the following internal control deficiencies related to bank accounts at June 30, 2008:

- Review of signature cards revealed that 29 accounts had no signature cards on file, 13 signature cards had not been updated since June 30, 2004 and four signature cards included individuals no longer employed with the Agency; and
- Reconciliations performed by the Agency identified 27 outstanding checks that were more than 180 days old and 107 other reconciling items up to over 12 months old totaling \$10,804.

The ability to properly safeguard and account for these assets has been jeopardized as a result of inadequate controls.

Recommendations

Review and follow the required reconciliation procedures as set out in the DHS Administrative Procedures Manual.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Review of Agency receipting and deposit procedures revealed that Central Receipting, Division of Behavioral Health Services (DBHS) - Arkansas State Hospital and Division of Child Care and Early Childhood Education (DCCECE) had inadequate management oversight and internal controls of cash receipts which contributed to the following deficiencies:

- 88 checks totaling \$711,198 were not deposited as required but were returned to either the vendor or the remitting division by Central Receipting;
- Receipts are not being issued in sequential order at the Arkansas State Hospital; and
- The Child Nutrition Program within the Division of Child Care and Early Childhood Education is not receipting items of income when received.

Strengthening of internal controls and adequate management oversight of cash receipts would ensure proper accountability of these funds.

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:

- 26 capital equipment items valued at \$31,926 out of a sample of 241 capital equipment items valued at \$631,805 could not be located for observation;
- At June 30, 2008, 52 items totaling \$160,739 had been sent to Marketing and Redistribution or otherwise disposed of but had not been removed from Agency records;
- The Agency is not tagging all capital assets adequately to ensure proper identification. Numerous instances were noted where complete data related to the asset was not entered into AASIS when the asset was received, making it difficult to identify and verify the existence of these assets;
- Two items totaling \$9,228 were incorrectly recorded as equipment; and
- Six items totaling \$7,865 did not have adequate documentation for disposal.

Recommendations

Review and follow the required receipting procedures as set out in the DHS Administrative Procedures Manual, Chapter 201.

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

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2008

---

Findings

The Risk Management Division of Arkansas Health Center (AHC) initiated, in March 2009, an investigation relating to "gift" purchases made by an employee who resigned February 24, 2009. AHC auditors identified a DVD set (\$64) and gift cards (\$575) purchased on behalf of clients not forwarded to the individuals indicated on purchase forms. AHC reimbursed client funds when the investigation started and the former employee reimbursed AHC \$640 on May 7, 2009. This matter has been forwarded to the Criminal Investigation Division of the Arkansas State Police.

---

Recommendations

Exercise proper fiscal oversight and strengthen internal controls to ensure proper accountability of these funds.



DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

FINDINGS COVERING MORE THAN ONE FEDERAL AGENCY

**Finding Number:** 09-710-01  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** Various  
**Federal Award Number(s):** Various  
**Federal Award Year(s):** Various  
**Compliance Requirement(s) Affected:** Allowable Costs/Cost Principles  
**Type of Finding:** Significant Deficiency

**Criteria:**

As noted in OMB Circular A-133 section 300(b), the auditee shall maintain internal control over federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs. This includes, but is not limited to, the establishing of internal controls the ensure the State claims Federal Financial Participation for costs associated with a program only in accordance with its approved cost allocation plan as noted in 45 CFR 95.517.

We recommend the Agency develop and implement a control requiring secondary approval over the preparation and recording of allocation worksheet data.

**Condition:**

A deficiency exists in the design of controls over monitoring the application of allocation methodologies which are outlined in the approved cost allocation plan. While developing our understanding of the Agency's design of controls over allocation methodologies, it was discovered that one employee is responsible for preparing and recording allocation worksheet data into the cost allocation system without secondary review or approval ensuring that the methodologies are applied as they are approved within the plan.

**Questioned Costs:**

None

**Cause:**

The resources available within the Agency's Cost Allocation section are not properly allocated to ensure segregation of duties and secondary review.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

---

Findings

Recommendations

---

**Effect:**

A deficiency in the design of controls over monitoring allocation methodologies could allow inaccurate calculations of allocation percentages resulting in non-compliance with the approved cost allocation plan. In addition, inaccurate claim amounts could be charged to one or more federal programs.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF AGRICULTURE

**Finding Number:** 09-710-02  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 10.553 - School Breakfast Program  
10.555 - National School Lunch Program  
10.556 - Special Milk Program for Children  
10.559 - Summer Food Service Program for

**Children**

(Child Nutrition Cluster)  
10.558 - Child and Adult Care Food Program

**Federal Award Number(s):** 2009IN109946; 2008IN109946

**Federal Award Year(s):** 2009 and 2008

**Compliance Requirement(s) Affected:** Cash Management

**Type of Finding:** Noncompliance

**Criteria:**

In accordance with 7 CFR 3016.23(a), a grantee may charge to the award, only costs resulting from obligations of the funding period.

We recommend the Agency comply with grant requirements to ensure proper reconciliation of cash draws to actual expenditures by grant award. In addition, we recommend the Agency communicate internal controls over federal draw downs to ensure compliance with federal award regulations.

**Condition:**

Expenditures in the amount of \$40,054 and \$524,989 were properly obligated and recorded in the Agency's accounting system for the 2008 grants for the National School Lunch Program, which is part of the Child Nutrition Cluster, and the Child and Adult Care Food Program, respectively. However, the draw of federal funds from the grantor for these costs was made from the 2009 grants for each of these programs.

**Questioned Costs:**

None

**Cause:**

The Accounting Supervisor in the Managerial Accounting Section, who was responsible for the SFY2009 Child Nutrition Cluster program and Child and Adult Care Food Program federal draws, manually changed the internal order coding, which was provided by the

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

---

Federal Draw Coordinator, from their respective 2008 grant award to reflect their new 2009 grant awards. The Agency attempted to implement new internal controls during the year to prevent the drawing of funds from a subsequent grant award for the liquidation of commitments associated with a prior grant award. However, these new controls were not effectively communicated to personnel responsible for federal draws.

**Effect:**

Federal reimbursements totaling \$565,043 were made from incorrect federal grants.

Recommendations

---

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF ENERGY

**Finding Number:** 09-710-03  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 81.042 - Weatherization Assistance for Low Income Persons  
**Federal Award Number(s):** DE-FG26-07NT43109  
**Federal Award Year(s):** 2009  
**Compliance Requirement(s) Affected:** Reporting  
**Type of Finding:** Noncompliance and Significant Deficiency

**Criteria:**

The Agency is required by 10 CFR 600.241 to submit quarterly financial reports. During 2009, the required quarterly report changed from the Financial Status Report (SF-269) to the Federal Financial Report (SF-425).

**Condition:**

Expenditures of \$908,647, reported on the June 30, 2009 Federal Financial Report (SF-425), were not supported by or reconciled to the Agency's financial records and cost allocation system. The reported expenditures were incorrectly based on the financial reports of subrecipients.

**Questioned Costs:**

Unknown

**Cause:**

The accounting staff was not appropriately training and supervised to ensure that reports were properly submitted and amounts reported to the federal grantor were accurate and complete.

**Effect:**

Failure to utilize financial information from the Agency's cost allocation system can lead to inaccurate reporting to the federal grantor.

We recommend the Agency strengthen internal controls and procedures to ensure consistent, accurate and complete reporting of program activity.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

**Finding Number:** 09-710-04  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.575 - Child Care and Development Block  
93.596 - Child Care Mandatory and Matching  
Funds of the  
Child Care and Development Fund  
(CCDF Cluster)  
**Federal Award Number(s):** G-0701ARCCDF; G-0801ARCCDF;  
G-0901ARCCDF; G-0901ARCCD7  
**Federal Award Year(s):** 2007, 2008 and 2009  
**Compliance Requirement(s) Affected:** Allowable Costs/Cost Principles  
**Type of Finding:** Noncompliance

**Criteria:**

The Arkansas Department of Human Services, "the Agency", is responsible for administering the State's CCDF "Daycare" program. The Agency's responsibility includes determining eligibility for each applicant and documenting that eligibility criteria were met. The Agency outlines eligibility requirements for the Daycare program in their State plan.

**Condition:**

Between December 1, 2008 and October 1, 2009, the Division of Child Care and Early Childhood Education identified 40 possible cases of provider overpayments and fraud totaling \$35,343. The Agency also identified 213 possible cases of client overpayments or fraud totaling \$289,496.

**Questioned Costs:**

Unknown

**Cause:**

Factors contributing to these issues include: 1) case heads and/or clients failed to report changes in client eligibility criteria which would have affected their eligibility status, 2) willful misrepresentations of client eligibility data by clients, and 3) providers billing for services which were not provided.

**Effect:**

Benefits could have been provided to ineligible clients and providers.

We recommend the Agency continue to provide training for employees, implement policy changes, and increase monitoring to reduce overpayments to clients and providers.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-05  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.575 - Child Care and Development Block  
93.596 - Child Care Mandatory and Matching  
Funds of the  
Child Care and Development Fund  
(CCDF Cluster)  
**Federal Award Number(s):** G-0701ARCCDF; G-0801ARCCDF;  
G-0901ARCCDF; G-0901ARCCD7  
**Federal Award Year(s):** 2007, 2008 and 2009  
**Compliance Requirement(s) Affected:** Reporting  
**Type of Finding:** Noncompliance and Significant Deficiency

**Criteria:**

Federal guidance at 45 CFR 98.67(c) states that fiscal control and accounting procedures shall be sufficient to permit preparation of required reports and the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of certain provisions.

**Condition:**

The Agency reported federal expenditures for the state fiscal year 2009 totaling \$48,325,075 on the Federal Cash Transaction Report (PSC-272) and \$46,729,985 on the Child Care and Development Fund Financial Report (ACF-696) report. The Agency's financial records after cost allocation totaled \$46,762,457. The Agency could not provide a reconciliation for these reporting differences nor the difference between the reports and the financial records.

**Questioned Costs:**

Unknown

**Cause:**

The Agency does not have procedures in place to ensure amounts reported on PSC-272 and ACF-696 are reconciled to supporting documentation or adequate supervisory review of these reports.

We recommend the Agency establish proper internal control procedures that would ensure the accurate preparation of federal financial reports, as well as procedures that would ensure adequate supervisory review of the expenditure documentation supporting those reports.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

---

**Effect:**

The Agency could submit inaccurate reports that may prevent the identification of deficiencies in the program and Agency operations that could affect the provision of services to clients.



DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 ARKANSAS DEPARTMENT OF HUMAN SERVICES  
 SINGLE AUDIT FINDINGS  
 FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-06  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.658 - Foster Care\_Title IV-E  
 93.658 - Foster Care\_Title IV-E, Recovery Act  
**Federal Award Number(s):** 0801AR1401; 0901AR1401; 0901AR1402  
**Federal Award Year(s):** 2009  
**Compliance Requirement(s) Affected:** Activities Allowed or Unallowed; Allowable  
 Costs/Cost Principles  
**Type of Finding:** Noncompliance and Significant Deficiency

**Criteria:**

For an activity or cost to be considered allowable it must meet the general criteria outlined in 2 CFR 225 and the program regulations set forth in 42 USC 672 and 45 CFR 1356.

**Condition:**

We reviewed 40 administrative and maintenance expenditure items to determine allowability. In some instances, the expenditure items were reimbursed from both the "regular" Foster Care\_Title IV-E grant and the "ARRA" Foster Care\_Title IV-E, Recovery Act grant.

Our testing revealed 30 exceptions as summarized below:

- Six instances of expenditures paid on behalf of children who were not eligible totaling \$968. Of this amount, \$906 was paid from the regular grant and \$62 was paid from the ARRA grant. In order to be allowable, the child for whom the expenditure benefits must first be determined eligible.
- Two instances of expenditures paid on behalf of children where eligibility could not be determined because adequate supporting documentation was not available totaling \$651. These expenditures were paid from the regular grant. Adequate documentation would include client ID numbers, names and case ID numbers.
- Five instances of expenditures paid on behalf of children who were determined to be eligible, but not claimable totaling \$543. Of this amount, \$521 was paid from

We recommend the Agency provide adequate training to staff responsible for approving and reviewing program expenditures to ensure federal program funds are utilized in accordance with federal regulations.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

---

the regular grant and \$22 was paid from the ARRA grant. The foster child as well as the foster family home must meet all eligibility criteria to receive Title IV-E funds. If the foster family home does not meet all criteria, the result is non-claimable status.

- Five instances of expenditure items miscoded resulting in excess reimbursement totaling \$6,321. These expenditures were paid from the regular grant.
- 11 instances of expenditure items that were determined to be unallowable totaling \$7,364. Of this amount, \$6,929 was paid from the regular grant and \$435 was paid from the ARRA grant. Unallowable items included payment for medical services, rent, tutoring services and respite care.
- One item, totaling \$71, was for the benefit of another federal program and should not have been charged to Foster Care. This expenditure was paid from the regular grant.

**Questioned Costs:**

\$15,399 - Foster Care\_Title IV-E

\$ 519 - Foster Care\_Title IV-E, Recovery Act

**Cause:**

Lack of adequate training for the staff responsible for determining allowability of claims as well as an inadequate review process by supervisory staff.

**Effect:**

Failure to provide staff with adequate training continues to place federal awards at risk for

Recommendations

---

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-07  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.658 - Foster Care Title IV-E  
**Federal Award Number(s):** 0801AR1401; 0901AR1401  
**Federal Award Year(s):** 2009  
**Compliance Requirement(s) Affected:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles  
**Type of Finding:** Noncompliance and Significant Deficiency

**Criteria:**

For an activity or cost to be considered allowable it must meet the general criteria outlined in 2 CFR 225 and the program regulations set forth in 45 CFR 1356.

We recommend the Agency establish and implement proper internal control procedures to provide adequate review of travel reimbursement forms to ensure reimbursements are allowable.

**Condition:**

Our review of 81 travel payments resulted in multiple exceptions, as follows:

- In 27 instances, travel reimbursements totaling \$1,870 were related to children determined to be ineligible.
- In nine instances, the travel reimbursement forms lacked adequate identification information for the child being transported. As a result, eligibility status could not be determined. The questioned costs for these exceptions totaled \$372.
- In five instances, travel reimbursements totaling \$136 were for transporting children to school or school related activities. This is not an allowable activity.
- In one instance, the travel reimbursement in the amount of \$148 was for transporting a child to work. This is not an allowable activity.
- In one instance, the travel reimbursement in the amount of \$50 was for transportation to pick up gifts for the foster child. This is not an allowable activity.
- In three instances, the travel reimbursement forms lacked adequate information identifying the purpose of the travel to ensure it was an allowable activity. The questioned costs for these exceptions totaled \$257.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

---

**Questioned Costs:**

\$2,833

**Cause:**

Lack of training for staff and inadequate review by supervisory staff of travel reimbursements lead to multiple errors and misuse of Foster Care funds.

**Effect:**

Failure to properly review Foster Care travel expenditures has placed assets at risk and could jeopardize the Agency's ability to provide program funding.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-08  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.658 - Foster Care\_Title IV-E  
93.658 - Foster Care\_Title IV-E, Recovery Act  
**Federal Award Number(s):** 0801AR1401; 0901AR1401; 0901AR1402  
**Federal Award Year(s):** 2008 and 2009  
**Compliance Requirement(s) Affected:** Activities Allowed or Unallowed; Allowable  
**Costs/Cost Principles**  
**Type of Finding:** Noncompliance and Significant Deficiency

**Criteria:**

The Division of Children and Family Services utilizes purchasing cards (p-cards) as a means of purchasing items for foster children. The p-cards are issued to Family Service Workers because they are in direct contact with foster children. According to 42 USC 672 and 42 USC 675(4), funds may be expended for Foster Care maintenance on behalf of eligible children. Such payments may include the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation.

**Condition:**

A total of 91 purchases by family service workers with p-cards were selected for review. Purchases were reimbursed from both the "regular" Foster Care\_Title IV-E grant and the "ARRA" Foster Care\_Title IV-E, Recovery Act grant.

Our review revealed the following:

- 14 instances of purchases made for items not considered allowable totaling \$1,005. Of this amount, \$926 was paid from the regular grant and \$79 was paid from the ARRA grant. Items purchased included prescription drugs, luggage, bunk beds, mattresses and a salon service.
- 32 instances of purchases made for children not considered Title IV-E eligible totaling \$2,650. Of this amount, \$2,443 was paid from the regular grant and \$207 was paid from the ARRA grant.

We recommend the Agency establish and implement internal control procedures to ensure p-card purchases are used only for allowed activities and costs outlined in federal code.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

---

Findings

---

Recommendations

---

**Questioned Costs:**

\$3,369 - Foster Care\_Title IV-E

\$ 286 - Foster Care\_Title IV-E, Recovery Act

**Cause:**

Lack of training for family service workers, financial coordinators and central office staff resulting in an inadequate review of p-card purchases.

**Effect:**

Failure to properly review Foster Care p-card purchases has placed assets at risk and could jeopardize the Agency's ability to provide program funding.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-09  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.658 - Foster Care\_Title IV-E  
93.658 - Foster Care\_Title IV-E, Recovery Act  
**Federal Award Number(s):** 0801AR1401; 0901AR1401; 0901AR1402  
**Federal Award Year(s):** 2009  
**Compliance Requirement(s) Affected:** Activities Allowed or Unallowed; Allowable  
**Costs/Cost Principles**  
**Type of Finding:** Noncompliance and Significant Deficiency

**Criteria:**

For an activity or cost to be considered allowable it must meet the general criteria outlined in 2 CFR 225 and the program regulations set forth in 42 USC 672 and 45 CFR 1356.

We recommend the Agency establish and implement internal control procedures to ensure child care payments are made on behalf of eligible foster children.

**Condition:**

We reviewed child care payments on behalf of 40 foster children. In some instances, the payments were reimbursed from both the "regular" Foster Care\_Title IV-E grant and the "ARRA" Foster Care\_Title IV-E, Recovery Act grant.

Our review revealed the following:

- Six children were determined ineligible to receive Title IV-E child care benefits. The questioned costs for these payments totaled \$643. Of this amount, \$614 was paid from the regular grant and \$29 was paid from the ARRA grant.
- 24 children were determined to be eligible, but not claimable. The questioned costs for these payments totaled \$6,065. Of this amount, \$5,683 was paid from the regular grant and \$382 was paid from the ARRA grant. The foster child as well as the foster family home must meet all eligibility criteria to receive Title IV-E funds. If the foster family home does not meet all criteria, the result is non-claimable status.

**Questioned Costs:**

\$6,297 - Foster Care\_Title IV-E  
\$ 411 - Foster Care\_Title IV-E, Recovery Act

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

---

Findings

Recommendations

---

**Cause:**

Lack of training for staff in addition to inadequate review by supervisory staff resulted in program funds being used for unallowable purposes.

**Effect:**

Failure to properly review Foster Care child care payments has placed assets at risk and could jeopardize the Agency's ability to provide program funding.



DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-10  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.658 - Foster Care\_Title IV-E  
93.658 - Foster Care\_Title IV-E, Recovery Act  
**Federal Award Number(s):** 0801AR1401; 0901AR1401; 0901AR1402  
**Federal Award Year(s):** 2008 and 2009  
**Compliance Requirement(s) Affected:** Allowable Costs/Cost Principles  
**Type of Finding:** Significant Deficiency

**Criteria:**

Allowable expenditures described as maintenance payments are defined within 42 USC 672. Training and administrative costs are defined by 42 USC 674 and 45 CFR 1356.60. The Agency is required to utilize information as cited in these federal regulations when determining the allowability of an expenditure for the Foster Care\_Title IV-E program.

**Condition:**

The Agency was unable to provide adequate evidence that controls were in place which would provide assurance that staff tasked with the responsibility for approving expenses were provided regulations for reference purposes to assist them in determining whether an expense is allowable.

Financial Coordinators are responsible for determining whether to approve an expense for reimbursement and are also responsible for assigning the expense the proper code which ensures reimbursement from the appropriate source, federal and/or state and at the appropriate federal match rate. Ten Division of Children and Family Services (DCFS) Financial Coordinators were contacted. We were unable to confirm that the coordinators were provided copies of any regulations to assist them in making allowability determinations.

**Questioned Costs:**

Unknown

**Cause:**

Agency personnel were not sufficiently aware of federal regulations and had not been provided with adequate guidance documents.

We recommend the Agency provide appropriate staff training and access to the necessary federal regulations and codes defining activities and costs which are allowed and unallowed.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

---

Recommendations

---

**Effect:**

There is a potential risk that Title IV-E funds can be used for unallowable purposes because the staff responsible for making those determinations are not provided the resources needed to adequately determine allowable cost.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-11  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.658 - Foster Care\_Title IV-E  
**Federal Award Number(s):** 0901AR1401  
**Federal Award Year(s):** 2009  
**Compliance Requirement(s) Affected:** Eligibility  
**Type of Finding:** Noncompliance and Control Deficiency

**Criteria:**

As stated in 42 USC 671(a)(20)(A), "In order for a State to be eligible for payments under this part, it shall have a plan approved by the Secretary which provides procedures...for criminal records checks, including fingerprint-based checks of national crime information databases...for any prospective foster or adoptive parent before the foster or adoptive parent may be finally approved for placement of a child." According to Procedure VII A-1 in the Division of Children and Family Services (DCFS) Policy and Procedures Manual, "the Division will provide documentation in the case record that the criminal record check was conducted on the prospective foster parent."

**Condition:**

The date criteria for FBI fingerprint based checks recorded in the Children's Reporting and Information System (CHRIS) could not be supported with a "hard-copy" of the check in three of the 46 foster family home records reviewed. The DCFS Central Operations section's review of their in-house database revealed that no dates were available noting when the FBI check was performed. Therefore, no hard copy documentation could be provided.

**Questioned Costs:**

None

**Cause:**

Lack of staff in both the Central office and in the field to ensure all checks are properly performed and documented.

**Effect:**

Children could be placed in foster family homes not meeting all federal requirements which could put the children at risk.

We recommend the Agency establish and implement controls ensuring staff conduct and document the FBI finger print based checks as required.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-12  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.658 - Foster Care\_Title IV-E  
**Federal Award Number(s):** 0901AR1401  
**Federal Award Year(s):** 2009  
**Compliance Requirement(s) Affected:** Reporting  
**Type of Finding:** Noncompliance and Control Deficiency

**Criteria:**

In accordance with 45 CFR 201.5(a)(3), the Agency must submit a report reflecting the expenditures of the current quarter and any adjustments for prior periods. An ACF-Title IV-E-1, Foster Care and Adoption Assistance Financial Report, is required by the grantor.

**Condition:**

The Agency incorrectly calculated and reported federal expenditures for the Foster Care\_Title IV-E program on the 6/30/2009 (4<sup>th</sup> quarter) ACF Title IV-E-1 report. The error resulted in an overstatement of \$56,444. The miscalculation also resulted in State match being overstated by \$14,789.

On January 28, 2010, the Division of Children and Family Services Chief Financial Officer stated that the Agency amended the 12/31/2009 ACF - Title IV-E-1 report, reducing Foster Care\_Title IV-E expenditures claimed by \$56,444.

**Questioned Costs:**

None

**Cause:**

With the passing of the American Recovery and Reinvestment Act of 2009 or ARRA, the Agency became eligible for an additional 6.2% in claims reimbursement increasing overall reimbursement to 79.14%. This affected the Agency's calculation of the Foster Care\_Title IV-E federal percentage on which they based claims for federal reimbursement. Agency staff preparing the ACF - Title IV-E-1, Foster Care and Adoption Assistance Financial Report (OMB No. 0970-0205) did not have an adequate understanding of the procedures required to perform the calculation for the 4<sup>th</sup> quarter. As a result, the 4<sup>th</sup> quarter ACF - Title-IV-E-1 report overstated Foster Care\_Title IV-E claims by \$56,444.

We recommend the Agency provide additional training to staff responsible for preparing and reviewing the ACF - Title IV-E-1 report. In addition, the Agency should amend the 12/31/2009 ACF - Title IV-E-1.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

---

**Effect:**

The Agency reported inaccurate expenditure information to the federal awarding agency which could affect future awards available to the Agency for the program.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-13  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.658 - Foster Care\_Title IV-E  
93.658 - Foster Care\_Title IV-E, Recovery Act  
**Federal Award Number(s):** 0901AR1401; 0901AR1402  
**Federal Award Year(s):** 2009  
**Compliance Requirement(s) Affected:** Reporting  
**Type of Finding:** Control Deficiency

**Criteria:**

In accordance with OMB Circular A-133 Subpart C §.300(d), the auditee is required to "prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards in accordance with §.310." Subpart C §.310(b)(3) notes that the schedule should "provide the total Federal awards expended for each individual Federal program."

**Condition:**

The Agency incorrectly reported Foster Care\_Title IV-E and Foster Care\_Title IV-E, Recovery Act expenditures on the Schedule of Expenditures of Federal Awards or SEFA. Foster Care\_Title IV-E was overstated by \$583,808 and Foster Care\_Title IV-E, Recovery Act was understated by \$527,364.

**Questioned Costs:**

None

**Cause:**

With the passing of the American Recovery and Reinvestment Act of 2009 or ARRA, the Agency became eligible for an additional 6.2% in claims reimbursement increasing overall reimbursement to 79.14%. During the 4<sup>th</sup> quarter of 2009, the Agency was authorized to claim the additional 6.2% reimbursement on expenditures retroactive to October 1, 2008. The Agency amended the ACF - Title IV-E-1 reports adding retroactive ARRA expenditure claims for the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2009 for \$265,060 and \$262,304, respectively. These additional expenditures were not identified as Foster Care\_Title IV-E, Recovery Act on the ACF report because the report format has not been changed requiring separate identification. As a result, the expenditures were reported in the regular Foster Care\_Title

We recommend the Agency strengthen internal controls by providing additional training to staff concerning reporting requirements and the proper procedures for reporting expenditures on the Schedule of Expenditures of Federal Awards.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

---

IV-E program causing the overstatement. From the information provided on the quarterly ACF reports, the Agency staff responsible for preparing the SEFA would not be able to separately identify Foster Care\_Title IV-E, Recovery Act expenditures causing the understatement. Therefore, additional supporting documentation should have been provided.

As previously mentioned, the Agency became eligible for an additional reimbursement of 6.2% due to the passing of ARRA. This affected the Agency's calculation of the total federal percentage for which they based their federal reimbursement. For 4<sup>th</sup> quarter 2009 claims, the Agency used an incorrect federal percentage resulting in an overstatement of \$56,444 on the Schedule of Expenditures of Federal Awards (SEFA) for the Foster Care\_Title IV-E program.

**Effect:**

The use of an incorrect federal rate resulted in errors in federal reporting and an inaccurate SEFA. In addition, future award amounts for the program could be affected.

Recommendations

---

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-14  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.659 - Adoption Assistance  
93.659 - Adoption Assistance, Recovery Act  
**Federal Award Number(s):** 0901AR1407; 0901AR1403  
**Federal Award Year(s):** 2009  
**Compliance Requirement(s) Affected:** Activities Allowed or Unallowed; Allowable  
**Costs/Cost Principles**  
**Type of Finding:** Control Deficiency

**Criteria 1:**

In accordance with 45 CFR 1356.41(f)(1), "Funds expended by the State under an adoption assistance agreement, with respect to nonrecurring adoption expenses...shall be considered an administrative expenditure of the Title IV-E Adoption Assistance Program. Federal reimbursement is available at a 50 percent matching rate..."

**Criteria 2:**

In accordance with Appendix A to 2 CFR 225 (C)(1)(j), "...to be allowable under Federal awards, costs must meet the following general criteria...be adequately documented."

**Condition:**

We reviewed 37 payments, totaling \$97,851, representing program expenditures other than regular monthly subsidy payments. The payments were reimbursed from both the "regular" Adoption Assistance grant and the ARRA Adoption Assistance, Recovery Act grant. From these payments, the following exceptions were noted:

Criteria 1: Our review revealed six instances of "nonrecurring adoption expenses" improperly coded as subsidy payments. Subsidy payments are reimbursed at 79.14% and nonrecurring adoption expenses are reimbursed at 50%. As a result of the improperly coded expenditures, the State was reimbursed in excess of the allowable amount totaling \$1,134. Of this amount, \$894 was paid from the regular grant and \$240 was paid from the ARRA grant.

Criteria 2: Adequate documentation was not available for us to determine if a child was Title

We recommend the Agency provide adequate training to staff responsible for coding and reviewing program expenditures to ensure federal program funds are utilized in accordance with federal regulations.



DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

---

IV-E eligible and as a result, the associated expenditure of \$752 was deemed unallowable. Of this amount, \$693 was paid from the regular grant and \$59 was paid from the ARRA grant.

**Questioned Costs:**

Unknown

**Cause:**

Lack of adequate training for the staff responsible for coding expenditures and an inadequate review process by supervisory staff resulted in the errors noted.

**Effect:**

Failure to provide staff with adequate training continues to place federal awards at risk for improper use and could jeopardize the program's future federal awards.

Recommendations

---

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-15  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.659 - Adoption Assistance  
93.659 - Adoption Assistance, Recovery Act  
**Federal Award Number(s):** Various prior to 2004; 0801AR1407;  
0901AR1407; 0901AR1403  
**Federal Award Year(s):** 2009 and previous years  
**Compliance Requirement(s) Affected:** Eligibility  
**Type of Finding:** Material Noncompliance and Material  
**Weakness**

**Criteria:**

Adoption assistance subsidy payment regulations are established at 42 USC 673 and 675. Individuals are considered eligible for subsidy payments only if all of the following requirements are met: 1) the child is eligible, or would have been eligible for the former Aid to Families with Dependent Children (AFDC) program except for his/her removal from the home of a relative pursuant to either a voluntary placement agreement or as a result of a judicial determination to the effect that continuation in the home of removal would have been contrary to the welfare of the child; the child is eligible for SSI; or is a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payments being made with respect to his/her minor parent, 2) the child was determined by the State to be a child with special needs, 3) the State has made reasonable efforts to place the child for adoption without a subsidy, and 4) the agreement for the subsidy was signed and was in effect before the final decree of adoption and contains information concerning the nature of services; the amount and duration of the subsidy; the child's eligibility for Title XX services and Title XIX Medicaid; and covers the child should he/she move out of State with the adoptive family.

**Condition:**

Our review of 30 adoption assistance subsidy case files revealed seven instances of noncompliance as follows:

- In one instance, documentation to support that the child met all the "special needs" tests required to be considered eligible for subsidy payments was not available.

We recommend the Agency strengthen internal controls and provide training to appropriate staff responsible for the preparation and review of subsidy files to ensure all necessary documentation is included in the files supporting a child's eligibility for subsidy payments.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

---

Questioned costs include \$36,376 paid from the regular grant and \$237 from the ARRA grant.

- In three instances, we were unable to obtain documentation verifying the State made reasonable efforts to place the child for adoption without a subsidy. Questioned costs include \$125,340 paid from the regular grant and \$758 from the ARRA grant.
- In one instance, the final decree of adoption order was not located in the file. As a result, we were unable to determine if the adoption assistance subsidy agreement was signed and in effect prior to the final decree. Questioned costs include \$25,585 paid from the regular grant and \$250 from the ARRA grant.
- In one instance, the adoption assistance subsidy agreement was signed and in effect one month AFTER the final decree. Questioned costs include \$17,760 paid from the regular grant and \$237 from the ARRA grant.
- In one instance, we were unable to determine the child's eligibility because an emergency custody order was not located in the file. An emergency custody order gives evidence that "continuation in the home of removal would have been contrary to the welfare of the child." We were also unable to obtain documentation verifying the State made reasonable efforts to place the child for adoption without a subsidy. Questioned costs include \$49,836 paid from the regular grant and \$265 from the ARRA grant.

**Questioned Costs:**

\$254,897 - Adoption Assistance  
\$ 1,747 - Adoption Assistance, Recovery Act

The questioned costs were calculated from the date of adoption through June 30, 2009.

**Cause:**

Agency staff did not adequately review the files to ensure that required information and documents were actually located in the files.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

---

**Effect:**

Federal adoption assistance funds were used for the benefit of children who could not be determined as eligible. As a result, the Agency could be required to reimburse the Federal awarding agency the amount of questioned costs noted above.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-16  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.659 - Adoption Assistance  
93.659 - Adoption Assistance, Recovery Act  
**Federal Award Number(s):** 0901AR1407; 0901AR1403  
**Federal Award Year(s):** 2009  
**Compliance Requirement(s) Affected:** Reporting  
**Type of Finding:** Control Deficiency

**Criteria:**

In accordance with OMB Circular A-133 Subpart C §\_.300(d), the auditee is required to "prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards in accordance with §\_.310." Subpart C §\_.310(b)(3) notes that the schedule should "provide the total Federal awards expended for each individual Federal program."

**Condition:**

The Agency incorrectly reported Adoption Assistance and Adoption Assistance, Recovery Act expenditures on the Schedule of Expenditures of Federal Awards or SEFA. Adoption Assistance was overstated by \$512,900 and Adoption Assistance, Recovery Act was understated by \$462,848.

**Questioned Costs:**

None

**Cause:**

With the passing of the American Recovery and Reinvestment Act of 2009 or ARRA, the Agency became eligible for an additional 6.2% in claims reimbursement increasing overall reimbursement to 79.14%. During the 4<sup>th</sup> quarter of 2009, the Agency was authorized to claim the additional 6.2% reimbursement on expenditures retroactive to October 1, 2008. The Agency amended the ACF - Title IV-E-1 reports adding retroactive ARRA expenditure claims for the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2009 for \$228,929 and \$233,919, respectively. These additional expenditures were not identified as Adoption Assistance, Recovery Act on the ACF report because the report format has not been changed requiring separate identification. As a result, the expenditures were reported in the regular Adoption Assistance program

We recommend the Agency strengthen internal controls by providing additional training to staff concerning reporting requirements and the proper procedures for reporting expenditures on the Schedule of Expenditures of Federal Awards.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

---

causing the overstatement. From the information provided on the quarterly ACF reports, the Agency staff responsible for preparing the SEFA would not be able to separately identify Adoption Assistance, Recovery Act expenditures causing the understatement. Therefore, additional supporting documentation should have been provided.

As previously mentioned, the Agency became eligible for an additional reimbursement of 6.2% due to the passing of ARRA. This affected the Agency's calculation of the total federal percentage for which they based their federal reimbursement. For 4<sup>th</sup> quarter 2009 claims, the Agency used an incorrect federal percentage which resulted in overstated claims of \$50,050 for the Adoption Assistance program being reported on the SEFA.

**Effect:**

The use of an incorrect federal rate resulted in errors in federal reporting and an inaccurate SEFA. In addition, future award amounts for the program could be affected.

Recommendations

---

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-17  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.778 - Medical Assistance Program  
(Medicaid Cluster)  
**Federal Award Number(s):** 05-0905AR5048; 05-0805AR5048  
**Federal Award Year(s):** 2008 and 2009  
**Compliance Requirement(s) Affected:** Activities Allowed or Unallowed  
**Type of Finding:** Noncompliance and Control Deficiency

**Criteria:**

In accordance with Appendix A of 2 CFR Part 225, to be allowable under federal awards, costs must be consistent with policies, regulations, and procedures that apply uniformly to both federal awards and other activities of the governmental unit.

Arkansas Code Annotated 19-4-903 states, "reimbursement for meals and lodging while on official business of the State shall not exceed the maximum rates as prescribed by the Federal Travel Directory published by the General Services Administration."

Per Chapter 304 of the DHS Administrative Procedures Manual, "a travel supervisor/administrator can request justification when any mileage claimed by a traveler is deemed excessive. Justification must be provided by the travel supervisor/administrator for any one day that the traveler has claimed mileage over 300 miles.

Per the DFA Financial Management Guide, R1-19-4-903, "when privately owned motor vehicles are used for travel on official business, the owner may claim reimbursement at the rate per mile established by the Chief Fiscal Officer or the State in effect during the time the travel occurred."

Medical Services Policy manual Section 1200 allows foster parents to receive reimbursement for costs associated with transporting foster children to Medicaid covered services. Section 1205.3 requires the foster parents to provide verification of the medical appointment.

We recommend the Agency provide additional training to employees who have responsibility for reviewing and approving travel reimbursement requests. Employees reviewing and approving travel reimbursements to foster parents should receive additional training which relates to appropriate documentation used to verify medical appointments.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

---

Recommendations

---

**Condition:**

The auditor noted exceptions in eight of the 83 expenditure items tested. All problems noted were related to travel reimbursements paid to employees or foster parents (for reimbursement of transportation expenses incurred when taking foster child to a Medicaid covered service). Exceptions noted included the following:

- In two cases, documentation supplied by a foster parent was insufficient as verification that travel was related to a Medicaid covered service. The documentation provided was notification of a scheduled appointment, not verification the appointment was attended. (Additional review of claims information in the Medicaid Management Information System (MMIS) verified the appointment was attended.)
- One case, with paid claims totaling \$178, contained incomplete documentation and was dated prior to the recipient's date of birth. In addition, required approval to travel more than 300 miles in one day was not obtained.
- One case, with paid claims of \$77, the documentation provided were copies of the verification of a medical appointment previously attended which had been altered to match the dates listed on the travel reimbursement form. There were no claims for services for the recipient with the listed provider identified during review of claims detail in MMIS.
- In two cases, with paid claims totaling \$12, meal reimbursements exceeded the maximum allowed per GSA per diem guidelines.
- In two cases, with paid claims totaling \$54, mileage reimbursements were miscalculated by the Agency resulting in an underpayment to one employee and one foster parent.

**Questioned Costs:**

Known questioned costs total \$213.

Projected likely questioned costs based on the results of this sample total \$31,839.

**Cause:**

Foster parent travel reimbursement requests are initially submitted to and reviewed by Division of Children and Family Services travel supervisors. The TR-1 and supporting

---



DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

---

documentation are submitted to Division of Medical Services (DMS) to ensure support documentation adequately supports the medical appointment. DMS has one employee designated to review all foster parent travel reimbursements. The employee has not been adequately trained to determine if supporting documentation provided is sufficient to verify that the recipient received a Medicaid covered service.

Failure to completely review all entries made on the TR-1 by the travel administrator caused the overpayments for meal reimbursements and calculation errors.

**Effect:**

Insufficient supporting documentation and lack of supervisory approval increases the risk of improper payments.

Recommendations

---

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 ARKANSAS DEPARTMENT OF HUMAN SERVICES  
 SINGLE AUDIT FINDINGS  
 FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-18  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.778 - Medical Assistance Program  
 93.778 - Medical Assistance Program,  
**Recovery Act**  
 (Medicaid Cluster)  
**Federal Award Number(s):** 05-0805AR5028; 05-0905AR5028; 05-0905ARARRA  
**Federal Award Year(s):** 2008 and 2009  
**Compliance Requirement(s) Affected:** Eligibility  
**Type of Finding:** Material Noncompliance and Material Weakness

**Criteria:**

The Arkansas Department of Human Services, "the Agency", is responsible for administering the State's Medicaid program. The Agency's responsibility includes determining eligibility for each applicant and documenting, in the applicant's case record, that eligibility criteria were met. The Agency outlines eligibility requirements for the Medicaid program in the Arkansas Medical Services Manual, "the Manual".

We recommend that the Agency continue to train personnel on the requirements of the program, as defined in the Medical Services Manual. We also recommend the Agency review and strengthen internal controls over monitoring and retention of documentation.

**Condition:**

Audit procedures were performed on 155 Medicaid cases, with expenditures totaling \$5,704,503 for the year ended June 30, 2009, at seven selected counties throughout the State. The cases chosen were selected based upon a number of factors including average dollar amount per claim, complexity, and number of eligibility criteria. It was noted that documentation available at the time of field work for 19 recipients, with expenditures totaling \$667,671, did not support the Agency's determination that the recipients were eligible for participation in the Medicaid program. The exceptions are summarized below:

- In six cases, with paid claims totaling \$312,842, resource limitations were exceeded.
- In six cases, with paid claims totaling \$50,647, income limitations were exceeded.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

---

- In four cases, with paid claims totaling \$182,167, the required Office of Child Support Enforcement referral was not made.
  
- In three cases, with paid claims totaling \$122,015, there was insufficient supporting documentation in the applicant's case record to provide evidence for multiple eligibility criteria.

**Questioned Costs:**

\$667,671

**Cause:**

Insufficient knowledge of program requirements caused by high turnover, lack of adequate number of staff and lack of training, combined with inadequate monitoring of program activity by supervisory staff, caused these exceptions.

**Effect:**

Eligibility was improperly determined resulting in payments to providers for services in which recipients were not eligible.

Recommendations

---

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 ARKANSAS DEPARTMENT OF HUMAN SERVICES  
 SINGLE AUDIT FINDINGS  
 FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-19  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.778 - Medical Assistance Program  
 93.778 - Medical Assistance Program,  
**Recovery Act**  
 (Medicaid Cluster)  
**Federal Award Number(s):** 05-0805AR5028; 05-0905AR5028; 05-0905ARARRA  
**Federal Award Year(s):** 2008 and 2009  
**Compliance Requirement(s) Affected:** Eligibility  
**Type of Finding:** Material Weakness

**Criteria:**

The Arkansas Department of Human Services, "the Agency", is responsible for administering the State's Medicaid program. The Agency's responsibility includes determining eligibility for each applicant and documenting, in the applicant's case record, that eligibility criteria were met. The Agency outlines eligibility requirements for the Medicaid program in the Arkansas Medical Services Manual, "the Manual".

We recommend the Agency review and strengthen internal controls over record documentation and retention, continue to train personnel on the requirements of the program as outlined in the Medical Services Manual. In addition, the Agency should develop a monitoring process to address high risk Medicaid categories.

**Condition:**

In addition to findings 09-710-18 and 09-710-20, claims totaling \$2,426,371 during the year ended June 30, 2009 were paid on behalf of 37 recipients who were deemed eligible for participation in the Medicaid program. Sufficient evidence was not obtained at the time eligibility was originally determined; however, the Agency has subsequently obtained the necessary evidence. The exceptions are summarized below:

- In three cases, with paid claims totaling \$168,062, the Agency failed to provide evidence that the recipient met residence and relationship requirements. The Agency subsequently verified the information.
- In three cases, with paid claims totaling \$428,766, the Agency failed to obtain evidence to support the categorical eligibility criteria. The Agency subsequently obtained the required categorical evidence.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

- 
- In four cases, with paid claims totaling \$650,565, the Agency failed to perform the required re-evaluation. The Agency subsequently performed the required procedures.
  - In ten cases, with paid claims totaling \$572,557, the Agency failed to provide sufficient documentation in case records to support the Agency's eligibility determination. The Agency subsequently obtained evidence and performed the required procedures.
  - In nine cases, with paid claims totaling \$139,630, the Agency failed to verify citizenship. The Agency subsequently verified citizenship for these recipients.
  - In one case, with paid claims of \$33,974, the Agency failed to document the required Office of Child Support Enforcement (OCSE) referral per category requirement. The Agency either subsequently made the referral or provided evidence that a referral had been made.
  - In two cases, with paid claims totaling \$188,872, the Agency failed to inquire, consider, or document resource requirements. The Agency subsequently obtained the resource information.
  - In three cases, with claims totaling \$186,479, the Agency was not able to locate case records in a timely manner. Five months after our request, the Agency located and re-evaluated the cases.
  - In two cases, with paid claims totaling \$57,466, the Agency failed to inquire, consider, or document income requirements. The Agency subsequently performed the required procedures.

**Questioned Costs:**

None

**Cause:**

Inadequate controls concerning gathering and retaining evidence to support eligibility determinations as well as ineffective monitoring processes. In addition, insufficient knowledge of program requirements caused by high turnover and lack of training, combined

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

---

Findings

with inadequate monitoring of program activity by supervisory staff, caused these exceptions.

**Effect:**

Controls are ineffective to minimize the risk that household eligibility will be improperly determined and Medicaid funds may be used to provide benefits for individuals who are not eligible for the program.

---

Recommendations

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 ARKANSAS DEPARTMENT OF HUMAN SERVICES  
 SINGLE AUDIT FINDINGS  
 FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-20  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.778 - Medical Assistance Program  
 93.778 - Medical Assistance Program,  
**Recovery Act**  
 (Medicaid Cluster)  
**Federal Award Number(s):** 05-0805AR5028; 05-0905AR5028; 05-0905ARARRA  
**Federal Award Year(s):** 2008 and 2009  
**Compliance Requirement(s) Affected:** Eligibility  
**Type of Finding:** Noncompliance and Significant Deficiency

**Criteria:**

The Arkansas Department of Human Services, "the Agency", is responsible for administering the State's Medicaid program. The Agency's responsibility includes determining eligibility for each applicant and documenting, in the applicant's case record, that eligibility criteria were met. The Agency outlines eligibility requirements for the Medicaid program in the Arkansas Medical Services Manual, "the Manual".

Qualified aliens who entered the United States before August 22, 1996 are generally eligible for Medicaid, provided they meet other eligibility criteria. Qualified aliens who entered the United States on or after August 22, 1996, are barred from participation in Medicaid (with the exception of emergency services) for five years from the date the individual was lawfully admitted for permanent residency or met one of the other qualifying conditions. Certain groups of qualified aliens are exempt from this five-year ban.

**Condition:**

In addition to findings 09-710-18 and 09-710-19, testing revealed that adequate documentation was not available to determine that five aliens, who received benefits totaling \$132,457 during state fiscal year 2009, were eligible to participate in the Medicaid program. In one case the recipient did not meet the five-year ban. A review of case file documentation indicated that management was aware that the recipient was ineligible but allowed the case to remain open. Recipients in the remaining four cases did not file for permanent residency. Cumulative expenditures for these cases from the dates coverage began through the time of field work totaled \$395,962.

We recommend the Agency follow its approved policies and consider implementing additional controls that could prevent or minimize payments to ineligible recipients.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

---

**Questioned Costs:**

\$395,962

**Cause:**

Insufficient knowledge of program requirements caused by high turnover, lack of adequate number of staff and lack of training, combined with inadequate monitoring of program activity by supervisory staff, caused these exceptions.

**Effect:**

Expenditures of state and federal funds were made on behalf of ineligible recipients. Financial penalties could result from failure to comply with federal program regulations.



DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-21  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.778 - Medical Assistance Program  
(Medicaid Cluster)  
**Federal Award Number(s):** 05-0905AR5048; 05-0805AR5048  
**Federal Award Year(s):** 2008 and 2009  
**Compliance Requirement(s) Affected:** Reporting  
**Type of Finding:** Material Noncompliance and Material  
**Weakness**

**Criteria:**

As required by 42 CFR 431.16(c), "a State plan must provide that the Medicaid agency will comply with any provisions that the Secretary (of USDHHS) finds necessary to verify and assure the correctness of the reports."

**Condition:**

Our testing of the 2009 4<sup>th</sup> quarter CMS-64 report revealed the following reporting errors:

- Disproportionate Share Hospital payments were incorrectly reported resulting in an overstatement of \$58,684,096.
- Medicare Part B premiums were incorrectly reported resulting in an understatement of \$1,549,241.
- Family planning clinic services were improperly reported as physicians services totaling \$645,040.

The reporting errors identified in the first two bullets are also noted in the reconciliation of expenditures per the Cost Allocation System to the CMS-64 reports. The reporting errors did not have an impact on the amount of Federal funds drawn down, or the expenditures reported per the Schedule of Expenditures of Federal Awards (SEFA).

**Questioned Costs:**

None

We recommend the Agency establish adequate controls, including training and supervision, to ensure the proper completion and reconciliation of the CMS-64 reports by staff, whom the Agency has indicated is already hired and dedicated for this purpose. We also recommend that all differences identified during the reconciliation of expenditures reported on the CMS-64 report to the cost allocation system be explained.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

---

Recommendations

---

**Cause:**

The staff completing the CMS-64 report does not have a complete understanding of the information which is used to determine expenditure amounts to be reported. Reconciliations of expenditures per the CMS-64 report to the cost allocation system were not completed in a manner which allowed for identification of the reporting errors. The Agency reconciles the weekly funding requests to cost allocation without properly identifying the differences, and then reconciles the weekly funding request to the CMS-64 report.

**Effect:**

The Agency's lack of understanding of all support documentation used to create the CMS-64 report caused the Agency to incorrectly report expenditures.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)

**Finding Number:** 09-710-22  
**State/Educational Agency:** Arkansas Department of Human Services  
**CFDA Number(s) and Program Title(s):** 93.778 - Medical Assistance Program  
(Medicaid Cluster)  
**Federal Award Number(s):** 05-0905AR5048; 05-0805AR5048  
**Federal Award Year(s):** 2008 and 2009  
**Compliance Requirement(s) Affected:** Special Tests and Provisions - Payments  
Made for Medicaid  
**Type of Finding:** Services After Recipients Incarceration Date  
Noncompliance and Significant Deficiency

**Criteria:**

In accordance with 42 CFR 435.1009, Federal Financial Participation is disallowed for services provided to inmates of public institutions. To comply with the Federal regulation, the Agency has implemented policy in the Medical Services Manual Section 1348 which states that inmates of public institutions are not eligible to participate in the Arkansas Medicaid program.

**Condition:**

The Agency failed to properly close Medicaid cases or to notify the Social Security Administration so that the cases would be closed for 445 incarcerated recipients (342 juveniles and 103 adults). As a result, the Agency inappropriately paid claims totaling \$125,536 for these individuals (\$86,639 for incarcerated juveniles and \$38,897 for incarcerated adults).

**Questioned Costs:**

\$125,536

**Cause:**

Adult Inmates: In the prior audit, the auditor noted that the Agency began implementing procedures to identify recipients who have been incarcerated in a correctional facility. The Agency receives a file of all inmates from both the Arkansas Department of Correction (DOC) and from the Arkansas Department of Community Correction (DCC). These files are matched against a current recipient listing to identify recipients with open cases who had

We recommend the Agency implement procedures for notifying the Social Security Administration when juvenile SSI recipients are placed under DYS care. We also recommend that the Division of Youth Services work with the Division of County Operations and the Division of Children and Family Services to ensure that Medicaid cases are appropriately closed for juveniles placed under DYS care.

We also recommend the Agency continue to strengthen its process for identifying adult Medicaid recipients who have been incarcerated and work with the Arkansas Department of Correction and the Arkansas Department of Community Correction to obtain reliable sufficient data.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
SINGLE AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009

Findings

been incarcerated. The files received from DOC and DCC contained individuals who were in some way under the authority of those agencies, but were not actually incarcerated. This resulted in eligible recipients' cases being closed. The Agency has now implemented a process where a DHS Division of County Operations (DCO) employee now accesses the eOMIS system at DCC and reviews the incarceration dates for matched recipients. After the match is confirmed, the Agency forwards the listing to the appropriate county offices for follow up and possible closure of the case.

Juvenile Inmates: The Agency depends on the staff of the Division of Youth Services (DYS) to make eligibility determinations for juveniles under DYS care. DYS contacts the Division of County Operations (DCO) for the Division of Children and Family Services (DCFS) when juveniles are committed to their care and the placement determination makes them ineligible for Medicaid. According to DYS, the majority of the cases which remained open were Supplemental Security Income (SSI) related Medicaid cases. At this time, DYS does not have a process for notifying Social Security Administration (SSA) when juveniles are committed to their care. The remaining cases were primarily due to the case being left open by DCO or DCFS after DYS notification.

**Effect:**

Incomplete data provided by the Arkansas Department of Correction forces the Agency to investigate each match which shows up monthly. The time taken to investigate the matches causes a delay in the closure of many cases. Also, delays in the closure of SSI related Medicaid cases and the Agency's inability to restrict payments for such recipients, who are known to no longer be eligible, puts the Agency at an increased risk of inappropriately paying claims.

The lack of a process to notify SSA when juveniles are incarcerated, results in these cases being left open indefinitely and increases the risk of inappropriately paying claims for these individuals.

Recommendations

## **Performance Audit Findings**

Uniform Controlled Substances Act – Asset Forfeiture  
Arkansas Drug Director  
(January 1, 2007 – December 31, 2007) - Issued 10-10-2008

### Findings and Conclusions:

- The Attorney General has opined that Ark. Code Ann. § does not expressly address or outline the procedure for the release or disposition of property seized by law enforcement agencies that a Prosecuting Attorney has chosen not to include on complaints filed and that Legislative clarification may be warranted.

### Recommendations:

Appropriate officials and entities work together to develop procedures to ensure the Crime Lab Equipment Fund receives all funds to which it is entitled and the disposition of proceeds from the sale of forfeited assets be in accordance with the related civil judgment/order.

Compliance with the Uniform Controlled Substances Act's Asset Seizure and Forfeiture Requirements  
Arkansas Drug Director and various law enforcement agencies  
(January 1 through December 31, 2008) - Issued 09-11-2009

### Findings and Conclusions:

- While all seized assets were properly accounted for, 6 of 14 agencies reviewed had recordkeeping exceptions. The errors and omissions noted were not considered material violations.

### Recommendations:

### Findings and Conclusions:

- Seized assets at all 14 law enforcement agencies reviewed were accounted for. However, recordkeeping exceptions were noted at 7 of the agencies. The errors and omissions were not considered material violations.

### Recommendations:

## Employment Summary

	Male	Female	Total	%
White Employees	1000	3572	4572	61 %
Black Employees	493	2350	2843	38 %
Other Racial Minorities	32	80	112	1 %
	Total Minorities		2,955	39 %
	Total Employees		7,527	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	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
896 Director's Office	1,023,302	8	1,332,149	9	1,691,005	9	1,343,036	9	1,345,536	9	1,057,654	6	1,343,036	9	1,343,036	9	1,057,654	6
896 Office of Chief Counsel	10,589,115	172	11,449,889	169	11,590,824	179	11,277,939	169	11,625,748	175	11,234,177	168	11,277,939	169	11,535,748	175	11,234,177	168
<b>Total</b>	<b>11,612,417</b>	<b>180</b>	<b>12,782,038</b>	<b>178</b>	<b>13,281,829</b>	<b>188</b>	<b>12,620,975</b>	<b>178</b>	<b>12,971,284</b>	<b>184</b>	<b>12,291,831</b>	<b>174</b>	<b>12,620,975</b>	<b>178</b>	<b>12,878,784</b>	<b>184</b>	<b>12,291,831</b>	<b>174</b>

Funding Sources		%		%		%		%		%		%		%		%		
General Revenue 4000010	3,857,665	33.2	4,097,271	32.1			4,097,271	32.5	4,168,923	32.6	4,097,271	33.3	4,097,271	32.5	4,168,923	32.8	4,097,271	33.3
Federal Revenue 4000020	4,880,718	42.0	6,241,784	48.8			6,265,721	49.6	5,706,483	44.6	6,150,613	50.0	6,265,721	49.6	5,706,483	44.9	6,150,613	50.0
Federal Funds-ARRA 4000244	0	0.0	185,000	1.4			0	0.0	92,500	0.7	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support 4000730	2,874,034	24.7	2,257,983	17.7			2,257,983	17.9	2,825,451	22.1	2,043,947	16.6	2,257,983	17.9	2,825,451	22.2	2,043,947	16.6
<b>Total Funds</b>	<b>11,612,417</b>	<b>100.0</b>	<b>12,782,038</b>	<b>100.0</b>			<b>12,620,975</b>	<b>100.0</b>	<b>12,793,357</b>	<b>100.0</b>	<b>12,291,831</b>	<b>100.0</b>	<b>12,620,975</b>	<b>100.0</b>	<b>12,700,857</b>	<b>100.0</b>	<b>12,291,831</b>	<b>100.0</b>
Excess Appropriation/(Funding)	0		0				0		177,927		0		0		177,927		0	
<b>Grand Total</b>	<b>11,612,417</b>		<b>12,782,038</b>				<b>12,620,975</b>		<b>12,971,284</b>		<b>12,291,831</b>		<b>12,620,975</b>		<b>12,878,784</b>		<b>12,291,831</b>	

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
185	170	14	184	1	8.11 %	188	163	14	177	11	13.30 %	188	164	14	178	10	12.77 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 242 of 2010 section 17(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 DO/OCC–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 7,500 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 is involved in virtually every facet of life in the state. 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 are as follows:

- 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 cannot return home.

- Appeals and Hearings administers the appeal process on adverse actions which include those related to all categories of Medicaid, TANF, Child Maltreatment.
- 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 intentional program violation (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.

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, Fraud/Courts overpayment receipts 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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum. The Base Level request for Regular Salaries includes board member stipend payments.

The agency Base Level request for this appropriation is \$12,620,975 in each year of the biennium with 178 budgeted base level positions.

The agency Change Level request for this appropriation is \$350,309 in FY2012 and \$257,809 in FY2013 with a general revenue request of \$71,652 each year of the biennium. The general revenue request consists of the following component:

- \$71,652 each year of the biennium in new general revenue associated with restoration of three (3) Auditor positions.

The following delineates the agency's request:

- Transfer 1 Legal Services Specialist position to the Division of Medical Services with appropriation to assist with rendering Medicaid eligibility opinions.
- Restoration of 4 positions that are authorized but not budgeted with unfunded salary and matching appropriation to assist the audit unit and the legal support unit.
- Restoration of 3 positions that are authorized but not budgeted with funded salary and matching appropriation to assist the audit unit.
- Reclassification on two (2) positions due to the duties and responsibilities changing since the pay plan study.
- \$92,500 in FY2012 is requested for the ARRA of 2009 line item to allow for any in-direct costs. No appropriation is requested for this line item in FY2013.

The Executive Recommendation provides for Base Level. Additionally, reclassifications on two (2) positions are recommended along with the transfer of one (1) position to the Division of Medical Services. To maximize federal revenue, the transfer of three (3) positions to the Division of Administrative Services has been recommended.

# Appropriation Summary

**Appropriation:** 896 - DHS DO/OCC--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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	8,187,982	8,529,411	9,055,708	8,479,026	8,668,586	8,222,880	8,479,026	8,668,586	8,222,880
<b>#Positions</b>		<b>180</b>	<b>178</b>	<b>188</b>	<b>178</b>	<b>184</b>	<b>174</b>	<b>178</b>	<b>184</b>	<b>174</b>
Extra Help	5010001	11,409	200,348	200,348	200,348	200,348	200,348	200,348	200,348	200,348
<b>#Extra Help</b>		<b>1</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Personal Services Matching	5010003	2,370,945	2,568,397	2,721,889	2,642,719	2,710,968	2,569,721	2,642,719	2,710,968	2,569,721
Operating Expenses	5020002	1,016,594	1,243,110	1,248,112	1,243,110	1,243,110	1,243,110	1,243,110	1,243,110	1,243,110
Conference & Travel Expenses	5050009	16,530	32,472	32,472	32,472	32,472	32,472	32,472	32,472	32,472
Professional Fees	5060010	141	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	8,816	12,300	12,300	12,300	12,300	12,300	12,300	12,300	12,300
ARRA of 2009	5900052	0	185,000	0	0	92,500	0	0	0	0
<b>Total</b>		<b>11,612,417</b>	<b>12,782,038</b>	<b>13,281,829</b>	<b>12,620,975</b>	<b>12,971,284</b>	<b>12,291,831</b>	<b>12,620,975</b>	<b>12,878,784</b>	<b>12,291,831</b>
<b>Funding Sources</b>										
General Revenue	4000010	3,857,665	4,097,271		4,097,271	4,168,923	4,097,271	4,097,271	4,168,923	4,097,271
Federal Revenue	4000020	4,880,718	6,241,784		6,265,721	5,706,483	6,150,613	6,265,721	5,706,483	6,150,613
Federal Funds-ARRA	4000244	0	185,000		0	92,500	0	0	0	0
Various Program Support	4000730	2,874,034	2,257,983		2,257,983	2,825,451	2,043,947	2,257,983	2,825,451	2,043,947
<b>Total Funding</b>		<b>11,612,417</b>	<b>12,782,038</b>		<b>12,620,975</b>	<b>12,793,357</b>	<b>12,291,831</b>	<b>12,620,975</b>	<b>12,700,857</b>	<b>12,291,831</b>
Excess Appropriation/(Funding)		0	0		0	177,927	0	0	177,927	0
<b>Grand Total</b>		<b>11,612,417</b>	<b>12,782,038</b>		<b>12,620,975</b>	<b>12,971,284</b>	<b>12,291,831</b>	<b>12,620,975</b>	<b>12,878,784</b>	<b>12,291,831</b>

ARRA of 2009 appropriation was established through the authority of the Miscellaneous Federal Program Act.

## Change Level by Appropriation

**Appropriation:** 896 - DHS DO/OCC–Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	12,620,975	178	12,620,975	100.0	12,620,975	178	12,620,975	100.0
C01	Existing Program	143,304	3	12,764,279	101.1	143,304	3	12,764,279	101.1
C03	Discontinue Program	(92,500)	0	12,671,779	100.4	(185,000)	0	12,579,279	99.7
C05	Unfunded Appropriation	158,267	4	12,830,046	101.7	158,267	4	12,737,546	100.9
C07	Agency Transfer	(43,762)	(1)	12,786,284	101.3	(43,762)	(1)	12,693,784	100.6
C10	Reclass	0	0	12,786,284	101.3	0	0	12,693,784	100.6
C16	ARRA	185,000	0	12,971,284	102.8	185,000	0	12,878,784	102.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	12,620,975	178	12,620,975	100.0	12,620,975	178	12,620,975	100.0
C01	Existing Program	0	0	12,620,975	100.0	0	0	12,620,975	100.0
C03	Discontinue Program	(185,000)	0	12,435,975	98.5	(185,000)	0	12,435,975	98.5
C05	Unfunded Appropriation	0	0	12,435,975	98.5	0	0	12,435,975	98.5
C07	Agency Transfer	(329,144)	(4)	12,106,831	95.9	(329,144)	(4)	12,106,831	95.9
C10	Reclass	0	0	12,106,831	95.9	0	0	12,106,831	95.9
C16	ARRA	185,000	0	12,291,831	97.4	185,000	0	12,291,831	97.4

### Justification

C01	Request restoration of three (3) Senior Auditor positions: This request provides additional appropriation and funding to ensure the Department's capability to perform compliance and operational audits, evaluations, investigations, and risk assessments related to the Department's multi-billion dollar programs and operations. Support of this request will improve the Department's ability in detecting fraud, waste, and mismanagement, but also in identifying and implementing new and better ways of conducting business.
C03	Request the Reduction in American Recovery and Reinvestment Act (ARRA) funding and/or Expiration of funding limitations.
C05	Request restoration of three (3) Legal Support Specialists and one (1) Senior Auditor unfunded appropriation positions: In the event that funding becomes available, the Legal Support Specialist position would support multiple attorneys and assist in managing an already heavy caseload. The Senior Auditor position would be in support of improving the Department's capability to perform compliance and operational audits, evaluations, investigations, and risk assessments including detection of fraud, waste, and mismanagement. It would also be utilized in the identifying and implementing of new and better ways of conducting business.
C07	Request the transfer of one (1) position to Division of Medical Services: This position will be better utilized in the production of Medicaid eligibility opinions.
C10	Request two (2) positions reclassified. The positions affected are # 22100385 & 22112093. Duties and responsibilities have changed since the Pay Plan Study, placing a higher degree on legal experience in support of litigation attorneys. Because of limitations on hiring legal support personnel, The Office of Chief Counsel has shifted the focus of these positions utilizing them in a legal support capacity with each position supporting multiple attorneys. The impact of this request will ensure equitable class and grade for the duties performed and place the position in line with all other Legal Support Specialist positions.
C16	Request the continued American Recovery and Reinvestment Act (ARRA) funding available to support programs and/or projects.

# DHS - Administrative Services

## Enabling Laws

Act 242 of 2010  
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, payroll, accounts payable and receivable functions as well as departmental information technology. There are 309 positions budgeted in FY2011.

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 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 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 Central Travel System Accounts. These functions are performed within Administration, Payables/Cash Management, Purchase Order and Payroll Units of the General Operations Section.

The Payables and Cash Management Units 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 fifty(850) children who are in the Foster Care Program. In addition, the Unit processes cash disbursements to vendors and clients for thirty-five (35) 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; certifies prior year payments, coordinates activities associated with the department Central Travel System Accounts, processes/reconciles approximately 215,000 Purchasing Card (P-card) transactions per month and prepares the Sales and Use Tax Rebates requests for county and local taxes, coordinates responses on 1099 information for DFA and submits vendor information to DFA to update the AASIS vendor file.

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/client information, processes warrant cancellations and warrant reissues requests. 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, prepares vendor information to update the AASIS vendor file and 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 7,968 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 20,928 inquiries for technical assistance.

The General Operations Section has developed and implemented an on-line electronic travel reimbursement system that has reduced the length of time required to reimburse employees for out-of-pocket travel costs and an on-line database that is utilized to communicate problems related to the payment of invoices.

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 Budget Unit is also responsible for ensuring that budgets are in balance at all times, income for each appropriation is updated with additional grant awards, monitors funds to the certified amounts of each appropriation, submits proper adjustments for entry into AASIS. 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 with 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. The Cost Allocation Unit is responsible for working with DHS divisions to develop, submit, and implement CAP amendments. CAP amendments must be submitted to the Division of Cost Allocation and receive approval prior to implementation. 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 eliminating manual worksheet percentage calculations from staff time study and headcount inputs. The most recent upgrades to the department's Cost Allocation system include the ability to report expenditures by specific Grant Award and accurately reflect Fund balances and Grant Award balances by funding source. The Research and Statistics unit is responsible for developing legislatively mandated Annual Statistical Report and performs other research and analysis as needed or requested.

Grants and Funds Management Unit is responsible for the management and proper accounting of all grant funds received by DHS, as well as ensuring funds are in the proper accounts to process payments through the AASIS system. All of the additional positions received in Managerial Accounting requiring a CPA license or CPA exam eligibility, are filled and the personnel in these positions have



been instrumental in developing and implementing processes, procedures, and requirements for the daily drawing of funds for direct and indirect expenditures. These new procedures strengthen the monitoring of fund balances and improve the capacity to provide timely information to all affected parties. A major accomplishment this year was the development of the Grants Database that contains detailed information on every federal grant award under the stewardship of DHS. The combination of the Grants Database and the newly established funds procedures provide information for accurate and timely reporting to the federal agencies, as well as the required grant year-end CAFR reporting to DFA. Additionally, the Funds Management Unit has implemented the DHS portion of the State's updated CMIA and monitors for compliance with the State's Treasury Agreement. The Grants and Funds Management Unit also coordinates the \$18M funds awarded the department under the Social Services Block 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.

The Human Resources Section provides administrative/personnel services that support DHS.

The Recruitment and Placement Section of HR markets and promotes DHS as a great place to work and regularly advertises vacant positions for all DHS divisions and locations. This section ensures that every qualified applicant is provided an equal opportunity for employment consideration in accordance with personnel/employment laws and policies. In 2009, the recruiters attended 96 job fairs in the State of Arkansas, as well as four border-states, in a concerted effort to attract qualified candidates to come work for DHS. In addition to recruiting activities, the Recruitment and Placement staff performs employment application processing and minimum qualification screening of applicants. For 2010 Fiscal year, DHS received 121,150 job applications, which is a record volume. To better manage this growing volume and reduce paper/postage costs, the Recruitment and Placement section designed and implemented a new electronic applicant tracking system which provides for submitting on-line job applications and on-line communication with applicants. The section includes the DHS main Call Center, which logged 36,990 calls in 2009, and 39,948 calls for FY 2010.

The Organizational Development and Training Section of HR, (formerly Staff Development), develops trainings/workshops for the professional development and training of DHS employees and improving the overall organization culture and work effectiveness.

Organizational Development (ODT) has provided leadership development training to over 1,100 managers/supervisors, and trained 610 new supervisors in basic management skills, employee performance evaluation and discipline procedures, and all mandated Personnel policies and procedures. In FY2010, ODT designed and implemented a new DHS employee Career Development Program, offering classes to 2,607 participating employees to enhance their interpersonal and professional skills, computer skills, and strengthen teamwork and customer service skills. With an aging workforce and senior level employees retiring, it is essential for DHS to continue to invest in the professional growth and development of the younger generation and entry-level employees through training and preparing them to assume more responsible roles in the future.

The Classification and Compensation section is responsible for coordinating and processing personnel actions affecting positions, job classifications/titles, and employee compensation to ensure uniform application of federal and state personnel laws and policies regarding classified career service and professional and executive pay plans and salaries for over 7,500 employees. This section coordinates with the State Office of Personnel Management(OPM) in properly classifying positions and special compensation decisions, including requests for special Labor Market Rates/ Exceptionally Well Qualified, Concurrent Employment requests, Fair Labor Standard Act, job classification/salary studies, and the Nursing classifications pay grid are processed in this area. This area also processes all DHS Division's Hiring Freeze Requests to fill vacant positions and coordinates approval processing with OPM.

The Personnel Processing Section is responsible for processing/data entry of personnel status change transactions bi-weekly into AASIS, which includes new hires, terminations, promotions, retirements, cross grades and other personnel changes. The Processing Unit performs maintenance of approximately 7,500 employee manual Personnel files and electronic records and an automated imaging system of scanning all files for a paperless filing system. This unit processes approximately 1,000 personnel status actions monthly for DHS.

The Policy and Administrative Program Management Section in Human Resources assists with writing and promulgating administrative and personnel policies for program divisions and communicating policy changes to affected employees. The section is directly involved in daily processing of drug screens for new hires and employees through and independent laboratory, and also conducts criminal background checks of new hires. This section is responsible for the administration of the employee Catastrophic Leave Program, and compliance with Family Medical Leave Act, Americans with Disabilities Act, and ensures compliance with all Personnel laws and policies. This section is also responsible for coordination of the emergency evacuation plan and procedures for the DHS central office complex in Little Rock, AR.

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 5,300 legal agreements to fulfill the entire spectrum of DHS primary mission, including more than 560 professional service contracts valued at approximately \$800 million; over 740 sub-grants

valued at approximately \$120 million; and approximately 4,000 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 6,000 purchase orders valued at approximately \$18 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 459 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.

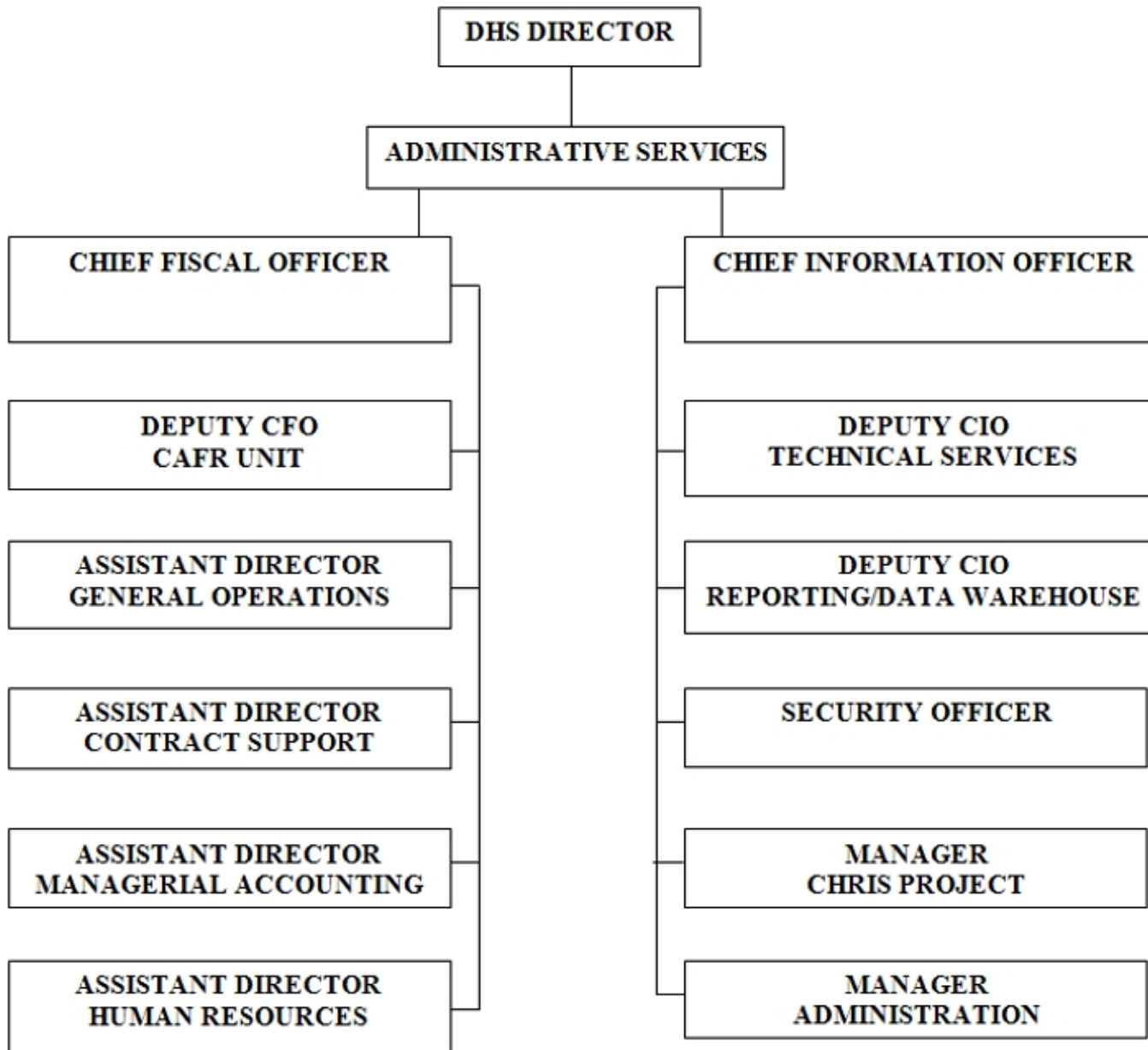
The Chief Information Officer also serves as technical advisor for the program divisions and support offices. Whenever they have a need, problem, or question, this is the person to ask.

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 supports the use of our intranet web site (DHS Share) and the agency imaging application (Edoctus).



## **Agency Commentary**

The Divisions' requests for the 2011-2013 Biennium consists of a request for restoration of 50 positions not budgeted in fiscal year 2011. This request is due to our internal needs but also to assist the program divisions when/if there is a need for a position and utilize internally the resources available to the Department. There have been circumstances when we were able to provide a position through the Reallocation of Resources provision of the Administration 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 for people across the state to whom the Department provides services. Additionally, we need to be able to provide needed assistance for the myriad functions of this division. Examples of the needs are 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, processing payroll every two weeks, managing the financial aspects of the Foster Care Trust Fund as well as the processing and management of accounts receivable functions. We must also be able to continue to provide the support for the infrastructure necessary for technological operations. The Department has invested a great deal of effort to automation activities for efficient and effective operations and without adequate personnel to support these activities, we will continue to operate manual systems, respond to requests slowly and inadequately, and fail to meet federal requirements for automated systems.

Transfer of four positions within the department to meet internal needs of sister divisions. Transfer of one position to the Division of Medical Services to perform functions related to Waivers, budget preparation, budget neutrality, interpret laws, policies and procedures. Transfer of three positions to the Division of Youth Services to have available in the event the division is required to take over the operation of a state facility.

General Revenue funding of \$602,315 and \$568,516 respectively in each year of the biennium and the associated federal and other funding as well as the appropriation. This request is specifically tied to the continued development and utilization of the DHS Data Warehouse. There is a need for ongoing support and maintenance through contracted services with Northrop Grumman and consists of items such as maintaining Data Warehouse technical infrastructure; through scorecard enhancements creating complex reports & performing quality assurance functions; gathering and analyzing data to gain insights into our performance as it relates to the DHS goals and objectives and the scorecards can range from financial information to operations, monitoring core business activity and performance management; analytic outcome tool enhancements will determine what programs are efficient in helping clients achieve successful outcomes, which clients and cases can be processed quickly and those that need additional resources. Analytics turns raw data into a strategic asset producing better outcomes for our clients.

General Revenue funding of \$24,173 in 2012 along with the associated federal and other fund and the appropriation. Unfunded appropriation is also requested for FY2012 and FY2013 for adjustment in select cost centers that require appropriation for proper cost assignment. A rent increase of 3% over the biennium is expected and this funding and appropriation will support that increase.

Reduction in the ARRA indirect cost appropriation. The federal grants that allow for indirect charges have decreased from four to two and therefore the need for appropriation has also decreased .

Reclassification of 10 positions. Eight Computer Support Specialist to State Systems Analyst; one DHS Program Manager to DHS Program Administrator and one Administrative Specialist I to Fiscal Support Technician.

Elimination of 121 positions authorized to be funded through ARRA will cease in December 2010 and will not be needed in the biennium and a reduction in appropriation is requested due to the declining balance of funds. Additionally, funding available is spending down and the need for continuation of appropriation at the same level is decreasing. Decrease is requested in 2012 and no appropriation request for 2013.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2008

---

### Findings

### Recommendations

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

## Cash Fund Balance Description as of June 30, 2010

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	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1DE Various Building Construction	4,119,599	0	7,688,100	0	8,185,200	0	7,688,100	0	7,688,100	0	7,688,100	0	7,688,100	0	7,688,100	0	7,688,100	0
414 Consolidated Cost	669,495	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0
58G ARRA of 2009	27,266,379	114	94,157,152	118	179,680,169	0	0	0	21,619,313	0	21,619,313	0	0	0	0	0	0	0
896 Division of Administrative Services	28,358,170	318	29,954,929	309	32,381,578	359	29,960,603	309	33,393,139	355	33,673,969	358	29,960,603	309	33,319,663	355	33,600,493	358
898 Social Svcs Blk Grant-Fed	3,985	0	139,733	0	139,733	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
<b>Total</b>	<b>60,417,628</b>	<b>432</b>	<b>132,881,414</b>	<b>427</b>	<b>221,328,180</b>	<b>359</b>	<b>38,729,936</b>	<b>309</b>	<b>63,781,785</b>	<b>355</b>	<b>64,062,615</b>	<b>358</b>	<b>38,729,936</b>	<b>309</b>	<b>42,088,996</b>	<b>355</b>	<b>42,369,826</b>	<b>358</b>

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance	4000005	7,958,126	11.9	6,687,128	5.0		336,057	0.9	336,057	0.5	336,057	0.5	0	0.0	0	0.0
General Revenue	4000010	10,597,055	15.8	11,086,659	8.3		11,086,659	28.6	11,713,147	19.0	11,086,659	18.1	11,086,659	28.6	11,655,175	29.1
Federal Revenue	4000020	11,434,711	17.0	45,955,387	34.5		14,183,503	36.6	18,245,036	29.6	18,245,036	29.9	14,183,503	36.6	14,665,506	36.7
Cash Fund	4000045	0	0.0	120,000	0.1		120,000	0.3	120,000	0.2	120,000	0.2	120,000	0.3	120,000	0.3
Federal Funds-ARRA	4000244	0	0.0	50,000	0.0		0	0.0	25,000	0.0	25,000	0.0	0	0.0	25,000	0.1
Reallocation of Resources	4000410	(42,830)	(0.1)	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reimbursement	4000425	30,114,980	44.9	63,666,623	47.8		7,352,043	19.0	25,440,976	41.2	25,440,976	41.6	7,688,100	19.9	7,688,100	19.2
Various Program Support	4000730	7,042,714	10.5	5,651,674	4.2		5,651,674	14.6	5,855,964	9.5	5,855,964	9.6	5,651,674	14.6	5,837,060	14.6
<b>Total Funds</b>		<b>67,104,756</b>	<b>100.0</b>	<b>133,217,471</b>	<b>100.0</b>		<b>38,729,936</b>	<b>100.0</b>	<b>61,736,180</b>	<b>100.0</b>	<b>61,109,692</b>	<b>100.0</b>	<b>38,729,936</b>	<b>100.0</b>	<b>39,990,841</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(6,687,128)		(336,057)			0		2,045,605		2,952,923		0		2,098,155	
<b>Grand Total</b>		<b>60,417,628</b>		<b>132,881,414</b>			<b>38,729,936</b>		<b>63,781,785</b>		<b>64,062,615</b>		<b>38,729,936</b>		<b>42,088,996</b>	

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
357	300	40	340	17	15.97 %	359	380	0	380	-21	-5.85 %	359	379	48	427	-68	-5.57 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 242 of 2010 section 17(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 and total request for this appropriation is \$7,688,100 each year of the biennium.

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	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Construction 5090005	4,119,599	7,688,100	8,185,200	7,688,100	7,688,100	7,688,100	7,688,100	7,688,100	7,688,100
Total	4,119,599	7,688,100	8,185,200	7,688,100	7,688,100	7,688,100	7,688,100	7,688,100	7,688,100
Funding Sources									
Fund Balance 4000005	7,958,126	6,687,128		336,057	336,057	336,057	0	0	0
Reimbursement 4000425	2,848,601	1,337,029		7,352,043	7,352,043	7,352,043	7,688,100	7,688,100	7,688,100
Total Funding	10,806,727	8,024,157		7,688,100	7,688,100	7,688,100	7,688,100	7,688,100	7,688,100
Excess Appropriation/(Funding)	(6,687,128)	(336,057)		0	0	0	0	0	0
Grand Total	4,119,599	7,688,100		7,688,100	7,688,100	7,688,100	7,688,100	7,688,100	7,688,100

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

## **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 and total request for this appropriation is \$821,500 each year of the biennium.

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			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	669,495	821,500	821,500	821,500	821,500	821,500	821,500	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
<b>Total</b>	<b>669,495</b>	<b>821,500</b>	<b>821,500</b>	<b>821,500</b>	<b>821,500</b>	<b>821,500</b>	<b>821,500</b>	<b>821,500</b>	<b>821,500</b>
<b>Funding Sources</b>									
Various Program Support 4000730	669,495	821,500		821,500	821,500	821,500	821,500	821,500	821,500
<b>Total Funding</b>	<b>669,495</b>	<b>821,500</b>		<b>821,500</b>	<b>821,500</b>	<b>821,500</b>	<b>821,500</b>	<b>821,500</b>	<b>821,500</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>669,495</b>	<b>821,500</b>		<b>821,500</b>	<b>821,500</b>	<b>821,500</b>	<b>821,500</b>	<b>821,500</b>	<b>821,500</b>

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.

## **Analysis of Budget Request**

**Appropriation:** 58G - ARRA of 2009

**Funding Sources:** PWP - Administration Paying

The American Recovery and Reinvestment Act of 2009 appropriation was established in the 87th Legislative Session to allow expenditures for capital improvements, information technologies and one-time costs of the Department of Human Services. 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 the American Recovery and Reinvestment Act of 2009.

There is no agency Base Level request for this appropriation.

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

- \$21,619,313 in FY2012 is requested to allow for continued expenditures of capital improvements, information technologies and one-time costs. Due to the declining balance of funds, no appropriation is requested in FY2013.

The Executive Recommendation provides for the Agency Request.

# Appropriation Summary

**Appropriation:** 58G - ARRA of 2009

**Funding Sources:** PWP - Administration Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
ARRA OF 2009 5900052	27,266,379	94,157,152	179,680,169	0	21,619,313	21,619,313	0	0	0
<b>Total</b>	<b>27,266,379</b>	<b>94,157,152</b>	<b>179,680,169</b>	<b>0</b>	<b>21,619,313</b>	<b>21,619,313</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	0	31,827,558		0	3,530,380	3,530,380	0	0	0
Reimbursement 4000425	27,266,379	62,329,594		0	18,088,933	18,088,933	0	0	0
<b>Total Funding</b>	<b>27,266,379</b>	<b>94,157,152</b>		<b>0</b>	<b>21,619,313</b>	<b>21,619,313</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>27,266,379</b>	<b>94,157,152</b>		<b>0</b>	<b>21,619,313</b>	<b>21,619,313</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Change Level by Appropriation

**Appropriation:** 58G - ARRA of 2009  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
C03	Discontinue Program	(72,526,863)	(118)	(72,526,863)	100.0	(94,146,176)	(118)	(94,146,176)	100.0
C16	ARRA	94,146,176	118	21,619,313	-29.8	94,146,176	118	0	0.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
C03	Discontinue Program	(72,526,863)	(118)	(72,526,863)	100.0	(94,146,176)	(118)	(94,146,176)	100.0
C16	ARRA	94,146,176	118	21,619,313	-29.8	94,146,176	118	0	0.0

### Justification

C03	Reduction in American Recovery and Reinvestment Act(ARRA) funding and/or Expiration of funding limitations.
C16	Continued American Recovery and Reinvestment Act(ARRA) funding available to support programs and/or projects.

## **Analysis of Budget Request**

**Appropriation:** 896 - DHS DAS–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, funds and grants management 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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The agency Base Level request for this appropriation is \$29,960,603 each year of the biennium with 309 budgeted base level positions.

The agency Change Level request for this appropriation is \$3,432,536 in FY2012 and \$3,359,060 in FY2013 with a general revenue request of \$626,488 in FY2012 and \$568,516 in FY2013. The general revenue request consists of the following components:

- \$24,173 in FY2012 for new general revenue associated with a rent increase;
- \$602,315 in FY2012 and \$568,516 in FY2013 for new general revenue associated with continuing support and maintenance of a data warehouse.

The following delineates the agency's request:

- Restoration of fifty (50) 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 one (1) position to the Division of Medical Services with salary and matching appropriation to assist with waiver budget preparation and budget neutrality, interpreting laws, regulations and policies, and program budgeting and analysis.
- Transfer three (3) positions to the Division of Youth Services with salary and matching appropriation to have available in the event the division is required to take over the operations of a state facility.
- Reclassification on ten (10) positions due to the duties and responsibilities changing since the pay plan study. Appropriation is requested on two of the reclassifications.
- \$314,556 each year of the biennium is requested for the Operating Expenses line item for rent of facilities.
- \$1,309,380 in FY2012 and \$1,235,904 in FY2013 is requested for the Professional Fees line item for continuing support and maintenance of a data warehouse.
- \$25,000 each year of the biennium is requested for the ARRA of 2009 line item to allow for any in-direct costs.

The Executive Recommendation provides for the Agency Request with no new general revenue and reclassification on only one (1) of the positions. Additionally, to maximize federal revenue, the transfer of three (3) positions from the Director's Office has been recommended.

# Appropriation Summary

**Appropriation:** 896 - DHS DAS-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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	11,683,731	12,167,941	13,924,098	12,029,863	13,323,966	13,544,107	12,029,863	13,323,966	13,544,107
<b>#Positions</b>		<b>318</b>	<b>309</b>	<b>359</b>	<b>309</b>	<b>355</b>	<b>358</b>	<b>309</b>	<b>355</b>	<b>358</b>
Extra Help	5010001	106,310	64,480	64,480	64,480	64,480	64,480	64,480	64,480	64,480
<b>#Extra Help</b>		<b>7</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
Personal Services Matching	5010003	3,777,683	3,809,289	4,529,781	4,003,041	4,492,538	4,553,227	4,003,041	4,492,538	4,553,227
Overtime	5010006	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	2,381,240	2,789,827	2,789,827	2,789,827	3,104,383	3,104,383	2,789,827	3,104,383	3,104,383
Conference & Travel Expenses	5050009	21,694	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Professional Fees	5060010	8,739,856	9,075,792	9,075,792	9,075,792	10,385,172	10,385,172	9,075,792	10,311,696	10,311,696
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	32,279	0	0	0	0	0	0	0	0
Data Processing Services	5900044	1,615,377	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600
ARRA of 2009	5900052	0	50,000	0	0	25,000	25,000	0	25,000	25,000
<b>Total</b>		<b>28,358,170</b>	<b>29,954,929</b>	<b>32,381,578</b>	<b>29,960,603</b>	<b>33,393,139</b>	<b>33,673,969</b>	<b>29,960,603</b>	<b>33,319,663</b>	<b>33,600,493</b>

Funding Sources										
General Revenue	4000010	10,597,055	11,086,659		11,086,659	11,713,147	11,086,659	11,086,659	11,655,175	11,086,659
Federal Revenue	4000020	11,430,726	13,988,096		14,043,770	14,574,923	14,574,923	14,043,770	14,525,773	14,525,773
Federal Funds-ARRA	4000244	0	50,000		0	25,000	25,000	0	25,000	25,000
Reallocation of Resources	4000410	(42,830)	0		0	0	0	0	0	0
Various Program Support	4000730	6,373,219	4,830,174		4,830,174	5,034,464	5,034,464	4,830,174	5,015,560	5,015,560
<b>Total Funding</b>		<b>28,358,170</b>	<b>29,954,929</b>		<b>29,960,603</b>	<b>31,347,534</b>	<b>30,721,046</b>	<b>29,960,603</b>	<b>31,221,508</b>	<b>30,652,992</b>
Excess Appropriation/(Funding)		0	0		0	2,045,605	2,952,923	0	2,098,155	2,947,501
<b>Grand Total</b>		<b>28,358,170</b>	<b>29,954,929</b>		<b>29,960,603</b>	<b>33,393,139</b>	<b>33,673,969</b>	<b>29,960,603</b>	<b>33,319,663</b>	<b>33,600,493</b>

Budget exceeds Authorized Appropriation in the ARRA of 2009 line item due to a transfer from the Miscellaneous Federal Grant Holding Account. The FY10 funding includes a General Revenue fund transfer to the DHS - Division of County Operations by Authority of Reallocation of Resources.

## Change Level by Appropriation

**Appropriation:** 896 - DHS DAS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	29,960,603	309	29,960,603	100.0	29,960,603	309	29,960,603	100.0
C01	Existing Program	52,551	0	30,013,154	100.2	0	0	29,960,603	100.0
C03	Discontinue Program	(38,680)	0	29,974,474	100.0	(38,680)	0	29,921,923	99.9
C05	Unfunded Appropriation	2,193,105	50	32,167,579	107.4	2,245,656	50	32,167,579	107.4
C07	Agency Transfer	(138,372)	(4)	32,029,207	106.9	(138,372)	(4)	32,029,207	106.9
C08	Technology	1,309,380	0	33,338,587	111.3	1,235,904	0	33,265,111	111.0
C10	Reclass	4,552	0	33,343,139	111.3	4,552	0	33,269,663	111.0
C16	ARRA	50,000	0	33,393,139	111.5	50,000	0	33,319,663	111.2

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	29,960,603	309	29,960,603	100.0	29,960,603	309	29,960,603	100.0
C01	Existing Program	52,551	0	30,013,154	100.2	0	0	29,960,603	100.0
C03	Discontinue Program	(38,680)	0	29,974,474	100.0	(38,680)	0	29,921,923	99.9
C05	Unfunded Appropriation	2,193,105	50	32,167,579	107.4	2,245,656	50	32,167,579	107.4
C07	Agency Transfer	147,010	(1)	32,314,589	107.9	147,010	(1)	32,314,589	107.9
C08	Technology	1,309,380	0	33,623,969	112.2	1,235,904	0	33,550,493	112.0
C10	Reclass	0	0	33,623,969	112.2	0	0	33,550,493	112.0
C16	ARRA	50,000	0	33,673,969	112.4	50,000	0	33,600,493	112.1

### Justification

C01	3% increase over 2010 actual expenses is anticipated for the Biennium. General Revenue funding is requested in the amount of \$24,173 along with the associated federal and other funding in 2012 with no additional GR request in 2013. Adjustment is requested in select cost centers that require the addition.
C03	Reduction in American Recovery and Reinvestment Act(ARRA) funding and/or Expiration of funding limitations. Request reduction of appropriation in rent for proper internal adjustments.
C05	Restoration of positions due to internal needs but also to assist the program divisions when there is a need to assist a program that provides services to individuals. There have been circumstances when we were able to provide a program division a position that resulted in a direct service provided in a community. We further need to be able to provide necessary assistance within our own division for jobs such as federal financial reporting, contract services, payable and receivable services as well as payroll, grants management and IT staff. We also request \$262,005 in unfunded appropriation FY12 AND \$314,556 in FY13. This appropriation is necessary to align assignment of expenses to the correct cost centers.
C07	Transfer of 1 position to Division of Medical Services to perform functions related to Waivers, budget preparation, budget neutrality, interpret laws, policies and procedures. Position Only Transfer 3 positions to DYS to have available in the event the division is required to take over the operation of a state facility. Positions Only

## Change Level by Appropriation

<b>Justification</b>	
C08	<p>There are three pieces of this request: 1) Ongoing Support and Maintenance Operations-Contracted technical support for the Data Warehouse beginning January 2011. Support is needed for (a) questions from staff regarding data, analyses &amp; tools; (b) maintaining and tuning Data Warehouse technical infrastructure; (c) creating complex reports and performing quality assurance functions and (d) incrementally pull DHS data into the warehouse considered outside the scope of the initial project. Technical support provided by Northrop Grumman - annual cost \$625,488. 2) Scorecard Enhancements-gathering and analyzing data that can help us gain insights into our performance as related to the DHS goals &amp; objectives. These scorecards can range from financial information to operations, monitoring core business activity and performance management throughout the DHS. Support to develop and implement is \$683,892. 3) Analytic Outcome Tool Enhancements-DHS has data about its clients, cases, providers &amp; programs. Analytic outcome tools determine what programs are the most effective in helping clients achieve successful outcomes, which clients and cases can be processed quickly and which need additional resources and which cases are likely to contain errors. Analytics turns raw data into a strategic asset-we are producing better outcomes for our clients. Cost \$610,416. IT Plan: Project cost tab: DHS Data Warehouse Maintenance &amp; Enhancements.</p>
C10	<p>In the Office of Systems Technology, there are eight positions classified as Computer Support Specialists (CSS) -D063C that do not match their current functional duties accurately. The more accurate classification is the State Systems Analyst (SSA) -D045C. The CSS has to implement the course of action to solve the IT problem, tests new programs, software, hardware, etc.; setting up new systems and coordinating those systems to share information within the agency and other state agencies; consistently upgrading systems throughout the agency whether it be computers, servers, switches, and includes operating systems as well to comply with security and improve work flow/data transmission; all job tasks more closely associated and aligned with the SSA. Instructions were provided on how to proceed for the classification change for the Biennial Budget. There will not be an impact on other employees as all that perform these duties are included in the request. In Accounts Payable, there is a grade inequity between two positions 22099497 and 22102452 in the file room and both should be classified as a Fiscal Support Technician. This change is needed so that position 22099497 will mirror its counterpart 22102452. This inequity was discussed during the Pay Plan Study and informed to correct as a budget item. There will be no negative impact for other staff if approved. In Contract Support, prior to the Pay Plan Study, this position, 22109446 was a G-23 Administrator position. The appropriate classification for the scope, sophistication, and extent of function authority exercised by this position under the current system should be C122. Under the transition to the new pay plan, the position was downgraded to C119, or the equivalent of a G-21 in the old system. Subordinate managers under direct supervision of this position were correctly converted to C120 positions. This has created an untenable and unsustainable organization inversion in which subordinate staff members "out-rank" their direct supervisor, who is more experienced and far more functionally tasked. This inequity was addressed in the Pay Plan Study and it is believed that the grade level should be corrected to C122. Failure to correct this inequity will result in an organizational inequity, with it being impossible to internally promote or attract and retain people with the essential skill set for this position, and a dysfunctional inversion of organizational reporting relationship between the supervisory and this manager position. There will be no required salary increase for the incumbent and no adverse affect on other employees and the new Grade C122 will logically fit with the Organization structure of reporting relationship of 3 supervisors Grade C120 and C119 up to this Manager position.</p>
C16	<p>Reduction in American Recovery and Reinvestment Act (ARRA) funding and/or Expiration of funding limitations.</p>

## **Analysis of Budget Request**

**Appropriation:** 898 - DHS DAS–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 DAS--Grants Paying Account

**Funding Sources:** PWE - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	3,985	139,733	139,733	139,733	139,733	139,733	139,733	139,733	139,733
<b>Total</b>	<b>3,985</b>	<b>139,733</b>	<b>139,733</b>	<b>139,733</b>	<b>139,733</b>	<b>139,733</b>	<b>139,733</b>	<b>139,733</b>	<b>139,733</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	3,985	139,733		139,733	139,733	139,733	139,733	139,733	139,733
<b>Total Funding</b>	<b>3,985</b>	<b>139,733</b>		<b>139,733</b>	<b>139,733</b>	<b>139,733</b>	<b>139,733</b>	<b>139,733</b>	<b>139,733</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>3,985</b>	<b>139,733</b>		<b>139,733</b>	<b>139,733</b>	<b>139,733</b>	<b>139,733</b>	<b>139,733</b>	<b>139,733</b>



## **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 FY2010 and \$120,000 is budgeted in FY2011.

The agency Base Level and total request for this appropriation is \$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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	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
<b>Funding Sources</b>									
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

# DHS - Volunteerism

## Enabling Laws

Act 242 of 2010  
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 state office of volunteerism in the nation. DOV promotes and supports volunteering and national service 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 DOV provides a wide array of trainings directed at building organizational capacity in Arkansas nonprofits.

The Governor's Advisory Council on Volunteerism assists the DHS Division of Volunteerism staff. The Governor appoints a 16-member Advisory Council to three-year terms (Act 865 of 1977). The Council's responsibilities include setting goals, establishing priority activities and performing an advocacy role. The Council also assists in funding and resource development, publicity and recognition/awards programs.

## **Program and Service Descriptions**

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

**Nonprofit Development:** This program provides training and technical assistance to build long-term capacity in nonprofit programs. DOV provides training on completing the application for recognition of exemption and other steps necessary to form a non-profit organization.

**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. Also, in conjunction with the Governor's Office, DOV distributes volunteer recognition certificates and related items.

**Disaster Response and Preparedness:** The DOV is the lead agency in preparing local communities to respond during times of a disaster. The DOV staff trains local groups to manage unaffiliated volunteers and donations in their community in the event of a disaster.

**Arkansas Service Commission (ASC) - AmeriCorps:** The Service Commission is a unit of the Division of Volunteerism and serves as the conduit for federal AmeriCorps funds to Arkansas from the Corporation for National and Community Service. The ASC funds, monitors and provides training and technical assistance to national service programs in the state. AmeriCorps\*Arkansas programs provide opportunities for citizens to dedicate a year or two of their lives in service to their communities through the focus areas of health, education, clean energy and the environment, veterans needs and economic opportunity. AmeriCorps programs provide a modest living allowance and post service education award to all members, and child care compensation and health insurance to full time members. Currently there are approximately 550 AmeriCorps members serving throughout the state. The Service Commission is composed of 25 commissioners, eight of which are ex-officio and all of whom are appointed by the Governor. This year AmeriCorps\* Arkansas was awarded funds through the American Recovery and Reinvestment Act in addition to traditional Corporation for National Service funding streams. Total grants near \$3 million and impact Arkansans in many ways, including tutoring, teaching literacy to adults, providing prescription assistance, retrofitting homes for energy efficiency, providing intervention for at-risk third through fifth graders, mentoring and nurturing youth, providing home instruction to parents to prepare youngsters for school and delivering support to Hispanic and Marshallese families in school settings. There are thirteen AmeriCorps\*Arkansas programs operating in Arkansas at this time, and each AmeriCorps member recruits traditional volunteers to serve alongside them in delivery of vital programs in their area.

**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. The mission of the Arkansas Mentors Program is to connect and support mentoring programs state-wide. 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. DOV provides training and tracking.

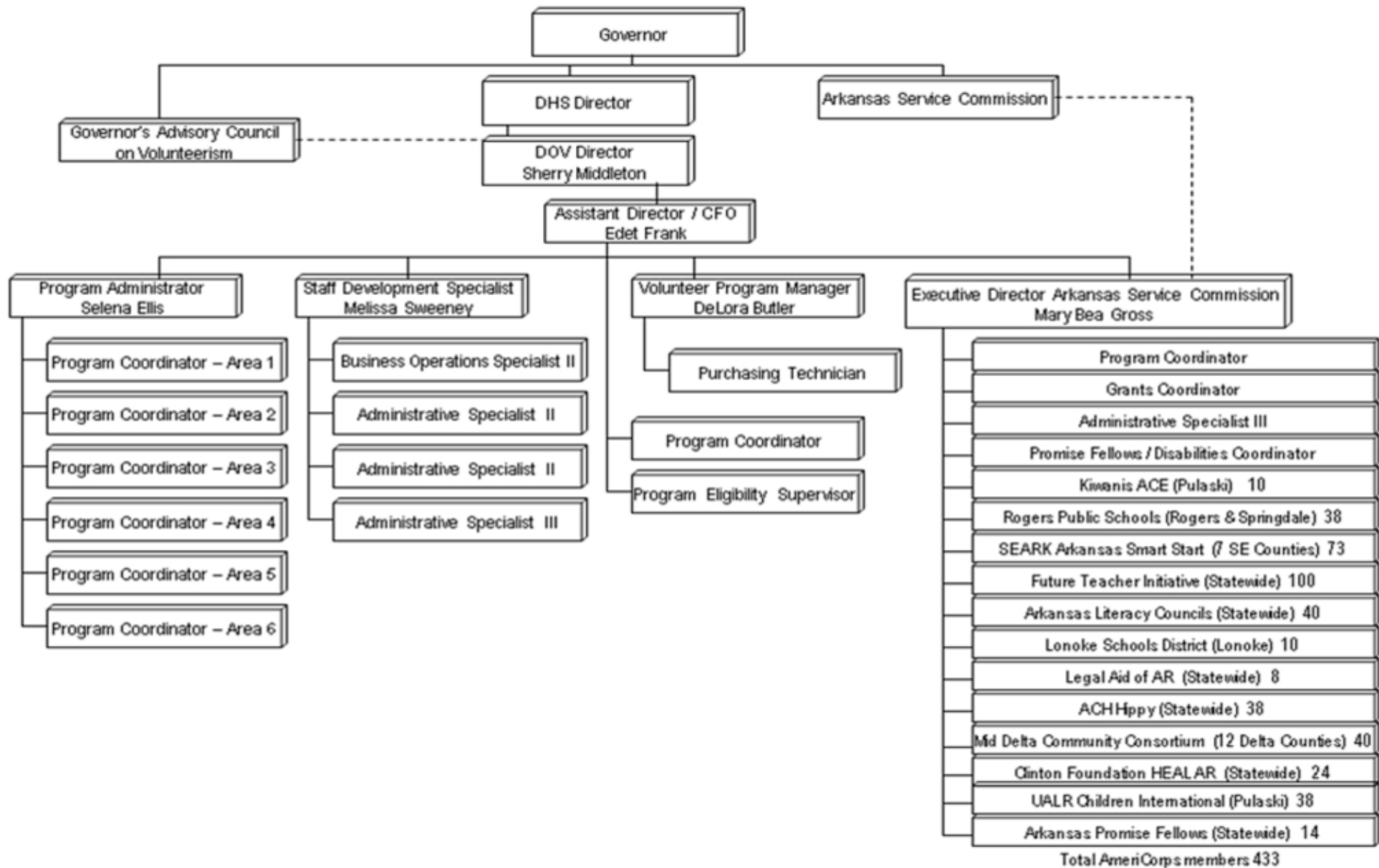
**Leadership and Promotion:** This program encourages leadership and promotion by providing program development and promotion of volunteerism statewide. DOV is a founding partner of the Certified Volunteer Manager Program (CVM) operated through the Arkansas Public Administration Consortium (APAC: a collaborative 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 who engage 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.

**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.

**Volunteer Centers:** DOV provides volunteer center directors with current information from 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.

**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 Volunteer Coordinators Association and Arkansas Coalition for Excellence "Promoting Nonprofit Success".



## **Agency Commentary**

The DHS Division of Volunteerism Arkansas Service Commission helps communities in Arkansas obtain federal AmeriCorps funds for competitive, formula, education award, Arkansas Service Commission and Promise Fellows programs to address locally identified issues. AmeriCorps\*Arkansas programs provide opportunities for citizens to dedicate a year or two of their lives in service to their communities through the focus areas of health, education, clean energy and the environment, veterans needs and economic opportunity. The Arkansas Service Commission is also responsible for monitoring these programs and ensuring complete and timely reports to the funding agency. The Edward M. Kennedy Serve America Act of October 2009 mandated continued program growth and members to increase services by four-fold in the next seven years.

The Learn and Serve Grant is awarded by the Corporation for National and Community Service and in previous years has been administered by the Department of Education. Beginning with fiscal year 2011, that grant will be awarded to the DHS Division of Volunteerism Arkansas Service Commission. This grant will help students in grades K-12 combine the ethics of service with learning.

The Division of Volunteerism has also applied for and anticipates receiving a Volunteer Generation Fund grant from the Corporation for National and Community Service. This grant will be used to increase the number of volunteers statewide and track those numbers.

Both are new grants and will award sub-grants to selected applicants and are not included in base level appropriations. Request is for appropriation only.

Reduction in American Recovery and Reinvestment Act (ARRA) funding. Request is to eliminate ARRA appropriation.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

---

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

## 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	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
896 Division of Volunteerism	1,351,213	23	1,444,654	24	1,553,456	24	1,439,677	24	1,572,014	24	1,439,677	24	1,439,677	24	1,572,014	24	1,439,677	24
898 Delta Service Corps Grants	2,738,355	0	2,605,509	0	3,094,077	0	2,225,704	0	2,410,704	0	2,410,704	0	2,225,704	0	2,410,704	0	2,410,704	0
935 Volunteerism – Cash in Treasury	2,207	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
<b>Total</b>	<b>4,091,775</b>	<b>23</b>	<b>4,062,163</b>	<b>24</b>	<b>4,659,533</b>	<b>24</b>	<b>3,677,381</b>	<b>24</b>	<b>3,994,718</b>	<b>24</b>	<b>3,862,381</b>	<b>24</b>	<b>3,677,381</b>	<b>24</b>	<b>3,994,718</b>	<b>24</b>	<b>3,862,381</b>	<b>24</b>

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue 4000010	432,003	10.6	453,791	11.2			453,791	12.3	453,791	12.3	453,791	12.3	453,791	12.3	453,791	12.3	453,791	12.3
Federal Revenue 4000020	2,690,948	65.8	2,946,387	72.5			2,941,410	80.0	2,941,410	80.0	2,941,410	80.0	2,941,410	80.0	2,941,410	80.0	2,941,410	80.0
Cash Fund 4000045	2,207	0.1	12,000	0.3			12,000	0.3	12,000	0.3	12,000	0.3	12,000	0.3	12,000	0.3	12,000	0.3
Federal Funds-ARRA 4000244	646,069	15.8	379,805	9.3			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support 4000730	320,548	7.8	270,180	6.7			270,180	7.3	270,180	7.3	270,180	7.3	270,180	7.3	270,180	7.3	270,180	7.3
<b>Total Funds</b>	<b>4,091,775</b>	<b>100.0</b>	<b>4,062,163</b>	<b>100.0</b>			<b>3,677,381</b>	<b>100.0</b>	<b>3,677,381</b>	<b>100.0</b>	<b>3,677,381</b>	<b>100.0</b>	<b>3,677,381</b>	<b>100.0</b>	<b>3,677,381</b>	<b>100.0</b>	<b>3,677,381</b>	<b>100.0</b>
Excess Appropriation/(Funding)	0		0				0		317,337		185,000		0		317,337		185,000	
<b>Grand Total</b>	<b>4,091,775</b>		<b>4,062,163</b>				<b>3,677,381</b>		<b>3,994,718</b>		<b>3,862,381</b>		<b>3,677,381</b>		<b>3,994,718</b>		<b>3,862,381</b>	

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	23	0	23	0	0.00 %	24	21	3	24	0	12.50 %	24	20	4	24	0	16.67 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 242 of 2010 section 17(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 DOV–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 the past two years, the Arkansas Service Commission at DOV provided federal funds to 15 AmeriCorps programs that brought a total of \$5,557,024 in federal funds to Arkansas. The combined funds brought opportunities for 992 (increase of 220) Arkansans to serve as tutors or translators in schools, parent educators, adult literacy tutors, environmental stewards or assistants in getting reduced-cost or free prescription drugs. The education awards attached to the service positions were valued at \$2,806,113 (up \$490,862). These totals include five programs funded for one year only through the American Recovery and Reinvestment Act.

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 thirty-one (831) volunteer organizations reported a total of 23,723,589 hours for an estimated total dollar value of \$546,339,180. Had the State of Arkansas paid for the time involved to provide the services donated by volunteers, an additional \$12,608,738,774 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 fiscal year 2010 are listed below.

Youth Projects	395
Youth Participants	1,187
Youth Volunteer Hours	5,766
Adults Engaged	1,305
Adult Volunteer Hours	2,294

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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

#### 896 DHS - Administrative Paying Account

The agency Base Level request for the Operations appropriation is \$1,439,677 for each year of the biennium with 24 budgeted Base Level positions.

#### 898 DHS - Grants Paying Account

The agency Base Level request for the Delta Service Corps Grants line item is \$2,225,704 each year of the biennium.

The agency Change Level request for the Operations appropriation is \$132,337 each year of the biennium, with no new general revenue request. The following delineates the agency's request:

- Reclassification on one (1) position due to the duties and responsibilities changing since the pay plan study.
- \$109,837 each year of the biennium is requested for the Operating Expenses line item for printing, mileage, meals & lodging, fuel purchases and office supplies associated with receiving new federal grants.
- \$12,500 each year of the biennium is requested for the Conference & Travel Expenses line item for travel costs associated with receiving new federal grants.
- \$10,000 each year of the biennium is requested for the Professional Fees line item for costs associated with receiving new federal grants.

The agency Change Level request for the Delta Service Corps Grants line item is \$185,000 each year of the biennium, with no new general revenue request. This appropriation request is also for costs associated with receiving new federal grants. The Learn and Serve Grant will help students in grades Kindergarten through 12<sup>th</sup> combine the ethics of service with learning. The Volunteer Generation Fund Grant would be used to increase the number of volunteers statewide and track those numbers. ARRA appropriation is being discontinued.

The Executive Recommendation provides for Base Level in the Operations appropriation. Additionally, reclassification of one (1) position is recommended.

The Executive Recommendation provides for the Agency Request for the Delta Service Corps Grants line item.

# Appropriation Summary

**Appropriation:** 896 - DHS DOV-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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	858,944	911,764	912,377	902,064	902,064	902,064	902,064	902,064	902,064
<b>#Positions</b>		<b>23</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
Personal Services Matching	5010003	278,244	298,960	298,960	303,683	303,683	303,683	303,683	303,683	303,683
Overtime	5010006	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Operating Expenses	5020002	175,289	192,730	295,719	192,730	302,567	192,730	192,730	302,567	192,730
Conference & Travel Expenses	5050009	19,567	22,000	22,000	22,000	34,500	22,000	22,000	34,500	22,000
Professional Fees	5060010	9,523	10,000	15,000	10,000	20,000	10,000	10,000	20,000	10,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Delta Service Corps Grants	5100004	2,094,034	2,225,704	2,564,077	2,225,704	2,410,704	2,410,704	2,225,704	2,410,704	2,410,704
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Data Processing Services	5900044	7,898	8,200	8,400	8,200	8,200	8,200	8,200	8,200	8,200
Delta Srvs Corps Grants-ARRA	5900052	644,321	379,805	530,000	0	0	0	0	0	0
ARRA of 2009	5900052	1,748	0	0	0	0	0	0	0	0
<b>Total</b>		<b>4,089,568</b>	<b>4,050,163</b>	<b>4,647,533</b>	<b>3,665,381</b>	<b>3,982,718</b>	<b>3,850,381</b>	<b>3,665,381</b>	<b>3,982,718</b>	<b>3,850,381</b>

Funding Sources										
General Revenue	4000010	432,003	453,791		453,791	453,791	453,791	453,791	453,791	453,791
Federal Revenue	4000020	2,690,948	2,946,387		2,941,410	2,941,410	2,941,410	2,941,410	2,941,410	2,941,410
Federal Funds-ARRA	4000244	646,069	379,805		0	0	0	0	0	0
Various Program Support	4000730	320,548	270,180		270,180	270,180	270,180	270,180	270,180	270,180
<b>Total Funding</b>		<b>4,089,568</b>	<b>4,050,163</b>		<b>3,665,381</b>	<b>3,665,381</b>	<b>3,665,381</b>	<b>3,665,381</b>	<b>3,665,381</b>	<b>3,665,381</b>
Excess Appropriation/(Funding)		0	0		0	317,337	185,000	0	317,337	185,000
<b>Grand Total</b>		<b>4,089,568</b>	<b>4,050,163</b>		<b>3,665,381</b>	<b>3,982,718</b>	<b>3,850,381</b>	<b>3,665,381</b>	<b>3,982,718</b>	<b>3,850,381</b>

## Change Level by Appropriation

**Appropriation:** 896 - DHS DOV–Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,439,677</b>	<b>24</b>	<b>1,439,677</b>	<b>100.0</b>	<b>1,439,677</b>	<b>24</b>	<b>1,439,677</b>	<b>100.0</b>
C05	Unfunded Appropriation	132,337	0	1,572,014	109.2	132,337	0	1,572,014	109.2
C10	Reclass	0	0	1,572,014	109.2	0	0	1,572,014	109.2

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,439,677</b>	<b>24</b>	<b>1,439,677</b>	<b>100.0</b>	<b>1,439,677</b>	<b>24</b>	<b>1,439,677</b>	<b>100.0</b>
C05	Unfunded Appropriation	0	0	1,439,677	100.0	0	0	1,439,677	100.0
C10	Reclass	0	0	1,439,677	100.0	0	0	1,439,677	100.0

### Justification

C05	The Learn and Serve Grant is awarded by the Corporation for National and Community Service and in previous years has been administered by the Department of Education. Beginning with fiscal year 2011, that grant will be awarded to the DHS Division of Volunteerism Arkansas Service Commission. The division has also applied for and anticipates receiving a Volunteer Generation Fund grant from the Corporation for National and Community Service. Both are new grants and not included in base level appropriations. Both federal grants will require site visits to subgrantees as well as mandatory training of program directors and members. This will necessitate the need for overnight accommodations for trainees and trainers. The funder requires each program to attend the National Conference on Service and will require transportation and registration fees as well as lodging and meals. Also required during the funding cycle is an independent professional evaluation.
C10	The Division of Volunteerism's (DOV) requests a corrected title for the position of the Assistant Director/Chief Fiscal Officer (CFO). Since the pay plan study was conducted, the assistant director's responsibilities as CFO have increased greatly. With the passing of the Kennedy Serve America Act (federal funding), federal resources have increased which requires much more oversight of the CFO. Therefore we have had to review the priorities of the job and have determined that the CFO responsibilities are the major duties of this position. The position is not only the DOV's only Assistant Director (AD) it also includes major responsibility as the division's CFO. DOV is requesting a correction of the grade and job title from a C119 to a C125, position title of "DHS Division Chief Fiscal Officer", job code A024C. This is an organizational inequity for the DOV AD/CFO position to be assigned to the same grade level as the Program Administrator, C119 which has less job responsibilities. In addition, it is an inequity for the division AD/CFO position, which has greater overall job responsibilities for the division's programs and budget, to be graded lower than the executive director position, grade C123. We are willing to accept the corrected title and grade with no salary increase in order to get the position title more in line with its duties and to correct the organizational inequity. There will be no negative impact on any current employees if/when this change is approved

## Change Level by Appropriation

**Appropriation:** 898 - DHS-Grants Paying Account  
**Funding Sources:** PWE - Grants Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,225,704</b>	<b>0</b>	<b>2,225,704</b>	<b>100.0</b>	<b>2,225,704</b>	<b>0</b>	<b>2,225,704</b>	<b>100.0</b>
C03	Discontinue Program	(379,805)	0	1,845,899	82.9	(379,805)	0	1,845,899	82.9
C05	Unfunded Appropriation	185,000	0	2,030,899	91.2	185,000	0	2,030,899	91.2
C16	ARRA	379,805	0	2,410,704	108.3	379,805	0	2,410,704	108.3

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,225,704</b>	<b>0</b>	<b>2,225,704</b>	<b>100.0</b>	<b>2,225,704</b>	<b>0</b>	<b>2,225,704</b>	<b>100.0</b>
C03	Discontinue Program	(379,805)	0	1,845,899	82.9	(379,805)	0	1,845,899	82.9
C05	Unfunded Appropriation	185,000	0	2,030,899	91.2	185,000	0	2,030,899	91.2
C16	ARRA	379,805	0	2,410,704	108.3	379,805	0	2,410,704	108.3

### Justification

C03	Reduction in American Recovery and Reinvestment Act (ARRA) funding and/or Expiration of funding limitations.
C05	The Learn and Serve Grant is awarded by the Corporation for National and Community Service and in previous years has been administered by the Department of Education. Beginning with fiscal year 2011, that grant will be awarded to the DHS Division of Volunteerism Arkansas Service Commission. The division has also applied for and anticipates receiving a Volunteer Generation Fund grant from the Corporation for National and Community Service. Both are new grants and not included in base level appropriations. Both grants will provide subgrants to selected programs. Subgrantees will be monitored and provided training using the administrative portion of the grant.
C16	Continued American Recovery and Reinvestment Act (ARRA) funding available to support programs and/or projects.

## **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 and total request for this appropriation is \$12,000 each year of the biennium.

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



## Appropriation Summary

**Appropriation:** 935 - Volunteerism – 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		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	2,207	7,703	7,703	7,703	7,703	7,703	7,703	7,703	7,703
Conference & Travel Expenses 5050009	0	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
<b>Total</b>	<b>2,207</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>
<b>Funding Sources</b>									
Cash Fund 4000045	2,207	12,000		12,000	12,000	12,000	12,000	12,000	12,000
<b>Total Funding</b>	<b>2,207</b>	<b>12,000</b>		<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>2,207</b>	<b>12,000</b>		<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>

# DHS - Aging & Adult Services

## Enabling Laws

Act 241 of 2010  
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.

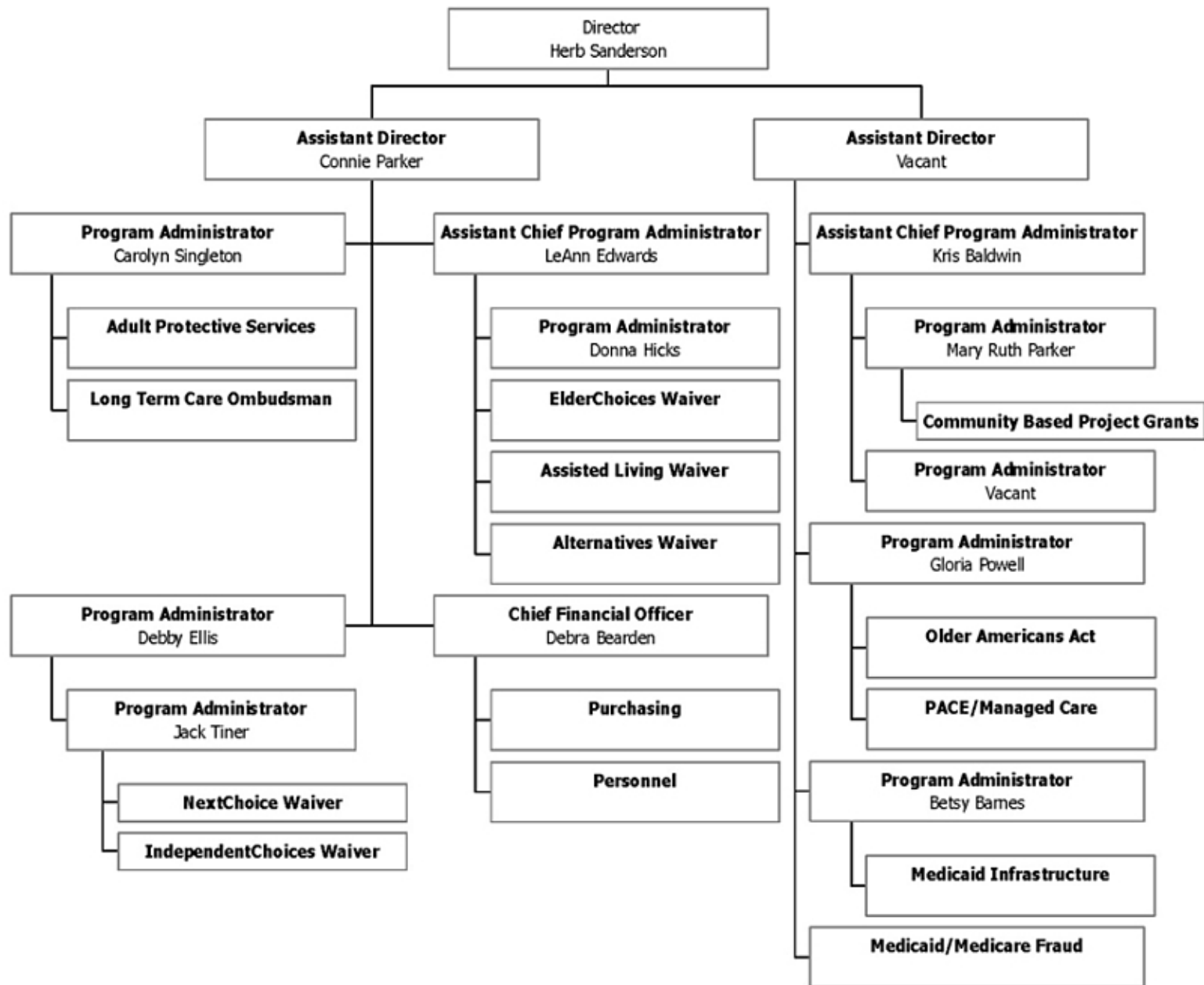
Since 1965, the Older Americans Act has been amended several times, each time expanding the roles of state units on aging. Arkansas legislation has also changed the name of the state unit on aging, the organizational location, and its authority and funding responsibilities. In 1971, the State Unit was 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**

Nationally, it has been estimated that almost 10 million Americans have long-term care needs. Coming demographic changes will result in a further increase in the demand for long-term care services. Specifically, from 2000 to 2020, the population of Arkansans 65 or older and 85 or older will increase by nearly 40%. In addition to these demographic changes, disability rates, another important predictor of the need for long-term care services, are higher than the national average for Arkansans. In fact, nearly 50% of Arkansans age 65 or older has at least one disability, compared to 41% of Americans age 65 or older; further, 17% of Arkansans age 18-64 has at least one disability compared to the national average of 11%.

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 2009, over 7,500 persons were provided ElderChoices services, over 2,500 individuals received Alternatives services, and over 3,000 received services under IndependentChoices. 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 as well as the recently established Public Guardianship Office.

### **PERSONNEL REQUESTS:**

RESTORATION OF POSITIONS - SALARIES & FRINGE (Without Funding) - DAAS requests unfunded appropriation for the restoration of nine (9) positions left unbudgeted due to insufficient funding. Eight (8) positions are in the Adult Protective Services Unit and one (1) position in the ElderChoices Program. 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 which the 2007 General Assembly approved resulting in an additional 42 positions in APS. Eight of those 42 positions were unbudgeted in SFY 2011 because of a decrease in the state general revenue forecast. Without restoration, these positions will be eliminated on June 30, 2011. Restoration of these positions allows increased staffing necessary to appropriately respond to current referrals as well as increase night and weekend coverage.

RESTORATION OF POOL POSITION (Without Funding) - DAAS requests restoration of one (1) Attorney Specialist position with salary and personal services matching appropriation for the Public Guardianship Office established through passage of Act 862 of 2007 General Assembly to protect the interests of incapacitated, incompetent, and vulnerable adults who lack legal capacity and have no one else to act on their behalf.

POSITION TRANSFERS IN (Without Funding) - DAAS requests transfer in of two (2) positions with salary and personal services matching appropriation from other divisions within the Agency for both years of the biennium. An Administrative Specialist II position from the Division of Medical Services will provide support to the Public Guardianship Office (established in the DAAS through passage of Act 862 of the 2007 General Assembly) and a Program Eligibility Specialist from the Division of County Operations will be housed in the Choices in Living Resource Center to counsel callers about financial requirements for Medicaid waiver programs.

POSITION TRANSERS OUT (Without Funding) - DAAS requests transfer of one (1) position with salary and personal services matching appropriation to the Program Development/Quality Assurance Unit within Division of Medical Services both years of the biennium. This position is essential in meeting the demands of the growing Home and Community Based Services (HCBS) waiver programs and those programs offering self-direction. Both Health Care Reform legislation and Long Term Care Rebalancing efforts support the growth of HCBS waiver programs and self direction.

**OPERATING EXPENSES:**

In the previous biennium, the Division of Aging and Adult Services received in excess of \$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 \$1,025,000 in unfunded appropriation in Operations (PWP2000) for both years of the biennium.

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.

DAAS 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. Community services in this funding category may include case management, caregiver support services, information and assistance, health promotion, and congregate and home-delivered meals.

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 HUMAN SERVICES  
 FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

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

## 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	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	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	2,610,380	0	3,000,000	0	3,500,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
642 Medicaid Expansion-Aging	0	0	0	0	0	0	0	0	1,143,531	22	0	0	0	0	1,143,531	22	0	0
896 Division of Aging & Adult Services	12,936,479	192	14,641,565	194	15,643,857	203	14,660,301	194	16,090,576	204	16,090,576	204	14,660,301	194	16,090,576	204	16,090,576	204
898 Community Based Care	0	0	0	0	90,000	0	0	0	90,000	0	90,000	0	0	0	90,000	0	90,000	0
898 Nursing Home Care Alternatives	5,230,351	0	5,193,872	0	6,656,003	0	5,193,872	0	6,193,872	0	6,193,872	0	5,193,872	0	6,193,872	0	6,193,872	0
898 Nutrition Program	9,348,657	0	10,424,649	0	12,310,616	0	10,424,649	0	11,424,649	0	11,424,649	0	10,424,649	0	11,424,649	0	11,424,649	0
898 Older Worker Program Grants	1,052,665	0	1,052,664	0	1,132,005	0	1,052,664	0	1,052,664	0	1,052,664	0	1,052,664	0	1,052,664	0	1,052,664	0
898 Project Grants	10,344,887	0	12,331,764	0	14,392,359	0	12,331,764	0	14,331,764	0	14,331,764	0	12,331,764	0	14,331,764	0	14,331,764	0
898 Retired & Sr Volunteer Program	69,825	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	4,747,197	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
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
<b>Total</b>	<b>46,430,441</b>	<b>192</b>	<b>51,809,514</b>	<b>194</b>	<b>58,889,840</b>	<b>203</b>	<b>51,828,250</b>	<b>194</b>	<b>58,492,056</b>	<b>226</b>	<b>57,348,525</b>	<b>204</b>	<b>51,828,250</b>	<b>194</b>	<b>58,492,056</b>	<b>226</b>	<b>57,348,525</b>	<b>204</b>

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	16,121,893	34.7	17,391,126	33.6	17,391,126	33.6	17,391,126	32.8	17,391,126	33.5	17,391,126	33.6	17,391,126	32.8	17,391,126	33.5	
Federal Revenue	4000020	26,598,856	57.3	31,320,970	60.5	31,339,706	60.5	32,039,912	60.3	31,468,147	60.6	31,339,706	60.5	32,039,912	60.3	31,468,147	60.6	
Cigarette Tax	4000140	2,610,380	5.6	3,000,000	5.8	3,000,000	5.8	3,000,000	5.6	3,000,000	5.8	3,000,000	5.8	3,000,000	5.6	3,000,000	5.8	
Federal Funds-ARRA	4000244	1,252,548	2.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Reallocation of Resources	4000410	(171,320)	(0.4)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Tobacco Settlement	4000495	0	0.0	0	0.0	0	0.0	571,766	1.1	0	0.0	0	0.0	571,766	1.1	0	0.0	
Transfer to Medicaid Match	4000660	(70,646)	(0.2)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	
Various Program Support	4000730	88,730	0.2	130,000	0.3	130,000	0.3	130,000	0.2	130,000	0.3	130,000	0.3	130,000	0.2	130,000	0.3	
<b>Total Funds</b>		<b>46,430,441</b>	<b>100.0</b>	<b>51,809,514</b>	<b>100.0</b>	<b>51,828,250</b>	<b>100.0</b>	<b>53,100,222</b>	<b>100.0</b>	<b>51,956,691</b>	<b>100.0</b>	<b>51,828,250</b>	<b>100.0</b>	<b>53,100,222</b>	<b>100.0</b>	<b>51,956,691</b>	<b>100.0</b>	
Excess Appropriation/(Funding)		0		0		0		5,391,834		5,391,834		0		5,391,834		5,391,834		
<b>Grand Total</b>		<b>46,430,441</b>		<b>51,809,514</b>		<b>51,828,250</b>		<b>58,492,056</b>		<b>57,348,525</b>		<b>51,828,250</b>		<b>58,492,056</b>		<b>57,348,525</b>		



## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
203	187	8	195	8	7.88 %	203	184	10	194	9	9.36 %	203	182	12	194	9	10.34 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 242 of 2010 section 17(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 and total 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	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 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
<b>Total</b>	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
<b>Total Funding</b>	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
<b>Grand Total</b>	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 \$3,000,000 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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Transportation Services 5900046	2,610,380	3,000,000	3,500,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
<b>Total</b>	<b>2,610,380</b>	<b>3,000,000</b>	<b>3,500,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Funding Sources</b>									
Cigarette Tax 4000140	2,610,380	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
<b>Total Funding</b>	<b>2,610,380</b>	<b>3,000,000</b>		<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>2,610,380</b>	<b>3,000,000</b>		<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>

**CARRY FORWARD OF ANY REMAINING FUND BALANCES  
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Human Services Department-Aging & Adult Services

Program: Meals on Wheels

Act #: 241 of 2010

Section(s) #: 4 & 7

Estimated Carry Forward Amount \$ 200,000.00 Funding Source: Special

**Accounting Information:**

Business Area: 0710

Funds Center: 418

Fund: DHP

Functional Area: HHS

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

**Justification for carry forward of fund balance:**

Any unexpended balance of funds authorized for elderly transportation including Meals on Wheels Program which remains at the close of the fiscal year shall be carried forward into the next fiscal year, there to be used for the same purpose.

Actual Funding Carry Forward Amount \$ 241,301.71

**Current status of carry forward funding:**

Carry forward funding is needed to facilitate and possibly increase current transportation efforts for home delivered meals to frail and elderly adults throughout Arkansas.

**Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.**

John Selig

Director

08-26-2010

Date

## **Analysis of Budget Request**

**Appropriation:** 642 - DHS DAAS–Medicaid Expansion Program

**Funding Sources:** PTA - Medicaid Expansion Program Account

This appropriation is for the additional administrative costs to the Division of Aging and Adult Services 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.

The Agency Base Level for this appropriation is for \$0 in both funding and appropriation each year of the biennium.

The Agency Change Level request for this appropriation is \$1,143,531 each year of the biennium with a transfer of 22 positions and supporting Operations appropriation from the Division of County Operations (DCO) to establish a new program called Alternative Plus.

The Executive Recommendation does not provide for this appropriation in the 2011-2013 biennium.

## Appropriation Summary

**Appropriation:** 642 - DHS DAAS--Medicaid Expansion Program

**Funding Sources:** PTA - Medicaid Expansion Program Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	0	0	623,457	0	0	623,457	0
<b>#Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>0</b>
Personal Services Matching 5010003	0	0	0	0	235,074	0	0	235,074	0
Operating Expenses 5020002	0	0	0	0	220,000	0	0	220,000	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	25,000	0	0	25,000	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
Data Processing Services 5900044	0	0	0	0	40,000	0	0	40,000	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,143,531</b>	<b>0</b>	<b>0</b>	<b>1,143,531</b>	<b>0</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	0	0		0	571,765	0	0	571,765	0
Tobacco Settlement 4000495	0	0		0	571,766	0	0	571,766	0
<b>Total Funding</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>1,143,531</b>	<b>0</b>	<b>0</b>	<b>1,143,531</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>1,143,531</b>	<b>0</b>	<b>0</b>	<b>1,143,531</b>	<b>0</b>

Tobacco Settlement Funds do not carry forward into the new biennium unless criteria is met as prescribed in Initiated Act 1 of 2000.  
The Executive Recommendation does not provide for this appropriation in the 2011-2013 biennium.



## Change Level by Appropriation

**Appropriation:** 642 - DHS DAAS–Medicaid Expansion Program  
**Funding Sources:** PTA - Medicaid Expansion Program Account

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C04	Reallocation	0	0	0	0.0	0	0	0	0.0
C07	Agency Transfer	1,143,531	22	1,143,531	100.0	1,143,531	22	1,143,531	100.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C04	Reallocation	0	0	0	0.0	0	0	0	0.0
C07	Agency Transfer	0	0	0		0	0	0	

### Justification

C04	(Operations) DAAS requests that \$75,000 of the above \$100,000 Professional Fees line item be reallocated to Maintenance and Operation to cover the expenses of travel and day-to-day operations of the home and community based services unit both years of the biennium.
C07	(Personnel) To further enhance the Medicaid Expansion Program, DAAS is pursuing service provision for the 65 and older population by facilitating the transition of identified low care Medicaid enrollees from nursing facilities to home and community based care. DAAS requests the transfer of positions to provide education and counseling on home and community based services to individuals in nursing homes who desire to return home and to assist those individuals in completing the necessary processes in order to receive home and community based services. In specific response to the new federal regulations requiring nursing homes to notify a designated entity about a resident's desire to return to the community, Specialists will respond within 10 days of the notification to meet with the resident and family to discuss options available to them and assist in identifying and executing (as needed) the plan of transition. One (1) DHS/DCO Program Manager, two (2) Program Eligibility Supervisors, and three (3) Local Office Administrative Assistants will make up the unit. (Operations) To support the daily operations of the Medicaid Expansion Program, DAAS requests the transfer of appropriation and funding from the Division of County Operations both years of the biennium that would enable staff to provide the education and counseling regarding home and community based services to individuals in nursing homes who desire to return home and to assist those individuals in completing the necessary processes in order to receive home and community based services.

## **Analysis of Budget Request**

**Appropriation:** 896 - DHS DAAS—Admin Paying Account

**Funding Sources:** PWP - Administration Paying

The operations appropriation provides for the administration of the Division of Aging and Adult Services (DAAS) of the Department of Health and 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 protective services, advocacy for long-term care recipient rights, non-criminal legal assistance, 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 Community-Based Care and Nursing Home Alternative appropriations of DAAS encompass three programs: Alternatives, Assisted Living, and Eldercare. All three are Medicaid home and community-based programs that provide services to Arkansas residents of several age ranges.

- Alternatives provides attendant care and environmental modification services to individuals age 21 through 64 who meet the criteria for intermediate nursing home care. The individuals income should be less than 300% of poverty meet the resource limits for Medicaid. Those who qualify may also receive regular Medicaid Benefits
- Assisted Living’s waiver program provides 24-hour supervision and supportive services, including limited nursing services in a congregate setting to persons aged 21 and older who have an income of no more than 300% of SSI and limited resources.
- ElderChoices provides in-home services to individuals 65 and over. These services are designed to delay or prevent institutionalization by maintaining, strengthening or restoring an eligible client’s functioning in his or her own home, the home of a caregiver or foster facility. Services may include adult day care, adult day healthcare, adult foster care, chore, home delivered meals, homemaker services, personal emergency response system, and respite care.

DAAS’s Nutrition Programs appropriation is designed to provide meals to clients who are age 60 or older (or spouse or disabled dependent of person age 60 or older), homebound, and unable to prepare nutritionally adequate meals, and living in an area where the meal can be delivered.

The Older Worker Program appropriation for DAAS provides for low-income persons age 55 and over who have poor employment prospects. Program participants receive assignments at community and government agencies and are paid the Federal or State minimum wage, whichever is higher. Participants may also receive assistance in developing job search skills and in locating a permanent job. Participants are placed in non-profit or public service type host agencies. They receive on-the-job training and work experience. During their training,

participants work with their local Employment and Training Coordinator to achieve permanent part time or full time unsubsidized employment either at their host agency or with other employment sources in their area. Some of the benefits participants receive while in the program are: temporary paid work experience; improvement of marketable skills; development of new skills and an opportunity to establish a current work history.

The Retired and Senior Volunteer Program (RSVP) appropriation is part of the national, non-profit organization sponsored locally by one of eight regional programs. It provides people age 55 and older with an opportunity to use the skills they spent a lifetime acquiring, in meaningful volunteer activities. RSVP also conducts recognition events for members of the program as a means to recognize the people who donate their time and talents to help their Arkansas communities, providing an opportunity for our members to socialize with other active seniors.

The Senior Citizens Centers appropriation provides DAAS with local hubs for administering the many programs offered to the service areas covered by the more than 200 Centers across the state. They serve as resources for information and assistance regarding eligibility and applications, places of congregation, as well as offering RSVP opportunities.

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 which is indicated as various program support is derived from many sources including Disaster Assistance, Community Health Worker and State Income Tax Check Off funding.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

### **896 - Administration Paying Account**

The Agency Base Level request for this appropriation is \$14,660,301 each year of the biennium with 194 budgeted base level positions.

The Agency Change Level request for appropriation is \$1,430,275 each year of the biennium and includes the following:

- Restoration of ten (10) positions that are authorized but not budgeted with salary and matching appropriation to investigate allegations of adult maltreatment.
- Transfer of one (1) position with salary and matching appropriation from the Division of Medical Services (DMS) to provide support to the Public Guardianship Office.
- Transfer of one (1) position with salary and matching appropriation from the Division of County Operations (DCO) to counsel callers about financial requirements for Medicaid waiver programs.
- Transfer of one (1) position with salary and matching appropriation to DMS to help in meeting the demands of the growing Home and Community Based Services waiver programs.

- \$468,867 is requested in each year of the biennium in Operating Expenses as unfunded appropriation to efficiently utilize any increases in grant awards.
- \$25,000 is requested in each year of the biennium in Conference Fees and Travel 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 each year of the biennium.

The Agency Base Level request for the Nursing Home Care Alternatives appropriation is \$5,193,872 each year of the biennium of which \$4,800,027 is requested to be funded by general revenue funding.

The Agency Base Level request for the Nutrition Program appropriation is \$10,424,649 each year of the biennium.

The Agency Base Level request for the Older Worker Program appropriation is \$1,052,664 each year of the biennium and is funded by general revenue.

The Agency Base Level request for the Project Grants appropriation is \$12,331,764 each year of the biennium of which \$103,300 is requested to be funded by general revenue funding.

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 \$5,000,000 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 each year of the biennium. This appropriation will only be utilized if an Area Agency on Aging should decide to re-enter the Senior Community Center Employment Program and will be funded by Title V.

The Agency Change Level request for the Nursing Home Care Alternative appropriation is \$1,000,000 each year of the biennium 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 does not have a Change Level request for the Older Worker Program appropriation.

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 does not have a Change Level request for the Senior Citizens Centers appropriation.

### **896 - Administration Paying Account**

Executive Recommendation:

The Executive Recommendation provides for the Agency Request.

### **898 - DHS Grants Paying Account**

Executive Recommendation:

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

The Executive Recommendation for the Nursing Home Care Alternatives appropriation provides for the Agency Request.

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

The Executive Recommendation for the Older Worker Program appropriation provides for the Agency Request.

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

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

The Executive Recommendation for the Senior Citizens Centers appropriation provides for the Agency Request.

# Appropriation Summary

**Appropriation:** 896 - DHS DAAS--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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	8,426,202	8,813,005	9,200,447	8,799,940	9,121,424	9,121,424	8,799,940	9,121,424	9,121,424
<b>#Positions</b>		<b>192</b>	<b>194</b>	<b>203</b>	<b>194</b>	<b>204</b>	<b>204</b>	<b>194</b>	<b>204</b>	<b>204</b>
Extra Help	5010001	35,194	120,434	140,868	120,434	120,434	120,434	120,434	120,434	120,434
<b>#Extra Help</b>		<b>5</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>
Personal Services Matching	5010003	2,542,497	2,751,372	2,821,506	2,783,173	2,898,097	2,898,097	2,783,173	2,898,097	2,898,097
Operating Expenses	5020002	1,809,994	2,720,239	2,823,321	2,720,239	3,189,106	3,189,106	2,720,239	3,189,106	3,189,106
Conference & Travel Expenses	5050009	75,932	110,100	110,100	110,100	135,100	135,100	110,100	135,100	135,100
Professional Fees	5060010	46,660	126,415	547,615	126,415	626,415	626,415	126,415	626,415	626,415
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Project Grants	5100004	10,059,553	12,331,764	13,960,559	12,331,764	14,331,764	14,331,764	12,331,764	14,331,764	14,331,764
Retired & Sr Volunteer Prgm	5100004	69,825	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Sr Citizen Centers	5100004	4,747,197	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Older Wkrs Prgm Grant	5100004	1,052,665	1,052,664	1,132,005	1,052,664	1,052,664	1,052,664	1,052,664	1,052,664	1,052,664
Community Based Care	5100004	0	0	90,000	0	90,000	90,000	0	90,000	90,000
Nursing Hm Care Alternatives	5100004	5,230,351	5,193,872	6,656,003	5,193,872	6,193,872	6,193,872	5,193,872	6,193,872	6,193,872
Nutrition Programs	5100004	8,381,443	10,424,649	11,343,402	10,424,649	11,424,649	11,424,649	10,424,649	11,424,649	11,424,649
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Project Grants-ARRA of 2009	5900052	285,334	0	431,800	0	0	0	0	0	0
Nutrition Prgms-ARRA of 2009	5900052	967,214	0	967,214	0	0	0	0	0	0
<b>Total</b>		<b>43,730,061</b>	<b>48,719,514</b>	<b>55,299,840</b>	<b>48,738,250</b>	<b>54,258,525</b>	<b>54,258,525</b>	<b>48,738,250</b>	<b>54,258,525</b>	<b>54,258,525</b>

Funding Sources										
General Revenue	4000010	16,031,893	17,301,126		17,301,126	17,301,126	17,301,126	17,301,126	17,301,126	17,301,126
Federal Revenue	4000020	26,598,856	31,320,970		31,339,706	31,468,147	31,468,147	31,339,706	31,468,147	31,468,147
Federal Funds-ARRA	4000244	1,252,548	0		0	0	0	0	0	0
Reallocation of Resources	4000410	(171,320)	0		0	0	0	0	0	0
Transfer to Medicaid Match	4000660	(70,646)	(32,582)		(32,582)	(32,582)	(32,582)	(32,582)	(32,582)	(32,582)
Various Program Support	4000730	88,730	130,000		130,000	130,000	130,000	130,000	130,000	130,000
<b>Total Funding</b>		<b>43,730,061</b>	<b>48,719,514</b>		<b>48,738,250</b>	<b>48,866,691</b>	<b>48,866,691</b>	<b>48,738,250</b>	<b>48,866,691</b>	<b>48,866,691</b>
Excess Appropriation/(Funding)		0	0		0	5,391,834	5,391,834	0	5,391,834	5,391,834
<b>Grand Total</b>		<b>43,730,061</b>	<b>48,719,514</b>		<b>48,738,250</b>	<b>54,258,525</b>	<b>54,258,525</b>	<b>48,738,250</b>	<b>54,258,525</b>	<b>54,258,525</b>

The FY10 funding includes a General Revenue fund transfer to the DHS - Division of County Operations by Authority of Reallocation of Resources.

## Change Level by Appropriation

**Appropriation:** 896 - DHS DAAS–Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>14,660,301</b>	<b>194</b>	<b>14,660,301</b>	<b>100.0</b>	<b>14,660,301</b>	<b>194</b>	<b>14,660,301</b>	<b>100.0</b>
C05	Unfunded Appropriation	1,408,694	9	16,068,995	109.6	1,408,694	9	16,068,995	109.6
C07	Agency Transfer	21,581	1	16,090,576	109.8	21,581	1	16,090,576	109.8

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>14,660,301</b>	<b>194</b>	<b>14,660,301</b>	<b>100.0</b>	<b>14,660,301</b>	<b>194</b>	<b>14,660,301</b>	<b>100.0</b>
C05	Unfunded Appropriation	1,408,694	9	16,068,995	109.6	1,408,694	9	16,068,995	109.6
C07	Agency Transfer	21,581	1	16,090,576	109.8	21,581	1	16,090,576	109.8

### Justification

C05	Historically DAAS has been successful in securing competitively pursued 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.
C07	DAAS requests transfer in of one (1) Administrative Specialist II position from the Division of Medical Services to provide support to the Public Guardianship Office (established in the DAAS through passage of Act 862 of the 2007 General Assembly. DAAS requests to transfer one (1) position to the Program Development/Quality Assurance Unit in the Division of Medical Services. This position is essential in meeting the demands of the growing Home and Community Based Services (HCBS) waiver programs and those programs offering self-direction. Both Health Care Reform legislation and Long Term Care Rebalancing efforts support the growth of HCBS waiver programs and self direction. In addition to the above request, DAAS requests transfer of one (1) Program Eligibility Specialist position from the Division of County Operations to be housed in the Choices in Living Resource Center to counsel callers about financial requirements for Medicaid waiver programs.

## Change Level by Appropriation

**Appropriation:** 898 - DHS DAAS–Grants Paying Account  
**Funding Sources:** PWE - Administration Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>34,077,949</b>	<b>0</b>	<b>34,077,949</b>	<b>100.0</b>	<b>34,077,949</b>	<b>0</b>	<b>34,077,949</b>	<b>100.0</b>
C05	Unfunded Appropriation	4,090,000	0	38,167,949	112.0	4,090,000	0	38,167,949	112.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>34,077,949</b>	<b>0</b>	<b>34,077,949</b>	<b>100.0</b>	<b>34,077,949</b>	<b>0</b>	<b>34,077,949</b>	<b>100.0</b>
C05	Unfunded Appropriation	4,090,000	0	38,167,949	112.0	4,090,000	0	38,167,949	112.0

### Justification

C05	Agency requests unfunded appropriation for the Community Based Care line item to be used if a AAA should decide to re-enter the Senior Community Center Employment Program funded by Title V. Agency also requests unfunded appropriation for the Project Grants, Nutrition Programs and Nursing Home Care Alternatives line items to utilize any unanticipated increases in Federal or private foundation awards for mandatory grant travel.
-----	---



## **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	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				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 226 of 2010  
A.C.A. §25-10-102  
A.C.A. §9-16-101 et seq.

## History and Organization

In 1985, the 75<sup>th</sup> 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 70<sup>th</sup> 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 81<sup>st</sup> 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 81<sup>st</sup> 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 the following major areas:

- 1) The Office of Director directly supervises the following executive staff and program managers: Assistant Director of Community Services, Chief Fiscal Officer of the Office of Finance and Administrative Support, Assistant Director of Office of Central Operations, Youth Services Manager, Adoption Managers, Planning Manager, Foster Care Manager, Mental Health Manager, and Policy and Training Manager.
- 2) Office of Community Services-This office is responsible for the direct and purchased services delivery of child welfare services in each of the 75 counties of the state. Each of the ten areas has an Area Director, County Supervisors, Family Services Workers, Social Services Aides II, and other county based staff to provide direct services. Services are also provided through a statewide network of community providers.

In central office, the Office of Community Services includes a Program Administrator, Program Manager, the Interstate Compact for the Placement of Children (ICPC) staff, and a Client Advocate who assist DCFS consumers.

- 3) Office of Finance and Administrative Support-This office provides support in the following areas: financial support, budgeting, funds management, accounts payable contracts managements, and personnel.
- 4) Office of Operations - This office provides support in the following areas; Child Maltreatment Registry, Criminal Background Checks, Eligibility, Investigations and Child Protective Services and Vehicle Safety. This office is also responsible for the management of day-to-day operations for DCFS.
- 5) The Quality Assurance management is contracted with Hornby Zeller Associates Inc., and falls under the direction of the Division Director.

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.

The Division delivers services directly and purchases services from private and public agencies, universities and individuals, using state and federal funds. Programs and services of other Divisions within the Department of Human Services (DHS) are also available to clients of DCFS. Delivery of services is coordinated with other Divisions administering TEA/TANF Medicaid, Food Stamps, Social Services Block Grant, and other federal entitlement programs. DCFS continues to work with the state Community-Based Child Abuse Prevention Program (CBCAP) State Lead Agency funded under Title II of CAPTA to develop child abuse prevention programs, in addition to the ones DCFS purchases.

DCFS staff provides child maltreatment investigations, family assessment, case planning, referral, and case management services. If a child cannot be maintained safely in their own home, DCFS will petition the court for custody and place the child in an approved foster home or licensed residential facility.

Child Welfare Services are a broad category of services to children and their families.

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. Months before the issuance of the Final Report DCFS began to put in place immediate and long term strategies to assure safety, permanency and well being for vulnerable children and families across the State.

The Division received the report in the fall of 2009, and has developed the federally mandated Program Improvement Plan (PIP), which is a plan to address issues identified in the CFSR and aide in the transformation of the Arkansas Child Welfare system. The goal of the Division in its transformation is to bring about systemic and long lasting change that will bring positive outcomes for our children and families in the state which in turn will allow us to meet the federal standards.

Listed below are the results of the CFSR when originally conducted along with results after implementation of numerous transformation efforts:

Safety Outcome 1: Children are first and foremost protected from abuse and neglect.

Status: Not in Substantial Conformity

The outcome was determined to be substantially achieved in 76.9% of the cases reviewed at the initial review - with transformation efforts percentage still the same.

Safety Outcome 2: Children are safely maintained in their own homes wherever possible and appropriate.

Status: Not in Substantial Conformity

The outcome was determined to be substantially achieved in 58.5 % of the cases reviewed at the initial review - with transformation efforts has increased to 60%.

Permanency Outcome 1: Children have permanency and stability in their living situations

Status: Not in Substantial Conformity

The outcome was determined to be substantially achieved in 41.0% of the cases reviewed at the initial review - with transformation efforts has increased to 62%.

Permanency 2: The continuity of family relationships and connects is preserved for children

Status: Not in Substantial Conformity

The outcome was determined to be substantially achieved in 53.9% of the cases reviewed at the initial review - with transformation efforts has increased to 73%.

Well Being Outcome 1: Families have enhanced capacity to provide for the children's needs

Status: Not in Substantial Conformity

The outcome was determined to be substantially achieved in 27.7% of the cases reviewed at the initial review - with transformation efforts has increased to 45%.

Well Being Outcome 2: Children receive appropriate services to meet their educational needs

Status: Not in Substantial Conformity

The outcome was determined to be substantially achieved in 71% of the cases reviewed at the initial review - with transformation efforts has increased to 75%.

Well Being Outcome 3: Children receive adequate services to meet their physical and mental health needs

Status: Not in Substantial Conformity

The outcome was determined to be substantially achieved in 62.3% of the cases reviewed at the initial review - with transformation efforts has increased to 69%.

Arkansas Program Improvement Plan after the Final report established four broad strategies to make significant, systemic and sustainable changes to improve outcomes for children and families. They are:

- 1) Develop and Implement a Sustainable Practice Model to ensure consistent and appropriate services are provided to children and families that lead to positive outcomes
- 2) Establish a System for Effective Communication, Professional Development, and Organizational change to build a child welfare system that keeps children safe and help families; respectfully engages families and youth and uses community based services and supports to assist parents in successfully caring for their children. The focus will be on the safety, permanency, and well being for all children and youth
- 3) Build Arkansas Service Array to have available, appropriated, and accessible services to children and families based on their identified needs
- 4) Develop an Effective Quality Assurance and practice improvement process to ensure the consistency of quality practice and the flexibility to improve based on the data gathered through our Quality Assurance processes

The Arkansas child welfare practice model describes all of our efforts to renew our work with families and aligns us more readily with our division's mission. It reflects our goals and our principles and is embedded in our casework process, our daily interactions and our decisions. It is not spelled out in any single document but instead is increasingly a part of everything we do - every action, every decision and is reflected in every document we develop and implement.

The practice model is the way our systems work together to serve children and families. One of the key elements is the focus on how we do the work is as important as the work we do.

## **Practice Model Goals**

Our practice model unites our casework process with an approach that values and supports families at every step of a family's encounter with our system. The goals of our practice model are:

- Safely keep children with their families.
- Enhance well-being in all of our practice with families.
- Ensure foster care and other placements support goals of permanency.
- Use permanent placement with relatives or other adults, when reunification is not possible, who have a close relationship to the child or children (preferred permanency option).
- Ensure adoptions, when that is the best permanency option, are timely, well-supported and lifelong.
- Ensure youth have access to an array of resources to help achieve successful transition to adulthood.

## **Principles to Guide Best Practices**

Along with our goals, we support the practice model by looking for ways to incorporate the following principles into every encounter we have when working on behalf of families.

### **We believe...**

- Behavior change and the work of change is a part of our daily challenge.
- Safety for children is achieved through positive protective relationships with caring family and community members.
- Meaningful decisions require close family participation in decision making.
- Strengths of families and supporting these strengths contribute to life-long permanent relationship for children.
- Families' success depends on community involvement and shared problem solving. Practice with families is interrelated at every step of the casework process.
- Sustainable success with families is the work of a team.
- The entire system must support frontline practice to achieve positive outcomes with families.
- Every staff position, role, and activity of the Division shows continuous effort to build and maintain professionalism.
- Skill based training and consultation forms the foundation for successful practice with families.
- Quality improvement and accountability guide all of our work.
- How we do the work is as important as the work we do.

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

In 1985, the 75<sup>th</sup> 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 70<sup>th</sup> 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 81<sup>st</sup> 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 81<sup>st</sup> 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.

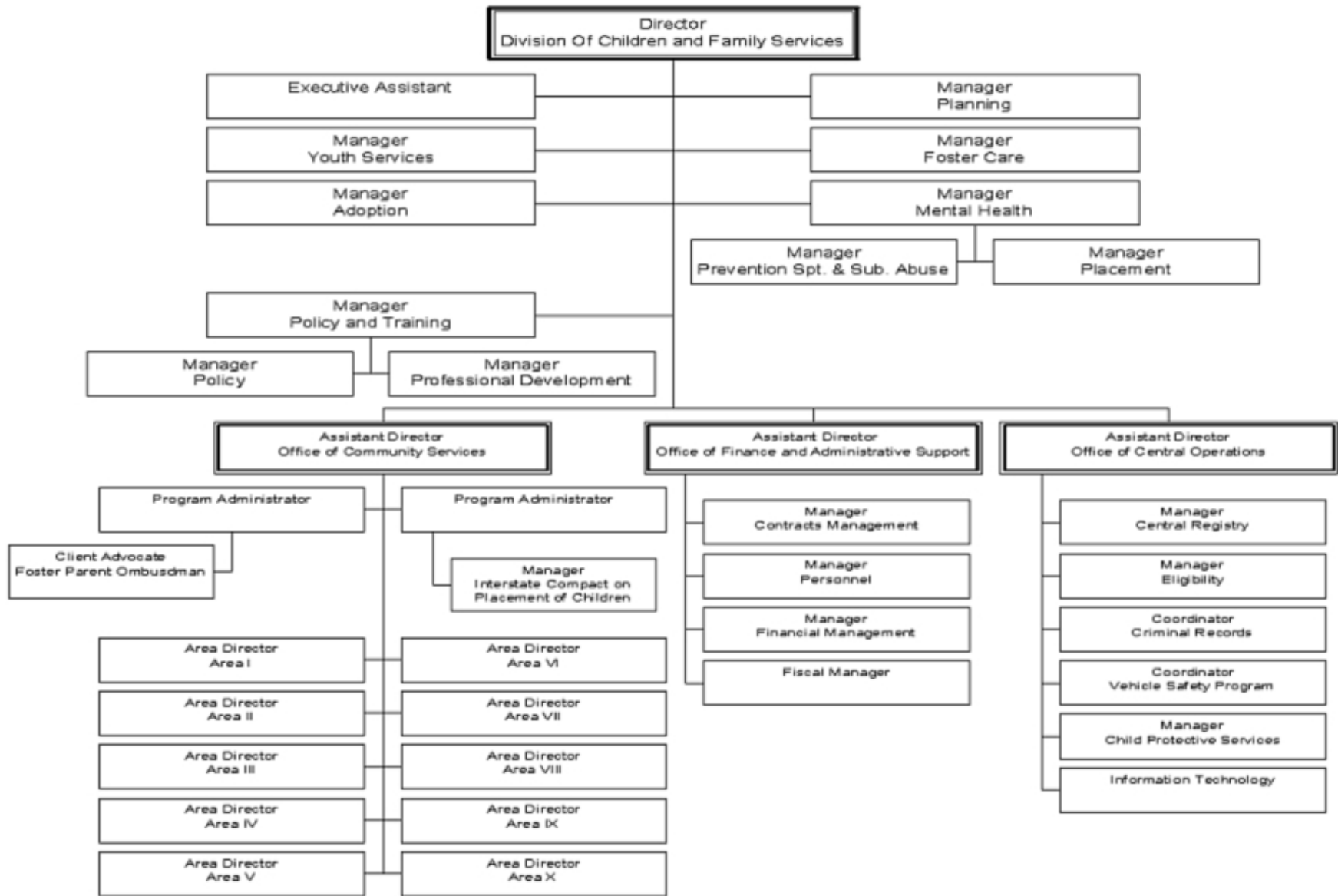
- The first set of standards is framed in terms of front-line practice. They are organized around a "life of the case" framework - starting with intake and moving through service provision and case closure.
- The second set of standards is framed around the program and organizational capacity of the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

CFS 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.

The Division delivers services directly and purchases services from private and public agencies, universities and individuals, using state and federal funds. Programs and services of other Divisions within the Department of Human Services (DHS) are also available to clients of DCFS. Delivery of services is coordinated with other Divisions administering TEA/TANF Medicaid, Food Stamps, Social Services Block Grant, and other federal entitlement programs. DCFS continues to work with the state Community-Based Child Abuse Prevention Program (CBCAP) State Lead Agency funded under Title II of CAPTA to develop child abuse prevention programs, in addition to the ones DCFS purchases.

DCFS staff provides child maltreatment investigations, family assessment, case planning, referral, and case management services. If a child cannot be maintained safely in their own home, DCFS will petition the court for custody and place the child in an approved foster home or licensed residential facility.

Child Welfare Services are a broad category of services to children and their families.

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. Months before the issuance of the Final Report DCFS began to put in place immediate and long term strategies to assure safety, permanency and well being for vulnerable children and families across the State. The Division received the report in the fall of 2009, and has developed the federally mandated Program Improvement Plan (PIP), which is a plan to address issues identified in the CFSR and aide in the transformation of the Arkansas Child Welfare system. The goal of the Division in its transformation is to bring about systemic and long lasting change that will bring positive outcomes for our children and families in the state which in turn will allow us to meet the federal standards.

Listed below are the results of the CFSR when originally conducted along with results after implementation of numerous transformation efforts:

Safety Outcome 1: Children are first and foremost protected from abuse and neglect.

Status: Not in Substantial Conformity

The outcome was determined to be substantially achieved in 76.9% of the cases reviewed at the initial review - with transformation efforts percentage still the same.

Safety Outcome 2: Children are safely maintained in their own homes wherever possible and appropriate.

Status: Not in Substantial Conformity

The outcome was determined to be substantially achieved in 58.5 % of the cases reviewed at the initial review - with transformation efforts has increased to 60%.

Permanency Outcome 1: Children have permanency and stability in their living situations

Status: Not in Substantial Conformity

The outcome was determined to be substantially achieved in 41.0% of the cases reviewed at the initial review - with transformation efforts has increased to 62%.

Permanency 2: The continuity of family relationships and connects is preserved for children

Status: Not in Substantial Conformity

The outcome was determined to be substantially achieved in 53.9% of the cases reviewed at the initial review - with transformation efforts has increased to 73%.

Well Being Outcome 1: Families have enhanced capacity to provide for the children's needs

Status: Not in Substantial Conformity

The outcome was determined to be substantially achieved in 27.7% of the cases reviewed at the initial review - with transformation efforts has increased to 45%.

Well Being Outcome 2: Children receive appropriate services to meet their educational needs

Status: Not in Substantial Conformity

The outcome was determined to be substantially achieved in 71% of the cases reviewed at the initial review - with transformation efforts has increased to 75%.

Well Being Outcome 3: Children receive adequate services to meet their physical and mental health needs

Status: Not in Substantial Conformity

The outcome was determined to be substantially achieved in 62.3% of the cases reviewed at the initial review - with transformation efforts has increased to 69%.

Arkansas Program Improvement Plan after the Final report established four broad strategies to make significant, systemic and sustainable changes to improve outcomes for children and families. They are:

- 1) Develop and Implement a Sustainable Practice Model to ensure consistent and appropriate services are provided to children and families that lead to positive outcomes
- 2) Establish a System for Effective Communication, Professional Development, and Organizational change to build a child welfare system that keeps children safe and help families; respectfully engages families and youth and uses community based services and supports to assist parents in successfully caring for their children. The focus will be on the safety, permanency, and well being for all children and youth
- 3) Build Arkansas Service Array to have available, appropriated, and accessible services to children and families based on their identified needs
- 4) Develop an Effective Quality Assurance and practice improvement process to ensure the consistency of quality practice and the flexibility to improve based on the data gathered through our Quality Assurance processes

The Arkansas child welfare practice model describes all of our efforts to renew our work with families and aligns us more readily with our division's mission. It reflects our goals and our principles and is embedded in our casework process, our daily interactions and our decisions. It is not spelled out in any single document but instead is increasingly a part of everything we do - every action, every decision and is reflected in every document we develop and implement. The practice model is the way our systems work together to serve children and families. One of the key elements is the focus on how we do the work is as important as the work we do.

## **Practice Model Goals**

Our practice model unites our casework process with an approach that values and supports families at every step of a family's encounter with our system. The goals of our practice model are:

- Safely keep children with their families.
- Enhance well-being in all of our practice with families.
- Ensure foster care and other placements support goals of permanency.
- Use permanent placement with relatives or other adults, when reunification is not possible, who have a close relationship to the child or children (preferred permanency option).
- Ensure adoptions, when that is the best permanency option, are timely, well-supported and lifelong.
- Ensure youth have access to an array of resources to help achieve successful transition to adulthood.

## **Principles to Guide Best Practices**

Along with our goals, we support the practice model by looking for ways to incorporate the following principles into every encounter we have when working on behalf of families.

### **We believe...**

- Behavior change and the work of change is a part of our daily challenge.
- Safety for children is achieved through positive protective relationships with caring family and community members.
- Meaningful decisions require close family participation in decision making.
- Strengths of families and supporting these strengths contribute to life-long permanent relationship for children.
- Families' success depends on community involvement and shared problem solving. Practice with families is interrelated at every step of the casework process.
- Sustainable success with families is the work of a team.
- The entire system must support frontline practice to achieve positive outcomes with families.
- Every staff position, role, and activity of the Division shows continuous effort to build and maintain professionalism.
- Skill based training and consultation forms the foundation for successful practice with families.
- Quality improvement and accountability guide all of our work.
- How we do the work is as important as the work we do.

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

To meet the national standards and to continue the improvement and the transformation of the system, additional resources will be needed in both funding and personnel.

To continue our mission of protecting children, preserving families, continuing progress with the transformation of the system, and to meet the requirements of the PIP, the Division of Children and Family Services 2012 - 2013 Biennial Budget represents a request for:

Funding and appropriation above base level of:

	<b>2012</b>	<b>2013</b>
Federal	\$ 110,755	\$ 110,755
State	\$ 1,127,916	\$ 1,127,916
Total	\$ 1,238,671	\$ 1,238,671

**PERSONNEL REQUESTS:**

The ultimate goal of DCFS is to provide safety and permanency for children. In order to do this, we must have quality staff who possess the necessary skill sets, to respond to reports of suspected child maltreatment, provide services to protect children and assure permanency for them. These staff must have training and sufficient resources to do their jobs, including placement and treatment resources, and access to needed support systems.

State law, agency policy, and national standards set forth requirements for best practice. Workers who possess the necessary skill sets, have quality supervisory support and have a clear understanding of their roles and responsibilities are better able to access and make the best decisions needed for children and families.

DCFS is requesting to restore 134 currently authorized positions with unfunded appropriation for both salary and fringe benefits for both 2012 and 2013. These positions are vital to allowing the Division to continue with the transformation efforts already occurring within the system.

This request will allow the Division to better meet the needs of our children and families, allow us to meet the goals and outcome measures we have set as a division, and implement the improvements set out in our PIP. DCFS realizes our workers are the heart in the delivery of our services. The development and retention of a quality child welfare workforce is the key to the transformation of our system.

DCFS is requesting to transfer a total of 20 positions to other divisions. The Division of Child Care and Early Childhood Education will receive 16 positions which allows the transfer of all similar facility licensing and monitoring activities in the Department to be in the same division. State general revenue funding of \$671,000 will be transferred to the Division of Child Care and Early Childhood Education to support the 16 positions transferred. The Division of Behavioral Health will receive two positions that are being utilized as Respiratory Therapists and prevents these services from having to be contracted out. The Division of Medical Services will receive two positions to be utilized in the planning and implementation of new Medicaid programs and system requirements.

DCFS is requesting to receive the transfer of one position from the Division of Behavioral Health. This position is responsible for improving the mental health services of the children and families who are clients of the child welfare system, as studies show that approximately 95% of children entering foster care require mental health services.

**CONTRACT SERVICES:**

The Division will procure during State Fiscal Year 2011 for Therapeutic Foster Care, Residential Group Homes and Alcohol and Substance Abuse Prevention contracts. The Division is requesting funding and appropriation in the amount of \$388,671 in both 2012 and 2013, of which \$277,916 is state general revenue to meet the anticipated rate increases in the contracts under the new procurement.

The Division is requesting appropriation only in the amount of \$6,950,000 in both 2012 and 2013 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 (State):**

The Division is requesting general revenue funding and appropriation in the amount of \$850,000 in both 2012 and 2013 to meet the increased cost of state funded foster board payments. The percentage of children who are eligible for a federal foster board payment has declined from 69.05% at the beginning of State Fiscal Year 2009 to 64.96% for May 2010, a decline of 4.09%. The primary cause of this decline is families failing the income eligibility for Title IV-E.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

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

## 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

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
882 State Residential Treatment	1,586,966	0	1,330,000	0	1,330,000	0	1,330,000	0	1,341,305	0	1,341,305	0	1,330,000	0	1,341,305	0	1,341,305	0
883 Foster Care	20,862,417	0	17,617,628	0	17,617,628	0	17,617,628	0	23,815,859	0	23,815,859	0	17,617,628	0	23,815,859	0	23,815,859	0
896 Division of Children & Family Services	69,564,277	1,142	74,050,895	1,060	81,986,431	1,194	74,752,376	1,060	79,391,909	1,175	80,187,785	1,191	74,752,376	1,060	79,391,909	1,175	80,187,785	1,191
898 TANF/Foster Care	41,028,380	0	41,487,599	0	42,294,294	0	40,291,976	0	42,271,111	0	40,291,976	0	40,291,976	0	42,271,111	0	40,291,976	0
<b>NOT REQUESTED FOR THE BIENNIUM</b>																		
35Y Child Abuse/Neglect Program	0	0	0	0	1,244,382	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>133,042,040</b>	<b>1,142</b>	<b>134,486,122</b>	<b>1,060</b>	<b>144,472,735</b>	<b>1,194</b>	<b>133,991,980</b>	<b>1,060</b>	<b>146,820,184</b>	<b>1,175</b>	<b>145,636,925</b>	<b>1,191</b>	<b>133,991,980</b>	<b>1,060</b>	<b>146,820,184</b>	<b>1,175</b>	<b>145,636,925</b>	<b>1,191</b>

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	47,133,345	35.4	49,511,800	36.8		49,511,800	37.0	49,968,716	37.1	50,571,336	37.4	49,511,800	37.0	49,968,716	37.1	50,571,336	37.4
Federal Revenue	4000020	64,766,194	48.7	68,263,199	50.8		68,964,680	51.5	69,075,435	51.3	68,964,680	51.1	68,964,680	51.5	69,075,435	51.3	68,964,680	51.1
Federal Funds-ARRA	4000244	2,998,013	2.3	1,195,623	0.9		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	(330,260)	(0.2)	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Refunds	4000415	3,205,752	2.4	2,950,000	2.2		2,950,000	2.2	2,950,000	2.2	2,950,000	2.2	2,950,000	2.2	2,950,000	2.2	2,950,000	2.2
Transfer to State Police	4000675	(1,482,855)	(1.1)	(1,699,208)	(1.3)		(1,699,208)	(1.3)	(1,699,208)	(1.3)	(1,699,208)	(1.3)	(1,699,208)	(1.3)	(1,699,208)	(1.3)	(1,699,208)	(1.3)
Various Program Support	4000730	16,751,851	12.6	14,264,708	10.6		14,264,708	10.6	14,264,708	10.6	14,264,708	10.6	14,264,708	10.6	14,264,708	10.6	14,264,708	10.6
<b>Total Funds</b>		<b>133,042,040</b>	<b>100.0</b>	<b>134,486,122</b>	<b>100.0</b>		<b>133,991,980</b>	<b>100.0</b>	<b>134,559,651</b>	<b>100.0</b>	<b>135,051,516</b>	<b>100.0</b>	<b>133,991,980</b>	<b>100.0</b>	<b>134,559,651</b>	<b>100.0</b>	<b>135,051,516</b>	<b>100.0</b>
Excess Appropriation/(Funding)		0		0			0		12,260,533		10,585,409		0		12,260,533		10,585,409	
<b>Grand Total</b>		<b>133,042,040</b>		<b>134,486,122</b>			<b>133,991,980</b>		<b>146,820,184</b>		<b>145,636,925</b>		<b>133,991,980</b>		<b>146,820,184</b>		<b>145,636,925</b>	

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
1,137	946	85	1031	106	16.80 %	1,194	1028	7	1035	159	13.90 %	1,194	1028	32	1060	134	13.90 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 242 of 2010 section 17(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:** 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 \$1,330,000 each year of the biennium.

The Agency Change Level request is \$11,305 each year of the biennium in appropriation and new general revenue funding to cover increases in contract and board expenses.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	1,586,966	1,330,000	1,330,000	1,330,000	1,341,305	1,341,305	1,330,000	1,341,305	1,341,305
<b>Total</b>	<b>1,586,966</b>	<b>1,330,000</b>	<b>1,330,000</b>	<b>1,330,000</b>	<b>1,341,305</b>	<b>1,341,305</b>	<b>1,330,000</b>	<b>1,341,305</b>	<b>1,341,305</b>
<b>Funding Sources</b>									
General Revenue 4000010	1,586,966	1,330,000		1,330,000	1,341,305	1,341,305	1,330,000	1,341,305	1,341,305
<b>Total Funding</b>	<b>1,586,966</b>	<b>1,330,000</b>		<b>1,330,000</b>	<b>1,341,305</b>	<b>1,341,305</b>	<b>1,330,000</b>	<b>1,341,305</b>	<b>1,341,305</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>1,586,966</b>	<b>1,330,000</b>		<b>1,330,000</b>	<b>1,341,305</b>	<b>1,341,305</b>	<b>1,330,000</b>	<b>1,341,305</b>	<b>1,341,305</b>

## Change Level by Appropriation

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

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,330,000</b>	<b>0</b>	<b>1,330,000</b>	<b>100.0</b>	<b>1,330,000</b>	<b>0</b>	<b>1,330,000</b>	<b>100.0</b>
C01	Existing Program	11,305	0	1,341,305	100.9	11,305	0	1,341,305	100.9

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,330,000</b>	<b>0</b>	<b>1,330,000</b>	<b>100.0</b>	<b>1,330,000</b>	<b>0</b>	<b>1,330,000</b>	<b>100.0</b>
C01	Existing Program	11,305	0	1,341,305	100.9	11,305	0	1,341,305	100.9

### Justification

C01	Funding and appropriation requested to accommodate a 2.7% rate increase for Therapeutic Foster Care, Alcohol and Substance Abuse Programs and Residential Group home contracts that will be procured during SFY11.								
-----	--	--	--	--	--	--	--	--	--



## **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 \$17,617,628 each year of the biennium of which \$14,667,628 is funded with general revenue.

The Agency Change Level request for appropriation is \$6,198,231 each year of the biennium with new general revenue funding of \$1,048,231 each year 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 the Agency Request.

## Appropriation Summary

**Appropriation:** 883 - Foster Care

**Funding Sources:** DCF - Children and Family Services Fund Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	20,862,417	17,617,628	17,617,628	17,617,628	23,815,859	23,815,859	17,617,628	23,815,859	23,815,859
<b>Total</b>	<b>20,862,417</b>	<b>17,617,628</b>	<b>17,617,628</b>	<b>17,617,628</b>	<b>23,815,859</b>	<b>23,815,859</b>	<b>17,617,628</b>	<b>23,815,859</b>	<b>23,815,859</b>
<b>Funding Sources</b>									
General Revenue 4000010	17,656,665	14,667,628		14,667,628	15,715,859	15,715,859	14,667,628	15,715,859	15,715,859
Refunds 4000415	3,205,752	2,950,000		2,950,000	2,950,000	2,950,000	2,950,000	2,950,000	2,950,000
<b>Total Funding</b>	<b>20,862,417</b>	<b>17,617,628</b>		<b>17,617,628</b>	<b>18,665,859</b>	<b>18,665,859</b>	<b>17,617,628</b>	<b>18,665,859</b>	<b>18,665,859</b>
Excess Appropriation/(Funding)	0	0		0	5,150,000	5,150,000	0	5,150,000	5,150,000
<b>Grand Total</b>	<b>20,862,417</b>	<b>17,617,628</b>		<b>17,617,628</b>	<b>23,815,859</b>	<b>23,815,859</b>	<b>17,617,628</b>	<b>23,815,859</b>	<b>23,815,859</b>

## Change Level by Appropriation

**Appropriation:** 883 - Foster Care  
**Funding Sources:** DCF - Children and Family Services Fund Account

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>17,617,628</b>	<b>0</b>	<b>17,617,628</b>	<b>100.0</b>	<b>17,617,628</b>	<b>0</b>	<b>17,617,628</b>	<b>100.0</b>
C01	Existing Program	1,048,231	0	18,665,859	105.9	1,048,231	0	18,665,859	105.9
C05	Unfunded Appropriation	5,150,000	0	23,815,859	135.2	5,150,000	0	23,815,859	135.2

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>17,617,628</b>	<b>0</b>	<b>17,617,628</b>	<b>100.0</b>	<b>17,617,628</b>	<b>0</b>	<b>17,617,628</b>	<b>100.0</b>
C01	Existing Program	1,048,231	0	18,665,859	105.9	1,048,231	0	18,665,859	105.9
C05	Unfunded Appropriation	5,150,000	0	23,815,859	135.2	5,150,000	0	23,815,859	135.2

### Justification

C01	Funding and appropriation requested to accommodate a 2.7% rate increase for Therapeutic Foster Care, Alcohol and Substance Abuse Programs and Residential Group home contracts that will be procured during SFY11. The decline in the Title IV-E penetration rate is driving board payments away from Title IV-E, there was a shift of \$1.2 million to state board during SFY10. DCFS is asking for the funding and appropriation for the difference in a 100% state board payment versus a Title IV-E board payment which is only funding 28.63 with state money.
C05	Unfunded appropriation is requested to meet the decline in the IV-E penetration rate that is driving more costs to 883, the unblending of placement contracts along with starting to utilize the P Card for trust account purchase, need the appropriation to pay US Bank on the front end. DCFS has had to reallocate 5 million in appropriation in SFY10 to meet these needs.

## **Analysis of Budget Request**

**Appropriation:** 896 - DHS DCFS—Admin Paying Account

**Funding Sources:** PWP - Administration Paying

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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Base Level request for this appropriation is \$74,752,376 each year of the biennium with 1,060 budgeted Base Level positions.

The Agency Change Level request for appropriation is \$4,639,533 each year of the biennium with a general revenue request of (\$671,000) each year of the biennium. The general revenue request consists of the following component:

- \$671,000 transferred to the Division of Childcare and Early Childhood Education (DCCECE) in conjunction with the transfer of the Child Welfare Agency Licensing Unit.

The following delineates the agency's request:

- Restoration of one hundred thirty-four (134) positions that are authorized but not budgeted with salary and matching appropriation to lower case the case load ratio of workers.
- Transfer of two (2) positions to the Division of Medical Services (DMS) with salary and matching appropriation to be utilized in the planning and implementation of new Medicaid programs and system requirements.
- Transfer of sixteen (16) positions to DCCECE with salary and matching appropriation in conjunction with the transfer of the Child Welfare Agency Licensing Unit.
- Transfer of two (2) positions to the Division of Behavioral Health Services (DBHS) with salary and matching appropriation to prevent services from having to be contracted out.
- Transfer of one (1) position from DBHS with salary and matching appropriation to improve the mental health services of children and families who are clients of the child welfare system.

The Executive Recommendation provides for the Agency Request with the exception of the transfer of 16 positions with salaries and matching appropriation and \$671,000 in general revenue to the Division of Childcare and Early Childhood Education.

# Appropriation Summary

**Appropriation:** 896 - DHS DCFS--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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	36,626,947	36,569,440	41,857,464	36,989,074	40,373,299	40,968,229	36,989,074	40,373,299	40,968,229
<b>#Positions</b>		<b>1,142</b>	<b>1,060</b>	<b>1,194</b>	<b>1,060</b>	<b>1,175</b>	<b>1,191</b>	<b>1,060</b>	<b>1,175</b>	<b>1,191</b>
Extra Help	5010001	244,978	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
<b>#Extra Help</b>		<b>32</b>	<b>32</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>
Personal Services Matching	5010003	11,817,564	12,533,401	14,196,153	12,815,248	14,070,556	14,271,502	12,815,248	14,070,556	14,271,502
Overtime	5010006	3,713	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	9,005,285	12,024,266	12,024,266	12,024,266	12,024,266	12,024,266	12,024,266	12,024,266	12,024,266
Conference & Travel Expenses	5050009	32,975	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	10,827,008	12,713,788	12,713,788	12,713,788	12,713,788	12,713,788	12,713,788	12,713,788	12,713,788
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	62,367	0	0	0	0	0	0	0	0
ARRA of 2009	5900052	943,440	0	984,760	0	0	0	0	0	0
<b>Total</b>		<b>69,564,277</b>	<b>74,050,895</b>	<b>81,986,431</b>	<b>74,752,376</b>	<b>79,391,909</b>	<b>80,187,785</b>	<b>74,752,376</b>	<b>79,391,909</b>	<b>80,187,785</b>

Funding Sources										
General Revenue	4000010	22,106,192	21,507,078		21,507,078	20,836,078	21,507,078	21,507,078	20,836,078	21,507,078
Federal Revenue	4000020	36,817,605	40,078,317		40,779,798	40,779,798	40,779,798	40,779,798	40,779,798	40,779,798
Federal Funds-ARRA	4000244	943,440	0		0	0	0	0	0	0
Reallocation of Resources	4000410	(330,260)	0		0	0	0	0	0	0
Transfer to State Police	4000675	(1,482,855)	(1,699,208)		(1,699,208)	(1,699,208)	(1,699,208)	(1,699,208)	(1,699,208)	(1,699,208)
Various Program Support	4000730	11,510,155	14,164,708		14,164,708	14,164,708	14,164,708	14,164,708	14,164,708	14,164,708
<b>Total Funding</b>		<b>69,564,277</b>	<b>74,050,895</b>		<b>74,752,376</b>	<b>74,081,376</b>	<b>74,752,376</b>	<b>74,752,376</b>	<b>74,081,376</b>	<b>74,752,376</b>
Excess Appropriation/(Funding)		0	0		0	5,310,533	5,435,409	0	5,310,533	5,435,409
<b>Grand Total</b>		<b>69,564,277</b>	<b>74,050,895</b>		<b>74,752,376</b>	<b>79,391,909</b>	<b>80,187,785</b>	<b>74,752,376</b>	<b>79,391,909</b>	<b>80,187,785</b>

The FY10 funding includes General Revenue fund transfers to various DHS Divisions by Authority of Reallocation of Resources.

## Change Level by Appropriation

**Appropriation:** 896 - DHS DCFS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>74,752,376</b>	<b>1,060</b>	<b>74,752,376</b>	<b>100.0</b>	<b>74,752,376</b>	<b>1,060</b>	<b>74,752,376</b>	<b>100.0</b>
C05	Unfunded Appropriation	5,548,410	134	80,300,786	107.4	5,548,410	134	80,300,786	107.4
C07	Agency Transfer	(908,877)	(19)	79,391,909	106.2	(908,877)	(19)	79,391,909	106.2

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>74,752,376</b>	<b>1,060</b>	<b>74,752,376</b>	<b>100.0</b>	<b>74,752,376</b>	<b>1,060</b>	<b>74,752,376</b>	<b>100.0</b>
C05	Unfunded Appropriation	5,548,410	134	80,300,786	107.4	5,548,410	134	80,300,786	107.4
C07	Agency Transfer	(113,001)	(3)	80,187,785	107.3	(113,001)	(3)	80,187,785	107.3

### Justification

C05	Restoration of positions to allow for transfer to the Division of Medical Services.
C07	This request is for the transfer of 20 positions to various Divisions and the transfer of 1 position into DCFS. Sixteen (16) of these positions are currently DCFS positions and will be transferred to DCCECE. The positions will be responsible for licensing and monitoring the job responsibilities of the Placement, Residential, and Licensing Unit. DCCECE has accepted responsibility for managing this licensing process and this transfer will move all similar licensing and monitoring activities in DHS under DCCECE. One (1) position is located in DBHS and will be transferred to DCFS. This position will be responsible for improving the mental health services of the children and families who are clients within the child welfare system. Studies indicate that approximately ninety-five percent (95%) of children entering foster care require mental health services. The addition of this position will give DCFS a much better chance for improving outcomes by reducing the number of children coming into foster care, increasing the number of families that are reunited, and decreasing multiple placements of children who are in our system. Two (2) positions are currently DCFS positions and are being transferred to DBHS. These two positions are currently occupied by employees at the Arkansas Health Center and are being utilized as Respiratory Therapists. This reduces the costs that the facility pays for contracting the services. Two (2) DHS Program Administrator positions are currently DCFS positions and will be transferred to DMS. These positions will lead the planning, development, and implementation of new Medicaid programs and system requirements directed by the Centers for Medicare and Medicaid Systems (CMS) and other national health care regulation agencies.

## **Analysis of Budget Request**

**Appropriation:** 898 - DHS DCFS–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 \$40,291,976 each year of the biennium of which \$12,007,094 is funded from general revenue.

The Agency Change Level request is \$1,979,135 each year of the biennium of which \$68,380 each year is requested in new general revenue funding to provide for increases in board rates, specialized family foster homes, and adoption subsidy rate and utilization growth. ARRA appropriation is being discontinued.

The Executive Recommendation provides for Base Level.



## Appropriation Summary

**Appropriation:** 898 - DHS DCFS--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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	38,973,807	40,291,976	40,291,976	40,291,976	42,271,111	40,291,976	40,291,976	42,271,111	40,291,976
TANF/Foster Care-ARRA 2009	5900052	2,054,573	1,195,623	2,002,318	0	0	0	0	0	0
<b>Total</b>		<b>41,028,380</b>	<b>41,487,599</b>	<b>42,294,294</b>	<b>40,291,976</b>	<b>42,271,111</b>	<b>40,291,976</b>	<b>40,291,976</b>	<b>42,271,111</b>	<b>40,291,976</b>
<b>Funding Sources</b>										
General Revenue	4000010	5,783,522	12,007,094		12,007,094	12,075,474	12,007,094	12,007,094	12,075,474	12,007,094
Federal Revenue	4000020	27,948,589	28,184,882		28,184,882	28,295,637	28,184,882	28,184,882	28,295,637	28,184,882
Federal Funds-ARRA	4000244	2,054,573	1,195,623		0	0	0	0	0	0
Various Program Support	4000730	5,241,696	100,000		100,000	100,000	100,000	100,000	100,000	100,000
<b>Total Funding</b>		<b>41,028,380</b>	<b>41,487,599</b>		<b>40,291,976</b>	<b>40,471,111</b>	<b>40,291,976</b>	<b>40,291,976</b>	<b>40,471,111</b>	<b>40,291,976</b>
Excess Appropriation/(Funding)		0	0		0	1,800,000	0	0	1,800,000	0
<b>Grand Total</b>		<b>41,028,380</b>	<b>41,487,599</b>		<b>40,291,976</b>	<b>42,271,111</b>	<b>40,291,976</b>	<b>40,291,976</b>	<b>42,271,111</b>	<b>40,291,976</b>

## Change Level by Appropriation

**Appropriation:** 898 - DHS DCFS–Grants Paying Account  
**Funding Sources:** PWE - Grants Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>40,291,976</b>	<b>0</b>	<b>40,291,976</b>	<b>100.0</b>	<b>40,291,976</b>	<b>0</b>	<b>40,291,976</b>	<b>100.0</b>
C01	Existing Program	179,135	0	40,471,111	100.4	179,135	0	40,471,111	100.4
C03	Discontinue Program	(1,195,623)	0	39,275,488	97.5	(1,195,623)	0	39,275,488	97.5
C05	Unfunded Appropriation	1,800,000	0	41,075,488	101.9	1,800,000	0	41,075,488	101.9
C16	ARRA	1,195,623	0	42,271,111	104.9	1,195,623	0	42,271,111	104.9

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>40,291,976</b>	<b>0</b>	<b>40,291,976</b>	<b>100.0</b>	<b>40,291,976</b>	<b>0</b>	<b>40,291,976</b>	<b>100.0</b>
C01	Existing Program	0	0	40,291,976	100.0	0	0	40,291,976	100.0
C03	Discontinue Program	(1,195,623)	0	39,096,353	97.0	(1,195,623)	0	39,096,353	97.0
C05	Unfunded Appropriation	0	0	39,096,353	97.0	0	0	39,096,353	97.0
C16	ARRA	1,195,623	0	40,291,976	100.0	1,195,623	0	40,291,976	100.0

### Justification

C01	Funding and appropriation requested to accommodate a 2.7% rate increase for Therapeutic Foster Care, Alcohol and Substance Abuse Programs and Residential Group home contracts that will be procured during SFY11.
C03	Reduction in American Recovery and Reinvestment Act(ARRA) funding and/or Expiration of funding limitations.
C05	Unfunded appropriation requested to meet the anticipated needs for adoption subsidies and contracts.
C16	Continued American Recovery and Reinvestment Act(ARRA) funding available to support programs and/or projects.

## 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			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Child Abuse & Neglect Programs 5900046	0	0	1,244,382	0	0	0	0	0	0
Total	0	0	1,244,382	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM

# DHS - Child Care/Early Childhood Education

## **Enabling Laws**

Act 131 of 2010

Act 293 of 2010

Act 212 of 2010

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.

A.C.A. §3-7-201 et seq.

## **History and Organization**

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

The creation of the Division consolidated three (3) existing boards into one. 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 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**

Licensing is responsible for performing 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.

Quality Accreditation -Better Beginnings which is the quality rating improvement system for Arkansas is a voluntary multi-step accreditation system that has established standards of quality. This system is designed to assist facilities in a process to assess, improve, and communicate the level of quality. When child care providers successfully complete the certification process, their facility earns a one, two or three star rating. The ratings are posted on the Better Beginnings website for parents and others to review.

### **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, over payments, and audits.

### **Special Nutrition**

The Special Nutrition unit provides oversight for a large federally funded program within the division. The Special nutrition Program is comprised of four programs, all federally funded by the United State Department of Agriculture (USDA) and is administered by the state. These programs reimburse centers, private schools and sponsors for nutritional meals and snacks served. The programs are Child and Adult Care Food Program (CACFP), the National School Lunch Program (NSLP), the Special Milk Program (SMP) and the Summer Food Service Program (SFSP)

### **Child Care 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. The Family Support unit is responsible for determining eligibility and authorizing child care assistance. Child Care Assistance is provided to 7,000 families and 11,500 children. 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.

### **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 25,096 children are enrolled in ABC programs. 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. 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 2011-2013 biennial budget. The change requests are as follows:

#### **SFY2012**

- Appropriation 320 - \$3,000,000 in unfunded federal appropriation
- Appropriation 890 - \$5,500,000 in federal appropriation
- Appropriation 896 - \$511,127 in federal appropriation and the reallocation of \$267,000 (\$133,500 state general revenue and \$133,500 in other revenue - no new general revenue needed but merely a reclassification) appropriation from Commitment Item 10 to Commitment Item 02. Additional appropriation in the amount of \$1,465,000 (\$671,000 in General Revenue and \$794,000 in federal appropriation) to fund the transfer of sixteen (16) positions from the Division of Children and Family Services to operate the Placement, Residential and Licensing unit responsible for monitoring group and residential foster care facilities, as well as child placement agencies. An additional \$3,460 in appropriation is being requested to accommodate the reclassification of a position within the Division as approved by OPM.

- Appropriation 898 - \$6,000,000 unfunded appropriation

**SFY2013**

- Appropriation 320 - \$3,000,000 in unfunded federal appropriation
- Appropriation 890 - \$5,500,000 in federal appropriation
- Appropriation 896 - \$511,127 in federal appropriation and the reallocation of \$267,000 (\$133,500 state general revenue and \$133,500 in other revenue - no new general revenue needed but merely a reclassification) appropriation from Commitment Item 10 to Commitment Item 02. Additional appropriation in the amount of \$1,465,000 (\$671,000 in General Revenue and \$794,000 in federal appropriation) to fund the transfer of sixteen (16) positions from the Division of Children and Family Services to operate the Placement, Residential and Licensing unit responsible for monitoring group and residential foster care facilities, as well as child placement agencies. An additional \$3,460 in appropriation is being requested to accommodate the reclassification of a position within the Division as approved by OPM.
- Appropriation 898 - \$6,000,000 unfunded appropriation

**Appropriation 320**

The Division of Child Care and Early Childhood Education requests appropriation in 320 for the following: Unfunded appropriation of \$3,000,000 for anticipated federal program growth which could provide additional child care services for working families and continue to improve the quality of child care for all children.

	<u><b>SFY2012</b></u>	<u><b>SFY2013</b></u>
Unfunded Appropriation	\$3,000,000	\$3,000,000
Grants, Assistance and Aids		
Commitment Item: 510:00:04		

**Appropriation 890**

The Division of Child Care and Early Childhood Education requests additional funded appropriation in the amount \$5,500,000 raising the appropriation to the level of the FFY 2011 and FFY2012 federal letter of credit for the Special Nutrition Program for this continuously growing federally uncapped program.

Grants, Assistance and Aids  
Commitment Item: 510:00:04

	<b><u>SFY2012</u></b>	<b><u>SFY 2013</u></b>
Child Care Adult and Food Program	\$4,000,000	\$4,000,000
Summer Food Services Program	\$1,000,000	\$1,000,000
National School Lunch Program	\$ 500,000	\$ 500,000

### **Appropriation 896**

The Division of Child Care and Early Childhood Education requests appropriation for the Special Nutrition Program, 1.5% Audit federal funds. The related Audit funds have previously been available to the Agency; however, no additional appropriation has been requested. The funding has grown from slightly over \$100,000 to \$511,127 in federal fiscal year 2011 necessitating commensurate growth in the related appropriation.

The Division of Child Care and Early Childhood Education requests the reallocation of \$267,000 in appropriation from Commitment Item 10 to Commitment Item 02. The reallocation is being requested due to procurement not being able to pay out of the Professional Fees line item. The State accounting system (AASIS) defaults to Commitment Item 02 for payments of these services. The reallocation is not new general revenue needed but merely a reclassification.

The Division of Child Care and Early Childhood Education will be receiving a total of 16 positions. The Division of Youth Services will be transferring one position into the Division and the Division will be transferring one position out to the Division of Youth Services. Also, the Division will be requesting a total of \$1,465,000 in appropriation for salaries and fringe, maintenance and operations, and travel to accommodate the transferring of 16 positions from the Division of Children and Family Services. The sixteen positions will be responsible for licensing group foster homes, residential facilities and child placement agencies within the State of Arkansas. Also, the Division will be requesting appropriation in the amount of \$3, 460 for the reclassification of a position which was misclassified during the implementation of the revised pay plan.

The Division will also be discontinuing a program that is related to the American Recovery and Reinvestment Act (ARRA). The program will be discontinued due to all contractual obligations being rendered and the expiration of funding limitations.

	<b><u>SFY2012</u></b>	<b><u>SFY2013</u></b>
Regular Salaries & Personal Services Matching		
Commitment Item: 501:00:00	\$664,312	\$664,312
Commitment Item: 501:00:03	\$215,650	\$215,650



Conference and Travel Expenses Commitment Item 09	\$15,000	\$15,000
Professional Fees Commitment Item 10	\$331,137	\$331,137
Operating Expenses Commitment Item 02	\$774,573	\$774,573
Reallocation of Appropriation From Professional Fees Commitment Item 10 to Operating Expenses Commitment Item 02	\$267,000	\$267,000

**Appropriation 898**

The Division of Child Care and Early Childhood Education requests unfunded appropriation in the amount of \$3,000,000 to accommodate growth in the federal voucher program. An additional \$3,000,000 in unfunded appropriation is for newly established programs for Headstart and the Early Learning Challenge Fund for which this request. The Division has applied for and is awaiting the formal award letter.

Grants, Assistance and Aids  
Commitment Item: 510:00:04

	<u>SFY2012</u>	<u>SFY2013</u>
Temporary Employment Assistance and Extended Support Services	\$3,000,000	\$3,000,000
Quality Programs	\$3,000,000	\$3,000,000

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 DEPARTMENT OF HUMAN SERVICES  
 FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

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

## 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 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.
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.

**A.C.A. 25-1-204**

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
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 Learning Act is the legal authority under which the Divison 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	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 requiriements for the Registered Child Care Family Home.

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	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	36,546,359	0	18,469,372	0	39,139,072	0	18,469,372	0	21,469,372	0	21,469,372	0	18,469,372	0	21,469,372	0	21,469,372	0
890 Food Program	46,235,621	0	46,791,250	0	46,791,250	0	46,791,250	0	52,291,250	0	52,291,250	0	46,791,250	0	52,291,250	0	52,291,250	0
896 Division of Child Care/Early Childhood	16,664,815	175	18,357,297	171	17,529,476	171	16,248,760	171	18,249,432	187	17,453,555	171	16,248,760	171	18,249,432	187	17,453,555	171
898 Child Care Grant/Aids	22,212,165	0	20,359,437	0	28,125,422	0	20,359,437	0	26,359,437	0	26,359,437	0	20,359,437	0	26,359,437	0	26,359,437	0
929 Child Care-Treasury Paying	0	0	187,537	0	200,000	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0
<b>Total</b>	<b>121,658,960</b>	<b>175</b>	<b>104,164,893</b>	<b>171</b>	<b>131,785,220</b>	<b>171</b>	<b>102,056,356</b>	<b>171</b>	<b>118,557,028</b>	<b>187</b>	<b>117,761,151</b>	<b>171</b>	<b>102,056,356</b>	<b>171</b>	<b>118,557,028</b>	<b>187</b>	<b>117,761,151</b>	<b>171</b>

Funding Sources		%		%		%		%		%		%		%		%	
General Revenue	4000010	6,522,289	5.4	6,828,452	6.6	6,828,452	6.7	7,499,452	6.8	6,828,452	6.3	6,828,452	6.7	7,499,452	6.8	6,828,452	6.3
Federal Revenue	4000020	91,334,982	75.1	92,349,364	88.7	92,369,197	90.5	99,198,869	90.5	98,464,409	91.0	92,369,197	90.5	99,198,869	90.5	98,464,409	91.0
Special Revenue	4000030	20,000	0.0	274,275	0.3	274,275	0.3	274,275	0.3	274,275	0.3	274,275	0.3	274,275	0.3	274,275	0.3
Cash Fund	4000045	0	0.0	187,537	0.2	187,537	0.2	187,537	0.2	187,537	0.2	187,537	0.2	187,537	0.2	187,537	0.2
Federal Funds-ARRA	4000244	21,696,629	17.8	2,128,370	2.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	167,900	0.1	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	1,917,160	1.6	2,396,895	2.3	2,396,895	2.3	2,396,895	2.2	2,396,895	2.2	2,396,895	2.3	2,396,895	2.2	2,396,895	2.2
<b>Total Funds</b>		<b>121,658,960</b>	<b>100.0</b>	<b>104,164,893</b>	<b>100.0</b>	<b>102,056,356</b>	<b>100.0</b>	<b>109,557,028</b>	<b>100.0</b>	<b>108,151,568</b>	<b>100.0</b>	<b>102,056,356</b>	<b>100.0</b>	<b>109,557,028</b>	<b>100.0</b>	<b>108,151,568</b>	<b>100.0</b>
Excess Appropriation/(Funding)		0		0		0		9,000,000		9,609,583		0		9,000,000		9,609,583	
<b>Grand Total</b>		<b>121,658,960</b>		<b>104,164,893</b>		<b>102,056,356</b>		<b>118,557,028</b>		<b>117,761,151</b>		<b>102,056,356</b>		<b>118,557,028</b>		<b>117,761,151</b>	

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
171	162	9	171	0	5.26 %	171	160	11	171	0	6.43 %	171	159	12	171	0	7.02 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 242 of 2010 section 17(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 each year of the biennium.

The Agency Change Level request for this appropriation is \$3,000,000 each year of the biennium in unfunded appropriation in anticipation of federal program growth.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 320 - Child Care Development-Discretionary

**Funding Sources:** FWF - DHS Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	17,491,651	18,469,372	18,469,372	18,469,372	21,469,372	21,469,372	18,469,372	21,469,372	21,469,372
Child Care Dev-Discretionary - AR 5900052	19,054,708	0	20,669,700	0	0	0	0	0	0
<b>Total</b>	<b>36,546,359</b>	<b>18,469,372</b>	<b>39,139,072</b>	<b>18,469,372</b>	<b>21,469,372</b>	<b>21,469,372</b>	<b>18,469,372</b>	<b>21,469,372</b>	<b>21,469,372</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	17,491,651	18,469,372		18,469,372	18,469,372	18,469,372	18,469,372	18,469,372	18,469,372
Federal Funds-ARRA 4000244	19,054,708	0		0	0	0	0	0	0
<b>Total Funding</b>	<b>36,546,359</b>	<b>18,469,372</b>		<b>18,469,372</b>	<b>18,469,372</b>	<b>18,469,372</b>	<b>18,469,372</b>	<b>18,469,372</b>	<b>18,469,372</b>
Excess Appropriation/(Funding)	0	0		0	3,000,000	3,000,000	0	3,000,000	3,000,000
<b>Grand Total</b>	<b>36,546,359</b>	<b>18,469,372</b>		<b>18,469,372</b>	<b>21,469,372</b>	<b>21,469,372</b>	<b>18,469,372</b>	<b>21,469,372</b>	<b>21,469,372</b>

## Change Level by Appropriation

**Appropriation:** 320 - Child Care Development-Discretionary  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>18,469,372</b>	<b>0</b>	<b>18,469,372</b>	<b>100.0</b>	<b>18,469,372</b>	<b>0</b>	<b>18,469,372</b>	<b>100.0</b>
C05	Unfunded Appropriation	3,000,000	0	21,469,372	116.2	3,000,000	0	21,469,372	116.2

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>18,469,372</b>	<b>0</b>	<b>18,469,372</b>	<b>100.0</b>	<b>18,469,372</b>	<b>0</b>	<b>18,469,372</b>	<b>100.0</b>
C05	Unfunded Appropriation	3,000,000	0	21,469,372	116.2	3,000,000	0	21,469,372	116.2

### Justification

C05	The Division is requesting \$3,000,000 in unfunded appropriation to accommodate growth in the federal voucher program
-----	---



## **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 \$46,791,250 each year of the biennium.

The Agency Change Level request for this appropriation is \$5,500,000 each year of the biennium. The increase will be used for the Special Nutrition Program with the goal of increasing meals to children in Arkansas 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			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	46,210,723	46,791,250	46,791,250	46,791,250	52,291,250	52,291,250	46,791,250	52,291,250	52,291,250
ARRA of 2009	5900052	24,898	0	0	0	0	0	0	0	0
<b>Total</b>		<b>46,235,621</b>	<b>46,791,250</b>	<b>46,791,250</b>	<b>46,791,250</b>	<b>52,291,250</b>	<b>52,291,250</b>	<b>46,791,250</b>	<b>52,291,250</b>	<b>52,291,250</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	46,210,723	46,791,250		46,791,250	52,291,250	52,291,250	46,791,250	52,291,250	52,291,250
Federal Funds-ARRA	4000244	24,898	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>46,235,621</b>	<b>46,791,250</b>		<b>46,791,250</b>	<b>52,291,250</b>	<b>52,291,250</b>	<b>46,791,250</b>	<b>52,291,250</b>	<b>52,291,250</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>46,235,621</b>	<b>46,791,250</b>		<b>46,791,250</b>	<b>52,291,250</b>	<b>52,291,250</b>	<b>46,791,250</b>	<b>52,291,250</b>	<b>52,291,250</b>

## Change Level by Appropriation

**Appropriation:** 890 - Food Program  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>46,791,250</b>	<b>0</b>	<b>46,791,250</b>	<b>100.0</b>	<b>46,791,250</b>	<b>0</b>	<b>46,791,250</b>	<b>100.0</b>
C01	Existing Program	5,500,000	0	52,291,250	111.8	5,500,000	0	52,291,250	111.8

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>46,791,250</b>	<b>0</b>	<b>46,791,250</b>	<b>100.0</b>	<b>46,791,250</b>	<b>0</b>	<b>46,791,250</b>	<b>100.0</b>
C01	Existing Program	5,500,000	0	52,291,250	111.8	5,500,000	0	52,291,250	111.8

### Justification

C01	The Division is requesting additional appropriation in the amount of \$5,500,000 federal revenue appropriation. The additional appropriation will increase the appropriation to the level of the 2011 available federal funding.
-----	--

## **Analysis of Budget Request**

**Appropriation:** 896 - DHS DCC–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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Base Level request for this appropriation is \$16,248,760 each year of the biennium with 171 budgeted base level positions.

The Agency Change Level request for this appropriation is \$2,000,672 each year of the biennium with a general revenue request of \$671,000 each year. The general revenue request consists of the following component:

- \$671,000 in each year transferred from DCFS in conjunction with the transfer of the Child Welfare Agency Licensing Unit from DCFS to DCCECE.

The following delineates the agency's request:

- Transfer sixteen (16) positions from DCFS with salary and matching appropriation in conjunction with the transfer of the Child Welfare Agency Licensing Unit.
- Transfer one (1) position from the Division of Youth Services (DYS) with salary and matching appropriation that will be responsible for managing child health issues and concerns within DCCECE.
- Transfer one (1) position to DHS with salary and matching appropriation to support the operations of the Division.
- Reclassification on one (1) position with salary and matching appropriation due to the duties and responsibilities changing since the pay plan study.

- \$1,041,573 each year of the biennium in Operating Expenses appropriation. A portion of this appropriation will be used in conjunction with the transfer of the licensing unit from DCFS to DCCECE. The remaining appropriation will be used in support of the Special Nutrition Program.
- \$15,000 each year of the biennium in Conference Fees and Travel appropriation to be used to support the transfer of the licensing unit from DCFS.
- \$64,137 each year of the biennium in Professional Fees appropriation to be used to support the Special Nutrition Program.
- ARRA appropriation is being discontinued.

The Executive Recommendation provides for the Agency Request with the exception of the transfers from the Division of Children and Family Services.

## Appropriation Summary

**Appropriation:** 896 - DHS DCC--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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	5,676,537	6,032,227	6,316,591	5,973,954	6,638,266	6,043,336	5,973,954	6,638,266	6,043,336
<b>#Positions</b>		<b>175</b>	<b>171</b>	<b>171</b>	<b>171</b>	<b>187</b>	<b>171</b>	<b>171</b>	<b>187</b>	<b>171</b>
Extra Help	5010001	136,792	153,795	153,795	153,795	153,795	153,795	153,795	153,795	153,795
<b>#Extra Help</b>		<b>9</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
Personal Services Matching	5010003	1,881,159	2,002,559	2,106,884	2,080,665	2,296,315	2,095,368	2,080,665	2,296,315	2,095,368
Overtime	5010006	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	2,925,105	3,147,636	3,156,804	3,147,636	4,189,209	4,189,209	3,147,636	4,189,209	4,189,209
Conference & Travel Expenses	5050009	48,598	50,000	50,000	50,000	65,000	65,000	50,000	65,000	65,000
Professional Fees	5060010	3,379,601	4,837,710	4,870,402	4,837,710	4,901,847	4,901,847	4,837,710	4,901,847	4,901,847
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
ARRA of 2009	5900052	2,617,023	2,128,370	870,000	0	0	0	0	0	0
<b>Total</b>		<b>16,664,815</b>	<b>18,357,297</b>	<b>17,529,476</b>	<b>16,248,760</b>	<b>18,249,432</b>	<b>17,453,555</b>	<b>16,248,760</b>	<b>18,249,432</b>	<b>17,453,555</b>

Funding Sources										
General Revenue	4000010	415,364	563,454		563,454	1,234,454	563,454	563,454	1,234,454	563,454
Federal Revenue	4000020	11,547,368	13,268,578		13,288,411	14,618,083	13,883,623	13,288,411	14,618,083	13,883,623
Federal Funds-ARRA	4000244	2,617,023	2,128,370		0	0	0	0	0	0
Reallocation of Resources	4000410	167,900	0		0	0	0	0	0	0
Various Program Support	4000730	1,917,160	2,396,895		2,396,895	2,396,895	2,396,895	2,396,895	2,396,895	2,396,895
<b>Total Funding</b>		<b>16,664,815</b>	<b>18,357,297</b>		<b>16,248,760</b>	<b>18,249,432</b>	<b>16,843,972</b>	<b>16,248,760</b>	<b>18,249,432</b>	<b>16,843,972</b>
Excess Appropriation/(Funding)		0	0		0	0	609,583	0	0	609,583
<b>Grand Total</b>		<b>16,664,815</b>	<b>18,357,297</b>		<b>16,248,760</b>	<b>18,249,432</b>	<b>17,453,555</b>	<b>16,248,760</b>	<b>18,249,432</b>	<b>17,453,555</b>

The FY10 funding includes a General Revenue fund transfer from the DHS - Division of Children and Family Services by Authority of Reallocation of Resources. Budget exceeds Authorized Appropriation in the ARRA of 2009 line item due to a transfer from the Miscellaneous Federal Grant Holding Account.

## Change Level by Appropriation

**Appropriation:** 896 - DHS DCC–Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	16,248,760	171	16,248,760	100.0	16,248,760	171	16,248,760	100.0
C01	Existing Program	511,127	0	16,759,887	103.1	511,127	0	16,759,887	103.1
C02	New Program	609,583	0	17,369,470	106.9	609,583	0	17,369,470	106.9
C03	Discontinue Program	(2,128,370)	0	15,241,100	93.8	(2,128,370)	0	15,241,100	93.8
C04	Reallocation	0	0	15,241,100	93.8	0	0	15,241,100	93.8
C07	Agency Transfer	876,502	16	16,117,602	99.2	876,502	16	16,117,602	99.2
C10	Reclass	3,460	0	16,121,062	99.2	3,460	0	16,121,062	99.2
C16	ARRA	2,128,370	0	18,249,432	112.3	2,128,370	0	18,249,432	112.3

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	16,248,760	171	16,248,760	100.0	16,248,760	171	16,248,760	100.0
C01	Existing Program	511,127	0	16,759,887	103.1	511,127	0	16,759,887	103.1
C02	New Program	609,583	0	17,369,470	106.9	609,583	0	17,369,470	106.9
C03	Discontinue Program	(2,128,370)	0	15,241,100	93.8	(2,128,370)	0	15,241,100	93.8
C04	Reallocation	0	0	15,241,100	93.8	0	0	15,241,100	93.8
C07	Agency Transfer	80,625	0	15,321,725	94.3	80,625	0	15,321,725	94.3
C10	Reclass	3,460	0	15,325,185	94.3	3,460	0	15,325,185	94.3
C16	ARRA	2,128,370	0	17,453,555	107.4	2,128,370	0	17,453,555	107.4

### Justification

C01	The Division is requesting \$511,127 in federal appropriation for SNP Audit funds. The audit funds are available as a separate funding stream for which appropriation has never been requested. The funding has grown from slightly over \$100,000 to \$511,127 in Federal Fiscal Year 2011.
C02	Requesting appropriation to accommodate the maintenance and operations and conference and travel for the receiving 16 positions from the Division of Children and Family Services. The Division has accepted responsibility for managing the licensing process and the transfer will move all similar licensing and monitoring activities in DHS under the Division.
C03	The Division is requesting discontinuation of \$2,128,370 appropriation, due to all contractual obligations being rendered and the depletion of ARRA funds.
C04	The Division is requesting reallocation of \$267,000 in Commitment Item 10 to Commitment Item 02, as procurement will not pay out of professional services.
C07	Position is being transferred to receive a position within Division Youth Services that will be utilized to assist the Division with Child Health issues and concerns. Also, the Division will be receiving 16 positions from DCFS. The positions will be responsible for licensing and monitoring the job responsibilities of the Placement, Residential and Licensing Unit. DCECE has accepted responsibility for managing this licensing process and the transfer will move all similar licensing and monitoring activities in DHS under DCECE.
C10	During the implementation of the revised pay plan, the position was classified as a C114. The position is utilized throughout the Division as a C116 - Child Care Services Specialist. The Division is requesting that position be reclassified to conform with all other Child Care Services Specialist. The Division will encounter various problems trying to hire an individual under a C114 when all other employees with the same task are a C116 - Child Care Services Specialist.
C16	Continued American Recovery and Reinvestment Act (ARRA) appropriation of \$2,128,370 available to support programs and/or projects.

## **Analysis of Budget Request**

**Appropriation:** 898 - DHS DCC–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.

The Agency Base Level request for this appropriation is \$20,359,437 each year of the biennium.

The Agency Change Level requests for this appropriation are \$6,000,000 each year of the biennium. The unfunded appropriation is in anticipation of federal program growth and for newly established programs for Headstart and the Early Learning Challenge Fund.

The Executive Recommendation provides for the Agency Request.



## Appropriation Summary

**Appropriation:** 898 - DHS DCC-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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	22,212,165	20,359,437	28,125,422	20,359,437	26,359,437	26,359,437	20,359,437	26,359,437	26,359,437
Total		22,212,165	20,359,437	28,125,422	20,359,437	26,359,437	26,359,437	20,359,437	26,359,437	26,359,437
<b>Funding Sources</b>										
General Revenue	4000010	6,106,925	6,264,998		6,264,998	6,264,998	6,264,998	6,264,998	6,264,998	6,264,998
Federal Revenue	4000020	16,085,240	13,820,164		13,820,164	13,820,164	13,820,164	13,820,164	13,820,164	13,820,164
Special Revenue	4000030	20,000	274,275		274,275	274,275	274,275	274,275	274,275	274,275
Total Funding		22,212,165	20,359,437		20,359,437	20,359,437	20,359,437	20,359,437	20,359,437	20,359,437
Excess Appropriation/(Funding)		0	0		0	6,000,000	6,000,000	0	6,000,000	6,000,000
Grand Total		22,212,165	20,359,437		20,359,437	26,359,437	26,359,437	20,359,437	26,359,437	26,359,437

## Change Level by Appropriation

**Appropriation:** 898 - DHS DCC–Grants Paying Account  
**Funding Sources:** PWE - Grants Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>20,359,437</b>	<b>0</b>	<b>20,359,437</b>	<b>100.0</b>	<b>20,359,437</b>	<b>0</b>	<b>20,359,437</b>	<b>100.0</b>
C02	New Program	3,000,000	0	23,359,437	114.7	3,000,000	0	23,359,437	114.7
C05	Unfunded Appropriation	3,000,000	0	26,359,437	129.5	3,000,000	0	26,359,437	129.5

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>20,359,437</b>	<b>0</b>	<b>20,359,437</b>	<b>100.0</b>	<b>20,359,437</b>	<b>0</b>	<b>20,359,437</b>	<b>100.0</b>
C02	New Program	3,000,000	0	23,359,437	114.7	3,000,000	0	23,359,437	114.7
C05	Unfunded Appropriation	3,000,000	0	26,359,437	129.5	3,000,000	0	26,359,437	129.5

### Justification

C02	The Division is requesting \$3,000,000 in appropriation for the newly established programs for Headstart and Early Learning Challenge Fund. The Division has applied for these non-competitive grants and awaiting the formal award letter for both grants.
C05	The Division is requesting additional unfunded appropriation in the amount of \$3,000,000 for growth in the federal voucher program.

## **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 and total request for this appropriation is \$187,537 each year of the biennium. Expenditure of appropriation is contingent upon available funding.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 929 - Child Care-Treasury Paying

**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		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Loan Guarantee/Grants 5900046	0	187,537	200,000	187,537	187,537	187,537	187,537	187,537	187,537
<b>Total</b>	<b>0</b>	<b>187,537</b>	<b>200,000</b>	<b>187,537</b>	<b>187,537</b>	<b>187,537</b>	<b>187,537</b>	<b>187,537</b>	<b>187,537</b>
<b>Funding Sources</b>									
Cash Fund 4000045	0	187,537		187,537	187,537	187,537	187,537	187,537	187,537
<b>Total Funding</b>	<b>0</b>	<b>187,537</b>		<b>187,537</b>	<b>187,537</b>	<b>187,537</b>	<b>187,537</b>	<b>187,537</b>	<b>187,537</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>0</b>	<b>187,537</b>		<b>187,537</b>	<b>187,537</b>	<b>187,537</b>	<b>187,537</b>	<b>187,537</b>	<b>187,537</b>

# DHS - Behavioral Health Services

## Enabling Laws

Act 274 of 2010

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.

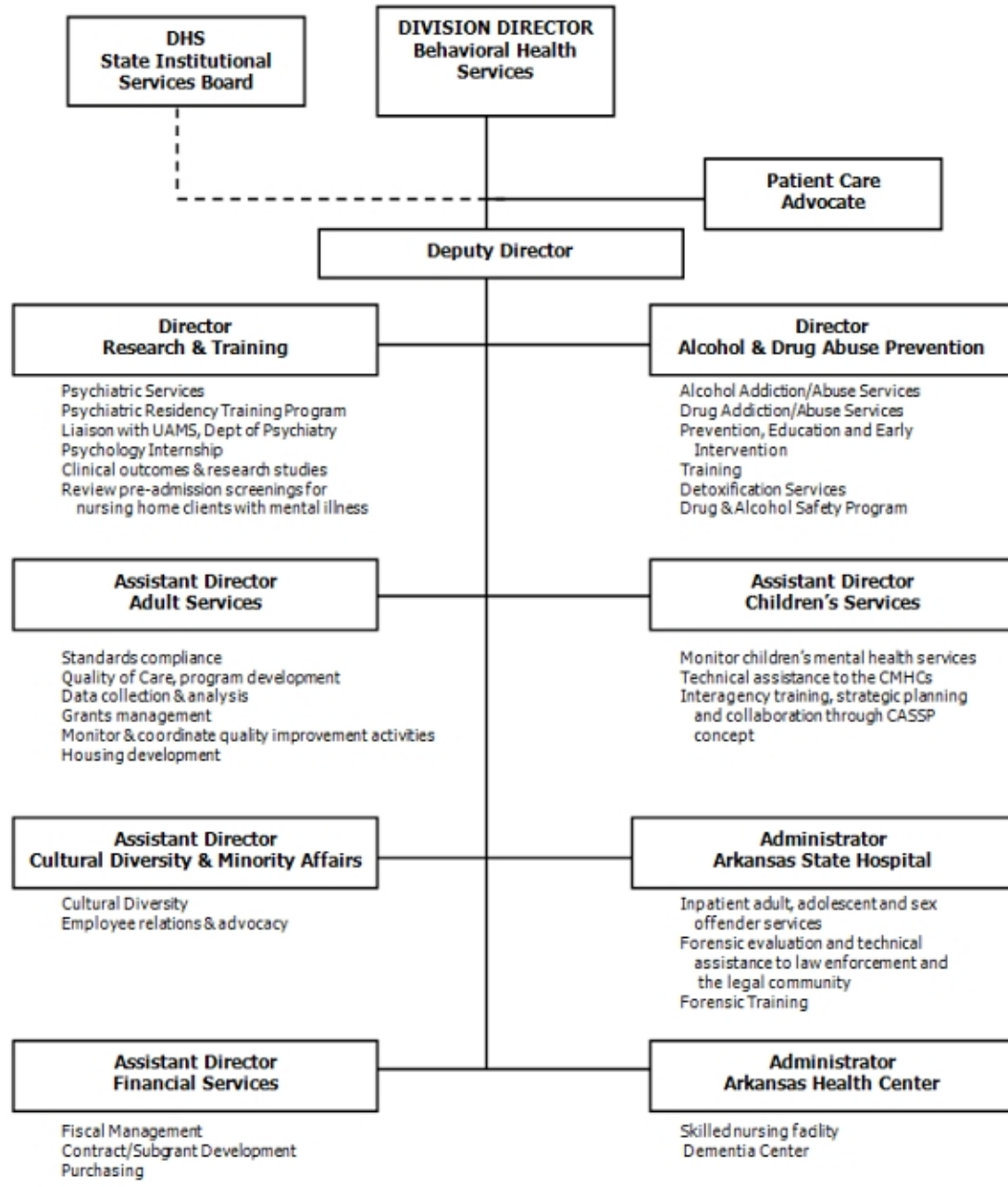
Over the past several years, DBHS has also developed specific mechanisms to obtain input and feedback about programs, needs, policies and resource allocations from consumers of the system. This includes individuals with serious and persistent mental illness and their families, as well as representatives 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 36-bed adolescent inpatient treatment program for persons age 13 to 18; a 88-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 15 CMHCs within the State; and a 20-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 treatment; 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 165 positions within the Division. Of these 165 positions, 10 are in Alcohol and Drug Abuse Prevention, 4 are in Division Administration, 69 are at the Arkansas State Hospital and 82 are at the Arkansas Health Center. 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 of 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 to Medicaid certification could result in the loss of funding. The request to restore these 164 is an appropriation request only.

The Division is requesting \$434,000 in funding and \$700,000 in appropriation each year of the biennium for an increase in contracted services for forensic staff at the Arkansas State Hospital. The Arkansas State Hospital Forensic Services is currently understaffed across most clinical disciplines outside of the Nursing Department. In addition, ASH is experiencing increased pressures to administer and complete more forensic evaluations and re-evaluations. The number of evaluations administered by ASH has grown steadily over the years (from 577 in 1991 to 1,236 in 2009) without an increase in resources dedicated to the task. There is also a trend of increasing requests for ASH personnel to actually perform initial evaluations and re-evaluations. The number of patients treated at ASH who require re-evaluation has grown as our efficiency at treating such patients has improved.

The Division is requesting \$250,000 in General Revenue funding and appropriation each year of the biennium for outpatient forensic restoration. At the present time, all forensic treatment orders specify that treatment will be provided at the Arkansas State Hospital. Many cases could be safely treated in the community, thus freeing up inpatient resources for those most in need. The waiting list for admission to ASH is at times adversely impacted by admitting persons who could be treated safely in alternate settings. The program could begin as a pilot project for counties in central Arkansas.

The Arkansas State Hospital is requesting \$770,000 in General Revenue funding and appropriation each year of the biennium to cover the increased costs to forensic clients at the Arkansas State Hospital. In recent years the Hospital has continued to see an increase in the number of forensic patients. These clients are more difficult and much more costly to serve. This trend is an unavoidable result of the court system and the lack of alternate placement space for these individuals. The increases in costs that ASH must assume for these services have made it extremely difficult to continue services at the current level. We have already reduced operations at the Hospital due to General Revenue reductions in the 2010 state fiscal year, and these continued increases in expenses for this ever increasing forensic population could possibly result in AHS's inability to accept acute care clients at the levels required.

The Division is requesting \$265,800 in General Revenue funding and appropriation in the first year and \$470,800 in the second year of the biennium. In partnership with the Arkansas Family and Youth Assistance Network, DBHS will use these funds to support the inclusion of Family Support Providers in the System of Care Wraparound planning and implementation process. Currently the state only employs one half-time consumer advocate for the entire system. Family Support Providers play a vital role in engaging families and youth to successfully complete the wraparound process as a nationally recognized component of Systems of Care.

The Division of Behavioral Health Services is requesting \$1,067,000 in General Revenue funding and appropriation in the first year of the biennium and \$120,000 in General Revenue funding and appropriation in the second year of the biennium for an Electronic Medical Record System at the Arkansas State Hospital and the Arkansas Health Center. An Electronic Medical Records (EMR) System would improve caregivers' ability to make sound decisions in a timely manner and provide immediate access to key information. Providers with timely access to health data would increase patient safety and the effectiveness of care. An EMR would enhance legibility, reduce duplication, improve the speed with which orders are executed, and improve compliance with best clinical practices and identify drug interactions and facilitate diagnoses and treatments. Our current system does not provide the needed access to health data to sufficiently support progressive industry standards. An electronic medical record system will enable the facilities to increase regulatory compliance for JCAHO and OLTC with the ever increasing demands for seamless documentation. An EMR will improve quality by putting key resident/patient information at the fingertips of nurses, doctors, direct caregivers, pharmacists, and quality assurance staff - regardless of their location in the facilities.

The Division of Behavioral Health Services is requesting \$4,000,000 in appropriation only in the first year of the biennium and \$4,500,000 in appropriation in the second year of the biennium for Extra Help and Overtime. The Division of Behavioral Health Services is in need of additional Extra Help and Overtime appropriation. In an effort to reduce utilization of contract nursing agencies, we requested and received 213 additional extra help positions in the 2009 Legislative Session. These positions along with the utilization of overtime for our regular employees, who have a better knowledge of individual resident conditions and needs, will allow DBHS to provide better continuity of care for the clients in our facilities. This appropriation will allow the Division to fully utilize all of our positions for the intended purpose.

The Division of Behavioral Health Services is requesting \$1,472,570 in General Revenue funding appropriation in the first year of the biennium and \$2,454,283 in the second year of the biennium to develop an Assertive Community Treatment Team in each CMHC service area. Assertive Community Treatment (ACT) as an Evidence Based Practice (EBP) is a widely replicated model of intense service provision and necessary for individual demonstrating high acuity of need and behavioral dysfunction over a prolonged period as evidenced in recidivism. The model has demonstrated effectiveness in supporting community re-integration and significant reduction of psychiatric crisis and relapse. These funds will allow for start up costs for 15 ACT Team and will provide funding for non-Medicaid clients. This request is a "systems transformation" request and will sunset at the end of the biennium.

The Division is requesting \$500,000 in General Revenue Funding and appropriation each year of the biennium for an increase in the Forensic Evaluation reimbursement rate. The reimbursement rate for forensic evaluations has not increased in over 20 years. The fee is currently a flat \$500 regardless of complexity or whether court testimony is required. The number of qualified evaluators willing to perform the service at the current rate is currently quite limited. In addition, we feel that the quality of these evaluations is, in many instances, limited by the current reimbursement rate. The current market for Psychologists is \$200 per hour. The average length of time that is required to perform a forensic evaluation is 5 hours. In order for the Division to increase the pool of qualified willing providers and avoid non-compliance with court orders, it is necessary for us to increase the current rate paid for this service.

The Division of Behavioral Health Services is requesting \$50,000 in appropriation only in each year of the biennium in the Maintenance & Operations line of the Drug and Alcohol Safety Education Program (DASEP). This increased appropriation in the Drug and Alcohol Safety Education Program will allow for the purchase of materials and training supplies for program providers. It will also allow the Division to pay for the ever increasing demand for interpreter services by providers of these services.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

---

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

## 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	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
193 State Operations	17,938,419	0	18,793,705	0	19,509,415	0	18,793,705	0	20,766,275	0	20,766,275	0	18,793,705	0	21,747,988	0	21,747,988	0
196 Community Mental Health Centers	8,458,909	0	8,602,384	0	8,780,603	0	8,602,384	0	8,602,384	0	8,602,384	0	8,602,384	0	8,602,384	0	8,602,384	0
1EN Community Alcohol Safety	3,176,449	2	3,550,867	2	3,554,907	2	3,550,019	2	3,631,152	3	3,631,152	3	3,550,019	2	3,631,152	3	3,631,152	3
1ET Alcohol & Drug Abuse Prevention	19,714,642	0	21,114,814	0	21,824,072	0	21,114,814	0	21,114,814	0	21,114,814	0	21,114,814	0	21,114,814	0	21,114,814	0
2MN Mental Health Block Grant	5,810,820	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	5,437,303	0	5,633,293	0	5,750,000	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0
896 Division of Behavioral Health Services	86,850,954	1,126	87,989,124	1,000	100,787,161	1,165	87,804,947	1,000	101,637,876	1,165	100,507,384	1,165	87,804,947	1,000	101,464,448	1,165	101,280,956	1,165
937 Canteen - Cash in Treasury	158,082	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	30,404	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
<b>Total</b>	<b>147,575,982</b>	<b>1,128</b>	<b>152,002,034</b>	<b>1,002</b>	<b>166,524,005</b>	<b>1,167</b>	<b>151,817,009</b>	<b>1,002</b>	<b>167,703,641</b>	<b>1,168</b>	<b>166,573,149</b>	<b>1,168</b>	<b>151,817,009</b>	<b>1,002</b>	<b>168,511,926</b>	<b>1,168</b>	<b>168,328,434</b>	<b>1,168</b>

Funding Sources		%		%		%		%		%		%		%		%		
General Revenue	4000010	71,886,645	48.7	75,626,192	49.8		75,577,870	49.8	80,337,240	51.2	78,770,240	50.7	75,577,870	49.8	80,576,953	51.3	79,956,953	51.1
Federal Revenue	4000020	24,106,434	16.3	24,276,960	16.0		24,196,771	15.9	24,196,771	15.4	24,196,771	15.6	24,196,771	15.9	24,196,771	15.4	24,196,771	15.5
Cash Fund	4000045	188,486	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
Various Program Support	4000730	51,394,417	34.8	51,849,834	34.1		51,793,320	34.1	52,059,320	33.2	52,059,320	33.5	51,793,320	34.1	52,059,320	33.1	52,059,320	33.3
<b>Total Funds</b>		<b>147,575,982</b>	<b>100.0</b>	<b>152,002,034</b>	<b>100.0</b>		<b>151,817,009</b>	<b>100.0</b>	<b>156,842,379</b>	<b>100.0</b>	<b>155,275,379</b>	<b>100.0</b>	<b>151,817,009</b>	<b>100.0</b>	<b>157,082,092</b>	<b>100.0</b>	<b>156,462,092</b>	<b>100.0</b>
Excess Appropriation/(Funding)		0		0			0		10,861,262		11,297,770		0		11,429,834		11,866,342	
<b>Grand Total</b>		<b>147,575,982</b>		<b>152,002,034</b>			<b>151,817,009</b>		<b>167,703,641</b>		<b>166,573,149</b>		<b>151,817,009</b>		<b>168,511,926</b>		<b>168,328,434</b>	

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
1,172	992	0	992	180	15.36 %	1,167	1000	16	1016	151	14.31 %	1,167	983	19	1002	165	15.77 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 242 of 2010 section 17(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 in the Section 14 of Act 274 of 2010 sets the apportionment of funds on the basis of three dollars and six cents (\$3.06) per capita for the current biennium. Section 11 provides an Allocation Restrictions for the maximum allocation of funds per CMHC. Section 12 provides a methodology for changing the Allocation Restrictions maximum allocation in the event that unforeseen circumstances occur. Section 13 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 15 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 \$8,602,384 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	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	8,458,909	8,602,384	8,780,603	8,602,384	8,602,384	8,602,384	8,602,384	8,602,384	8,602,384
<b>Total</b>	<b>8,458,909</b>	<b>8,602,384</b>	<b>8,780,603</b>	<b>8,602,384</b>	<b>8,602,384</b>	<b>8,602,384</b>	<b>8,602,384</b>	<b>8,602,384</b>	<b>8,602,384</b>
<b>Funding Sources</b>									
General Revenue 4000010	8,458,909	8,602,384		8,602,384	8,602,384	8,602,384	8,602,384	8,602,384	8,602,384
<b>Total Funding</b>	<b>8,458,909</b>	<b>8,602,384</b>		<b>8,602,384</b>	<b>8,602,384</b>	<b>8,602,384</b>	<b>8,602,384</b>	<b>8,602,384</b>	<b>8,602,384</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>8,458,909</b>	<b>8,602,384</b>		<b>8,602,384</b>	<b>8,602,384</b>	<b>8,602,384</b>	<b>8,602,384</b>	<b>8,602,384</b>	<b>8,602,384</b>



## **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 and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Base Level for this appropriation is \$3,550,019 each year of the biennium with 2 budgeted base level positions.

The Agency Change Level request for this appropriation is \$81,133 each year of the biennium and is comprised of the following:

- Restoration of one (1) position that is authorized but not budgeted with salary and matching appropriation only to assist in tracking and managing community drug and alcohol classes and class revenues.
- \$50,000 each year of the biennium in Operating Expenses appropriation to allow for the purchase of materials and training supplies for program providers and to pay for the increasing demand for interpreter services for Drug and Alcohol Prevention providers.

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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	78,874	76,384	79,397	75,684	97,511	97,511	75,684	97,511	97,511
<b>#Positions</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>
Personal Services Matching	5010003	25,103	25,545	25,548	25,397	34,703	34,703	25,397	34,703	34,703
Operating Expenses	5020002	73,011	45,195	45,195	45,195	95,195	95,195	45,195	95,195	95,195
Conference & Travel Expenses	5050009	1,726	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	2,952,743	3,395,445	3,396,469	3,395,445	3,395,445	3,395,445	3,395,445	3,395,445	3,395,445
Capital Outlay	5120011	44,992	0	0	0	0	0	0	0	0
<b>Total</b>		<b>3,176,449</b>	<b>3,550,867</b>	<b>3,554,907</b>	<b>3,550,019</b>	<b>3,631,152</b>	<b>3,631,152</b>	<b>3,550,019</b>	<b>3,631,152</b>	<b>3,631,152</b>
<b>Funding Sources</b>										
Various Program Support	4000730	3,176,449	3,550,867		3,550,019	3,550,019	3,550,019	3,550,019	3,550,019	3,550,019
Total Funding		3,176,449	3,550,867		3,550,019	3,550,019	3,550,019	3,550,019	3,550,019	3,550,019
Excess Appropriation/(Funding)		0	0		0	81,133	81,133	0	81,133	81,133
Grand Total		3,176,449	3,550,867		3,550,019	3,631,152	3,631,152	3,550,019	3,631,152	3,631,152

## Change Level by Appropriation

**Appropriation:** 1EN - Community Alcohol Safety  
**Funding Sources:** MHS - Highway Safety Special Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,550,019</b>	<b>2</b>	<b>3,550,019</b>	<b>100.0</b>	<b>3,550,019</b>	<b>2</b>	<b>3,550,019</b>	<b>100.0</b>
C05	Unfunded Appropriation	81,133	1	3,631,152	102.3	81,133	1	3,631,152	102.3

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,550,019</b>	<b>2</b>	<b>3,550,019</b>	<b>100.0</b>	<b>3,550,019</b>	<b>2</b>	<b>3,550,019</b>	<b>100.0</b>
C05	Unfunded Appropriation	81,133	1	3,631,152	102.3	81,133	1	3,631,152	102.3

### Justification

C05	The Division of Behavioral Health Services is requesting appropriation only in each year of the biennium in the Maintenance & Operations line of the Drug and Alcohol Safety Education Program (DASEP). This increased appropriation in the Drug and Alcohol Safety Education Program will allow for the purchase of materials and training supplies for program providers. It will also allow the Division to pay for the ever increasing demand for interpreter services by providers of these services. Appropriation is also requested for the restoration of 1 position to assist in tracking and managing community drug and alcohol classes and class revenues.
-----	--

## **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 and total request for this appropriation is \$21,114,814 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## 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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	19,714,642	21,114,814	21,824,072	21,114,814	21,114,814	21,114,814	21,114,814	21,114,814	21,114,814
<b>Total</b>		<b>19,714,642</b>	<b>21,114,814</b>	<b>21,824,072</b>	<b>21,114,814</b>	<b>21,114,814</b>	<b>21,114,814</b>	<b>21,114,814</b>	<b>21,114,814</b>	<b>21,114,814</b>
<b>Funding Sources</b>										
General Revenue	4000010	2,341,805	2,395,324		2,395,324	2,395,324	2,395,324	2,395,324	2,395,324	2,395,324
Federal Revenue	4000020	16,127,193	16,732,592		16,732,592	16,732,592	16,732,592	16,732,592	16,732,592	16,732,592
Various Program Support	4000730	1,245,644	1,986,898		1,986,898	1,986,898	1,986,898	1,986,898	1,986,898	1,986,898
<b>Total Funding</b>		<b>19,714,642</b>	<b>21,114,814</b>		<b>21,114,814</b>	<b>21,114,814</b>	<b>21,114,814</b>	<b>21,114,814</b>	<b>21,114,814</b>	<b>21,114,814</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>19,714,642</b>	<b>21,114,814</b>		<b>21,114,814</b>	<b>21,114,814</b>	<b>21,114,814</b>	<b>21,114,814</b>	<b>21,114,814</b>	<b>21,114,814</b>

## **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		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	5,810,820	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		5,810,820	6,068,799	6,068,799	6,068,799	6,068,799	6,068,799	6,068,799	6,068,799	6,068,799
<b>Funding Sources</b>										
Federal Revenue	4000020	5,810,820	6,068,799		6,068,799	6,068,799	6,068,799	6,068,799	6,068,799	6,068,799
Total Funding		5,810,820	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		5,810,820	6,068,799		6,068,799	6,068,799	6,068,799	6,068,799	6,068,799	6,068,799

## **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 23 of Act 274 of 2010. Section 24 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 25 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 \$5,633,293 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	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	5,437,303	5,633,293	5,750,000	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293
<b>Total</b>	<b>5,437,303</b>	<b>5,633,293</b>	<b>5,750,000</b>	<b>5,633,293</b>	<b>5,633,293</b>	<b>5,633,293</b>	<b>5,633,293</b>	<b>5,633,293</b>	<b>5,633,293</b>
<b>Funding Sources</b>									
General Revenue 4000010	5,437,303	5,633,293		5,633,293	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293
<b>Total Funding</b>	<b>5,437,303</b>	<b>5,633,293</b>		<b>5,633,293</b>	<b>5,633,293</b>	<b>5,633,293</b>	<b>5,633,293</b>	<b>5,633,293</b>	<b>5,633,293</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>5,437,303</b>	<b>5,633,293</b>		<b>5,633,293</b>	<b>5,633,293</b>	<b>5,633,293</b>	<b>5,633,293</b>	<b>5,633,293</b>	<b>5,633,293</b>

## **Analysis of Budget Request**

**Appropriation:** 896 - DHS DBH—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 statuses, 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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Base Level request for the Operations appropriation is \$87,804,947 in each year of the biennium with 1,000 budgeted base level positions.

The Agency Base Level request for the Grants/Patient Services appropriation is \$16,194,322 each year of the biennium.

The Agency Base Level and total request for the Mental Health Center Transfer appropriation is \$2,599,383 each year of the biennium.

The Agency Change level request for the Operations appropriation is \$13,832,929 in FY2012 and \$13,659,501 in FY2013, with general revenue request of \$2,786,800 in FY2012 and \$2,044,800 in FY2013. The general revenue request consists of the following components:

- \$684,000 each year of the biennium in new general revenue for an increase in contract services for forensic staff at ASH.
- \$770,000 each year of the biennium in new general revenue to cover the increased costs of forensic clients at ASH.
- \$1,067,000 in FY2012 and \$120,000 in FY2013 in new general revenue for the purchase and maintenance of an Electronic Medical Records System at ASH and AHC.
- \$265,800 in FY2012 and \$470,800 in FY2013 in new general revenue to support the inclusion of Family Support Providers in the System of Care Wraparound planning and implementation process.

The following delineates the agency's request:

- Restoration of one hundred sixty-four (164) positions that are authorized but not budgeted with salary and matching appropriation to assist in meeting established staffing patterns.
- Transfer two (2) positions from the Division of Children and Family Services with salary and matching appropriation to be used at the Arkansas Health Center as Respiratory Therapists thus reducing the cost the facility would pay for contracting these services.
- Transfer one (1) position to the Division of Children and Family Services with salary and matching appropriation to improve the mental health services of children and families who are clients of the child welfare system.
- Transfer one (1) position to the Division of Medical Services with salary and matching appropriation to assist with research and analysis.
- Transfer one (1) position from the Division of Youth Services with salary and matching appropriation to assist in administrative duties for the Together We Can (TWC) program.
- Reclassification on thirteen (13) positions due to the duties and responsibilities changing since the pay plan study.
- \$2,800,000 in FY2012 and \$3,100,000 in FY2013 in Extra Help appropriation to provide better continuity of care for the clients in DBHS facilities.

- \$1,200,000 in FY2012 and \$1,400,000 in FY2013 in Overtime appropriation with corresponding matching appropriation to provide better continuity of care for the clients in DBHS facilities.
- \$2,787,000 in FY2012 and \$1,840,000 in FY2013 in Operating Expenses appropriation for an increase in contracted services for forensic staff at ASH, the increased costs of forensic clients at ASH and the purchase and maintenance of an Electronic Medical Records System at ASH and AHC.
- \$265,800 in FY2012 and \$470,800 in FY2013 in Professional Fees appropriation to support the inclusion of Family Support Providers in the System of Care Wraparound planning and implementation process.

The Agency Change Level request for the Grants/Patient Services appropriation is \$1,972,570 in FY2012 and \$2,954,283 in FY2013 with general revenue request of \$1,972,570 in FY2012 and \$2,954,283 in FY2013. This request is for the establishment of an Assertive Community Treatment Team in each CMHC service area and a change in the rate paid for forensic evaluations.

The Agency does not have a Change Level request for the Mental Health Center Transfer appropriation.

The Executive Recommendation provides for Base Level in the Operations appropriation. Additionally, restoration of the 165 positions has been provided for along with salary and matching appropriation. The two (2) positions transferred from DCFS, the one (1) position transferred to DCFS, the one (1) position transferred to DMS and the one (1) position transferred to DYS with salary and matching appropriation are recommended. Reclassification of ten (10) positions is recommended. \$2,800,000 in FY2012 and \$3,100,000 in FY2013 in Extra Help appropriation is recommended. \$1,200,000 in FY2012 and \$1,400,000 in FY2013 is provided for in the Overtime appropriation with corresponding matching appropriation. \$2,787,000 in FY2012 and \$1,840,000 in FY2013 is provided for additional Operating Expenses appropriation. \$265,800 in FY2012 and \$470,800 in FY2013 is provided for Professional Fees appropriation. Finally, additional general revenue in the amount of \$1,719,800 in FY2012 and \$1,924,800 in FY2013 is recommended.

The Executive Recommendation provides for the Agency Request in the Grants/Patient Services appropriation with \$1,472,570 in FY2012 and \$2,454,283 in FY2013 in new general revenue funding.

The Executive Recommendation for the Mental Health Center Transfer appropriation provides for the Agency Request.

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

- \$684,000 each year of the biennium for an increase in contracted services for forensic staff at ASH.
- \$770,000 each year of the biennium to cover the increased costs of forensic clients at ASH.
- \$265,800 in FY2012 and \$470,800 in FY2013 to support the inclusion of Family Support Providers in the System of Care Wraparound planning and implementation process.
- \$1,472,570 in FY2012 and \$2,454,283 in FY2013 for the establishment of an Assertive Community Treatment Team in each CMHC service area.

## Appropriation Summary

**Appropriation:** 896 - DHS DBH-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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	36,932,010	37,661,734	42,759,314	37,248,988	41,797,971	41,742,994	37,248,988	41,797,971	41,742,994
<b>#Positions</b>		<b>1,126</b>	<b>1,000</b>	<b>1,165</b>	<b>1,000</b>	<b>1,165</b>	<b>1,165</b>	<b>1,000</b>	<b>1,165</b>	<b>1,165</b>
Extra Help	5010001	4,716,796	2,668,889	2,668,889	2,668,889	5,468,889	5,468,889	2,668,889	5,768,889	5,768,889
<b>#Extra Help</b>		<b>289</b>	<b>336</b>	<b>336</b>	<b>336</b>	<b>336</b>	<b>336</b>	<b>336</b>	<b>336</b>	<b>336</b>
Personal Services Matching	5010003	13,155,604	12,904,663	14,820,034	13,238,637	15,469,783	15,461,268	13,238,637	15,538,355	15,529,840
Overtime	5010006	2,861,024	2,186,342	2,186,342	2,186,342	3,386,342	3,386,342	2,186,342	3,586,342	3,586,342
Operating Expenses	5020002	21,142,084	23,197,115	28,483,894	23,197,115	25,984,115	24,917,115	23,197,115	25,037,115	24,917,115
Conference & Travel Expenses	5050009	87,795	105,515	209,227	105,515	105,515	105,515	105,515	105,515	105,515
Professional Fees	5060010	7,821,737	9,159,461	9,159,461	9,159,461	9,425,261	9,425,261	9,159,461	9,630,261	9,630,261
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants/Patient Services	5100004	15,358,135	16,194,322	16,856,179	16,194,322	18,166,892	18,166,892	16,194,322	19,148,605	19,148,605
Capital Outlay	5120011	133,904	105,405	500,000	0	0	0	0	0	0
Mental Hlth Center Transfer	5900046	2,580,284	2,599,383	2,653,236	2,599,383	2,599,383	2,599,383	2,599,383	2,599,383	2,599,383
<b>Total</b>		<b>104,789,373</b>	<b>106,782,829</b>	<b>120,296,576</b>	<b>106,598,652</b>	<b>122,404,151</b>	<b>121,273,659</b>	<b>106,598,652</b>	<b>123,212,436</b>	<b>123,028,944</b>
<b>Funding Sources</b>										
General Revenue	4000010	55,648,628	58,995,191		58,946,869	63,706,239	62,139,239	58,946,869	63,945,952	63,325,952
Federal Revenue	4000020	2,168,421	1,475,569		1,395,380	1,395,380	1,395,380	1,395,380	1,395,380	1,395,380
Various Program Support	4000730	46,972,324	46,312,069		46,256,403	46,522,403	46,522,403	46,256,403	46,522,403	46,522,403
<b>Total Funding</b>		<b>104,789,373</b>	<b>106,782,829</b>		<b>106,598,652</b>	<b>111,624,022</b>	<b>110,057,022</b>	<b>106,598,652</b>	<b>111,863,735</b>	<b>111,243,735</b>
Excess Appropriation/(Funding)		0	0		0	10,780,129	11,216,637	0	11,348,701	11,785,209
<b>Grand Total</b>		<b>104,789,373</b>	<b>106,782,829</b>		<b>106,598,652</b>	<b>122,404,151</b>	<b>121,273,659</b>	<b>106,598,652</b>	<b>123,212,436</b>	<b>123,028,944</b>

## Change Level by Appropriation

**Appropriation:** 896 - DHS DBH–Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	87,804,947	1,000	87,804,947	100.0	87,804,947	1,000	87,804,947	100.0
C01	Existing Program	1,985,800	0	89,790,747	102.3	2,190,800	0	89,995,747	102.5
C05	Unfunded Appropriation	10,858,189	164	100,648,936	114.6	11,426,761	164	101,422,508	115.5
C07	Agency Transfer	(134,573)	1	100,514,363	114.5	(134,573)	1	101,287,935	115.4
C08	Technology	1,067,000	0	101,581,363	115.7	120,000	0	101,407,935	115.5
C10	Reclass	56,513	0	101,637,876	115.8	56,513	0	101,464,448	115.6

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	87,805,894	1,000	87,805,894	100.0	87,805,894	1,000	87,805,894	100.0
C01	Existing Program	1,985,800	0	89,791,694	102.3	2,190,800	0	89,996,694	102.5
C05	Unfunded Appropriation	10,859,926	164	100,651,620	114.6	11,428,498	164	101,425,192	115.5
C07	Agency Transfer	(134,573)	1	100,517,047	114.5	(134,573)	1	101,290,619	115.4
C08	Technology	0	0	100,517,047	114.5	0	0	101,290,619	115.4
C10	Reclass	(9,663)	0	100,507,384	114.5	(9,663)	0	101,280,956	115.3

### Justification

C01	Included in this Change Level request are several initiatives. The initiatives for the Arkansas State Hospital include General Revenue funding and appropriation each year of the biennium for an increase in contracted services for forensic staff. ASH is experiencing increased pressures to administer and complete more forensic evaluations and re-evaluations. The number of evaluations administered by ASH has grown steadily over the years without an increase in resources dedicated to the task. Also included in this request for ASH is an increase in General Revenue funding and appropriation each year of the biennium for outpatient forensic restoration. At the present time, all forensic treatment orders specify that treatment will be provided at the Arkansas State Hospital. Many cases could be safely treated in the community, thus freeing up inpatient resources for those most in need. The Arkansas State Hospital is also requesting General Revenue funding and appropriation each year of the biennium to cover the increased costs of forensic clients. The trend of increased forensic clients at ASH is an unavoidable result of the court system and the lack of alternative placement space for these individuals. These clients are much more difficult and costly to serve. These continued increases in the forensic population at ASH could possibly result our inability to accept acute care clients at the levels required. The Division is also requesting funding and appropriation for a partnership with the Arkansas Family and Youth Assistance Network. These funds will be used to support the inclusion of Family Support Providers in the System of Care Wraparound planning and implementation process. Currently the State only employs one half-time consumer advocate for the entire system. Family Support Providers play a vital role in engaging families and youth to successfully complete the wraparound process as a nationally recognized component of Systems of Care.
C05	The Division of Behavioral Health Services is requesting appropriation only in each year of the biennium for Extra Help and Overtime. The Division of Behavioral Health Services is in need of additional Extra Help and Overtime appropriation. In an effort to reduce utilization of contract nursing agencies, we requested and received 213 additional extra help positions in the 2009 Legislative Session. These positions along with the utilization of overtime for our regular employees, who have a better knowledge of individual resident conditions and needs, will allow DBHS to provide better continuity of care for the clients in our facilities. This appropriation will allow the Division to fully utilize all of our positions for the intended purpose. Appropriation is also requested for the restoration of 164 positions to assist in meeting established staffing patterns.

## Change Level by Appropriation

<b>Justification</b>	
C07	The Division is requesting the transfer of two positions from the Division of Children and Family Services. These positions will be used at the Arkansas Health Center as Respiratory Therapists thus reducing the cost that this facility pays for contracting these services. The third position will be transferred from the Division of Youth Services and will be used as an Administrative Assistant in the System of Care Program. The Division is requesting a transfer of 1 position to the Division of Children and Family Services to improve the mental health services of children and families who are clients of the child welfare system, and 1 position transfer to the Division of Medical Services to assist with research and analysis.
C08	The Division of Behavioral Health Services is requesting General Revenue funding and appropriation for an Electronic Medical Record System at the Arkansas State Hospital and the Arkansas Health Center. An Electronic Medical Records (EMR) System would improve caregivers' ability to make sound decisions in a timely manner and provide immediate access to key information. Our current system does not provide the needed access to health data to sufficiently support progressive industry standards. An EMR will improve quality by putting key resident/patient information at the fingertips of nurses, doctors, direct caregivers, pharmacists, and quality assurance staff - regardless of their location in the facilities. This request is located in the Division's IT plan under the Project Costs Tab - Medical Records.
C10	The Division of Behavioral Health Services is requesting the reclassification of several positions that are misclassified within the Arkansas State Hospital and the Arkansas Health Center. These positions are critical to the functions of these facilities, and these misclassifications cause inequities in the departments that they are employed in. These requested reclassifications will bring these employees salaries and titles more in line with the duties performed.

## Change Level by Appropriation

**Appropriation:** 193 - State Operations  
**Funding Sources:** DBA - Mental Health Services Fund Account

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>18,793,705</b>	<b>0</b>	<b>18,793,705</b>	<b>100.0</b>	<b>18,793,705</b>	<b>0</b>	<b>18,793,705</b>	<b>100.0</b>
C01	Existing Program	1,972,570	0	20,766,275	110.5	2,954,283	0	21,747,988	115.7

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>18,793,705</b>	<b>0</b>	<b>18,793,705</b>	<b>100.0</b>	<b>18,793,705</b>	<b>0</b>	<b>18,793,705</b>	<b>100.0</b>
C01	Existing Program	1,972,570	0	20,766,275	110.5	2,954,283	0	21,747,988	115.7

### Justification

C01	The Division of Behavioral Health Services is requesting in General Revenue funding and appropriation to develop an Assertive Community Treatment Team in each CMHC service area. Assertive Community Treatment (ACT) as an Evidence Based Practice (EBP) is a widely replicated model of intense service provision and necessary for individual demonstrating high acuity of need and behavioral dysfunction over a prolonged period as evidenced in recidivism. The model has demonstrated effectiveness in supporting community re-integration and significant reduction of psychiatric crisis and relapse. These funds will allow for start up costs for 15 ACT Team and will provide funding for non-Medicaid clients. This request is a "systems transformation" request and will sunset at the end of the biennium. The Division is also requesting in funding and appropriation for an increase in the reimbursement rate for forensic evaluations. This rate has not increased in over 20 years. The fee is currently a flat \$500 regardless of complexity or whether court testimony is required. The number of qualified evaluators willing to perform the service at the current rate is currently quite limited. In addition, we feel that the quality of these evaluations is, in many instances, limited by the current reimbursement rate. The current market for Psychologists is \$200 per hour. The average length of time that is required to perform a forensic evaluation is 5 hours. In order for the Division to increase the pool of qualified willing providers and avoid non-compliance with court orders, it is necessary for us to increase the current rate paid for this service.
-----	---



## **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. Expenditure of appropriation is contingent upon available funding.

The Executive Recommendation provides for the Agency Request.

## 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		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	158,082	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
<b>Total</b>	<b>158,082</b>	<b>174,048</b>	<b>174,048</b>	<b>174,048</b>	<b>174,048</b>	<b>174,048</b>	<b>174,048</b>	<b>174,048</b>	<b>174,048</b>
<b>Funding Sources</b>									
Cash Fund 4000045	158,082	174,048		174,048	174,048	174,048	174,048	174,048	174,048
<b>Total Funding</b>	<b>158,082</b>	<b>174,048</b>		<b>174,048</b>	<b>174,048</b>	<b>174,048</b>	<b>174,048</b>	<b>174,048</b>	<b>174,048</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>158,082</b>	<b>174,048</b>		<b>174,048</b>	<b>174,048</b>	<b>174,048</b>	<b>174,048</b>	<b>174,048</b>	<b>174,048</b>

## **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. Expenditure of appropriation is contingent upon available funding.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 938 - Patient Benefits–Cash in Treasury

**Funding Sources:** NHS - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Patient Benefit Fund 5900046	30,404	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
<b>Total</b>	<b>30,404</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>
<b>Funding Sources</b>									
Cash Fund 4000045	30,404	75,000		75,000	75,000	75,000	75,000	75,000	75,000
<b>Total Funding</b>	<b>30,404</b>	<b>75,000</b>		<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>30,404</b>	<b>75,000</b>		<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>

**BIENNIAL BUDGET SUMMARY**

Ouachita Regional - Community Counseling

(Name of CMHC)

LINE ITEM TITLE	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 7,456,534.00	\$ 7,261,804.40	\$ 7,479,658.53	\$ 7,704,048.29
Fringe Benefits	\$ 1,765,237.58	\$ 1,815,451.10	\$ 1,869,914.63	\$ 1,926,012.07
<b>Total Personal Services</b>	<b>\$ 9,221,771.58</b>	<b>\$ 9,077,255.50</b>	<b>\$ 9,349,573.17</b>	<b>\$ 9,630,060.36</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 1,834,273.60	\$ 1,921,094.00	\$ 1,978,726.82	\$ 2,038,088.62
Conference Fees & Travel	\$ 76,675.87	\$ 76,860.00	\$ 79,165.80	\$ 81,540.77
Professional Fees	\$ 1,420,997.61	\$ 1,232,399.00	\$ 1,269,370.97	\$ 1,307,452.10
Capital Outlay	\$ 542,949.65	\$ 544,757.00	\$ 561,099.71	\$ 577,932.70
<b>Total Maint. &amp; Operation</b>	<b>\$ 3,874,896.73</b>	<b>\$ 3,775,110.00</b>	<b>\$ 3,888,363.30</b>	<b>\$ 4,005,014.20</b>
<b>TOTAL EXPENSES</b>	<b>\$ 13,096,668.31</b>	<b>\$ 12,852,365.50</b>	<b>\$ 13,237,936.47</b>	<b>\$ 13,635,074.56</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 2,191,555.07	\$ 2,082,314.00	\$ 1,862,897.49	\$ 1,697,018.60
Federal Revenues	\$ 9,909,223.71	\$ 10,320,028.00	\$ 10,674,982.62	\$ 11,045,234.76
Fees for Service	\$ 512,640.87	\$ 597,801.00	\$ 783,856.66	\$ 1,184,988.81
Other Contracts	\$ -	\$ -	\$ -	\$ -
Other Revenues	\$ -	\$ -	\$ -	\$ -
<b>TOTAL FUNDING</b>	<b>\$ 12,613,419.65</b>	<b>\$ 13,000,143.00</b>	<b>\$ 13,321,736.77</b>	<b>\$ 13,927,242.17</b>

FUNDING SOURCES DETAIL				
Ouachita Regional - Community Counseling				
(Name of CMHC)				
FUNDING SOURCES	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 278,079	\$ 472,004	\$ 472,004	\$ 472,004
CSP Part B	\$ 142,722	\$ 141,746	\$ 141,746	\$ 141,746
Per Capita	\$ 490,745	\$ 498,432	\$ 498,432	\$ 498,432
State Match	\$ 20,635	\$ 25,640	\$ 25,640	\$ 25,640
Forensic Evaluations				
CASSP	\$ 69,975	\$ 45,244	\$ 45,244	\$ 45,244
Youth Services Contracts				
Other General Revenue	\$ 1,189,399	\$ 899,248	\$ 679,831	\$ 513,953
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 187,976	\$ 210,581	\$ 210,581	\$ 210,581
Medicaid	\$ 8,502,650	\$ 8,850,334	\$ 9,213,198	\$ 9,590,939
Medicare	\$ 123,836	\$ 116,443	\$ 109,458	\$ 102,889
Title XX	\$ 50,499	\$ 92,265	\$ 92,265	\$ 92,265
AR Kids	\$ 923,136	\$ 922,499	\$ 921,577	\$ 920,655
Homeless Grant				
HUD				
USDA				
Title III				
FEMA				
RSVP & VA				
Food Program	\$ 121,127	\$ 127,906	\$ 127,906	\$ 127,906
Transitional Housing				
Other Federal Revenue				
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 287,977	\$ 314,577	\$ 343,518	\$ 375,122
Self Pay	\$ 157,715	\$ 136,242	\$ 117,713	\$ 101,704
Other	\$ 66,948	\$ 146,982	\$ 322,625	\$ 708,163
<b>OTHER CONTRACTS:</b>				
<b>OTHER REVENUES:</b>	\$ 209,415	\$ 283,962	\$ 385,052	\$ 522,131
<b>TOTAL FUNDING:</b>	\$ 12,822,835	\$ 13,284,105	\$ 13,706,789	\$ 14,449,373

**BIENNIAL BUDGET SUMMARY**

Counseling Associates, Inc.

(Name of CMHC)

LINE ITEM TITLE	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 6,048,030.00	\$ 5,915,459.00	\$ 6,033,773.00	\$ 6,154,446.00
Fringe Benefits	\$ 994,417.00	\$ 972,651.00	\$ 992,104.00	\$ 1,011,946.00
<b>Total Personal Services</b>	<b>\$ 7,042,447.00</b>	<b>\$ 6,888,110.00</b>	<b>\$ 7,025,877.00</b>	<b>\$ 7,166,392.00</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 1,858,463.00	\$ 1,806,398.00	\$ 1,821,750.00	\$ 1,838,000.00
Conference Fees & Travel	\$ 207,548.00	\$ 213,950.00	\$ 215,000.00	\$ 215,000.00
Professional Fees	\$ 2,058,778.00	\$ 2,044,903.00	\$ 2,068,500.00	\$ 2,091,900.00
Capital Outlay	\$ 203,322.00	\$ 207,579.00	\$ 208,000.00	\$ 208,000.00
<b>Total Maint. &amp; Operation</b>	<b>\$ 4,328,111.00</b>	<b>\$ 4,272,830.00</b>	<b>\$ 4,313,250.00</b>	<b>\$ 4,352,900.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 11,370,558.00</b>	<b>\$ 11,160,940.00</b>	<b>\$ 11,339,127.00</b>	<b>\$ 11,519,292.00</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 2,718,547.00	\$ 2,846,093.00	\$ 2,896,247.00	\$ 2,896,247.00
Federal Revenues	\$ 6,750,727.00	\$ 6,967,750.00	\$ 7,079,740.00	\$ 7,193,970.00
Fees for Service	\$ 1,212,864.00	\$ 1,184,700.00	\$ 1,184,700.00	\$ 1,184,700.00
Other Contracts	\$ 164,096.00	\$ 155,000.00	\$ 155,000.00	\$ 155,000.00
Other Revenues	\$ 203,827.00	\$ 105,600.00	\$ 105,600.00	\$ 105,600.00
<b>TOTAL FUNDING</b>	<b>\$ 11,050,061.00</b>	<b>\$ 11,259,143.00</b>	<b>\$ 11,421,287.00</b>	<b>\$ 11,535,517.00</b>



<b>FUNDING SOURCES DETAIL</b>				
Counseling Associates, Inc.				
(Name of CMHC)				
FUNDING SOURCES	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 348,400	\$ 402,884	\$ 414,751	\$ 414,751
CSP Part B	\$ 184,830	\$ 185,849	\$ 189,285	\$ 189,285
Per Capita	\$ 657,741	\$ 657,741	\$ 657,741	\$ 657,741
State Match	\$ 27,293	\$ 33,912	\$ 48,241	\$ 48,241
Forensic Evaluations	\$ 31,500	\$ 26,000	\$ 26,000	\$ 26,000
CASSP	\$ 92,500	\$ 90,823	\$ 92,500	\$ 92,500
Youth Services Contracts				
Other General Revenue	\$ 1,398,483	\$ 1,489,304	\$ 1,487,729	\$ 1,487,729
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 277,038	\$ 284,813	\$ 284,813	\$ 284,813
Medicaid	\$ 5,263,272	\$ 5,599,500	\$ 5,711,490	\$ 5,825,720
Medicare	\$ 173,704	\$ 181,500	\$ 181,500	\$ 181,500
Title XX	\$ 50,434	\$ 50,434	\$ 50,434	\$ 50,434
AR Kids				
Homeless Grant	\$ 10,869			
HUD				
USDA				
Title III				
FEMA				
RSVP & VA				
Food Program	\$ 28,317	\$ 25,800	\$ 25,800	\$ 25,800
Transitional Housing	\$ 57,853			
Other Federal Revenue	\$ 891,640	\$ 845,703	\$ 845,703	\$ 845,703
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 704,764	\$ 678,200	\$ 678,200	\$ 678,200
Self Pay	\$ 508,100	\$ 508,500	\$ 508,500	\$ 508,500
Other				
<b>OTHER CONTRACTS:</b>				
School case management	\$ 104,098	\$ 95,000	\$ 95,000	\$ 95,000
Miscellaneous	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
<b>OTHER REVENUES:</b>				
Miscellaneous	\$ 154,429	\$ 60,600	\$ 60,600	\$ 60,600
Contributions	\$ 49,398	\$ 45,000	\$ 45,000	\$ 45,000
<b>TOTAL FUNDING:</b>	<b>\$ 11,050,061</b>	<b>\$ 11,259,143</b>	<b>\$ 11,421,287</b>	<b>\$ 11,535,517</b>



**BIENNIAL BUDGET SUMMARY**

Counseling Clinic, Inc.

LINE ITEM TITLE	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 2,465,500.00	\$ 4,110,854.00	\$ 4,185,221.02	\$ 4,307,777.65
Fringe Benefits	\$ 604,742.00	\$ 925,204.00	\$ 952,960.12	\$ 981,548.92
<b>Total Personal Services</b>	<b>\$ 3,070,242.00</b>	<b>\$ 5,036,058.00</b>	<b>\$ 5,138,181.14</b>	<b>\$ 5,289,326.57</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 451,263.00	\$ 1,109,588.00	\$ 1,131,779.76	\$ 1,154,415.36
Conference Fees & Travel	\$ -	\$ -	\$ -	\$ -
Professional Fees	\$ 775,781.00	\$ 945,545.00	\$ 964,455.90	\$ 983,745.02
Capital Outlay	\$ 136,146.00	\$ 269,223.00	\$ 265,000.00	\$ 260,000.00
<b>Total Maint. &amp; Operation</b>	<b>\$ 1,363,190.00</b>	<b>\$ 2,324,356.00</b>	<b>\$ 2,361,235.66</b>	<b>\$ 2,398,160.37</b>
<b>TOTAL EXPENSES</b>	<b>\$ 4,433,432.00</b>	<b>\$ 7,360,414.00</b>	<b>\$ 7,499,416.80</b>	<b>\$ 7,687,486.95</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 1,714,575.00	\$ 1,782,594.00	\$ 1,737,213.00	\$ 1,742,213.00
Federal Revenues	\$ 1,358,148.00	\$ 3,798,228.00	\$ 3,856,180.00	\$ 3,908,180.00
Fees for Service	\$ 226,425.00	\$ 241,421.00	\$ 244,000.00	\$ 247,000.00
Other Contracts	\$ -	\$ 18,248.00	\$ 18,248.00	\$ 18,248.00
Other Revenues	\$ 1,249,619.00	\$ 1,814,989.00	\$ 1,852,000.00	\$ 1,905,000.00
<b>TOTAL FUNDING</b>	<b>\$ 4,548,767.00</b>	<b>\$ 7,655,480.00</b>	<b>\$ 7,707,641.00</b>	<b>\$ 7,820,641.00</b>

**FUNDING SOURCES DETAIL**

Counseling Clinic, Inc.

FUNDING SOURCES	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 182,844	\$ 204,721	\$ 204,721	\$ 204,721
CSP Part B	\$ 61,312	\$ 61,765	\$ 61,765	\$ 61,765
Per Capita	\$ 255,599	\$ 255,599	\$ 255,599	\$ 255,599
State Match	\$ 10,606	\$ 13,178	\$ 13,178	\$ 13,178
Forensic Evaluations	\$ 17,000	\$ 19,100	\$ 20,000	\$ 20,000
CASSP	\$ 166,892	\$ 200,063	\$ 200,063	\$ 200,063
Youth Services Contracts	\$ 854,010	\$ 856,120	\$ 806,887	\$ 806,887
Other General Revenue	\$ 166,512	\$ 172,048	\$ 175,000	\$ 180,000
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 107,623	\$ 110,644	\$ 110,664	\$ 110,664
Medicaid	\$ 1,164,482	\$ 3,544,597	\$ 3,600,000	\$ 3,650,000
Medicare	\$ 52,593	\$ 58,126	\$ 60,000	\$ 62,000
Title XX	\$ 18,216	\$ 18,216	\$ 18,216	\$ 18,216
AR Kids				
Homeless Grant				
HUD		\$ 6,295	\$ 6,300	\$ 6,300
USDA				
Title III				
FEMA				
RSVP & VA				
Food Program	\$ 15,234	\$ 60,350	\$ 61,000	\$ 61,000
Transitional Housing				
Other Federal Revenue				
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 117,306	\$ 120,673	\$ 122,000	\$ 124,000
Self Pay	\$ 109,119	\$ 108,523	\$ 109,000	\$ 109,000
Other		\$ 12,225	\$ 13,000	\$ 14,000
<b>OTHER CONTRACTS:</b>				
Intensive Family Services		\$ 18,248	\$ 18,248	\$ 18,248
<b>OTHER REVENUES:</b>				
	\$ 1,249,619	\$ 1,369,989	\$ 1,400,000	\$ 1,450,000
Community Housing		\$ 254,625	\$ 260,000	\$ 262,000
RCF Revenue		\$ 190,375	\$ 192,000	\$ 193,000
<b>TOTAL FUNDING:</b>	<b>\$ 4,548,767</b>	<b>\$ 7,655,480</b>	<b>\$ 7,707,641</b>	<b>\$ 7,820,641</b>

**BIENNIAL BUDGET SUMMARY**

Delta Counseling Associates, Inc.

(Name of CMHC)

LINE ITEM TITLE	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 2,974,043.58	\$ 2,970,000.47	\$ 3,079,000.47	\$ 3,109,879.86
Fringe Benefits	\$ 662,512.00	\$ 658,000.00	\$ 677,380.00	\$ 715,272.00
<b>Total Personal Services</b>	<b>\$ 3,636,555.58</b>	<b>\$ 3,628,000.47</b>	<b>\$ 3,756,380.47</b>	<b>\$ 3,825,151.86</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 1,058,343.00	\$ 1,044,625.00	\$ 1,041,100.00	\$ 1,026,780.00
Conference Fees & Travel	\$ 165,838.00	\$ 178,295.00	\$ 180,700.00	\$ 142,800.00
Professional Fees	\$ 507,844.00	\$ 677,985.00	\$ 683,085.00	\$ 686,085.00
Capital Outlay	\$ 103,969.00	\$ 110,000.00	\$ 100,000.00	\$ 115,000.00
<b>Total Maint. &amp; Operation</b>	<b>\$ 1,835,994.00</b>	<b>\$ 2,010,905.00</b>	<b>\$ 2,004,885.00</b>	<b>\$ 1,970,665.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 5,472,549.58</b>	<b>\$ 5,638,905.47</b>	<b>\$ 5,761,265.47</b>	<b>\$ 5,795,816.86</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 1,255,056.00	\$ 1,118,416.00	\$ 1,200,806.00	\$ 1,202,306.00
Federal Revenues	\$ 3,516,507.00	\$ 3,615,192.00	\$ 3,627,762.00	\$ 3,644,813.00
Fees for Service	\$ 246,046.00	\$ 266,000.00	\$ 291,000.00	\$ 301,000.00
Other Contracts	\$ 526,943.00	\$ 613,697.00	\$ 613,697.00	\$ 613,697.00
Other Revenues	\$ 44,709.00	\$ 25,600.00	\$ 28,000.00	\$ 34,000.00
<b>TOTAL FUNDING</b>	<b>\$ 5,589,261.00</b>	<b>\$ 5,638,905.00</b>	<b>\$ 5,761,265.00</b>	<b>\$ 5,795,816.00</b>

<b>FUNDING SOURCES DETAIL</b>				
Delta Counseling Associates, Inc.				
(Name of CMHC)				
FUNDING SOURCES	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 385,337	\$ 487,828	\$ 487,828	\$ 487,828
CSP Part B	\$ 79,972			
Per Capita	\$ 260,069	\$ 260,069	\$ 260,069	\$ 260,069
State Match	\$ 10,792	\$ 13,409	\$ 13,409	\$ 13,409
Forensic Evaluations				
CASSP	\$ 75,528	\$ 90,623	\$ 92,500	\$ 92,500
Youth Services Contracts	\$ 229,190	\$ 115,000	\$ 195,000	\$ 195,000
Other General Revenue (DASEP)	\$ 131,753	\$ 151,487	\$ 152,000	\$ 153,500
System of Care Funds	\$ 82,415			
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 110,381	\$ 113,479	\$ 113,479	\$ 113,479
Medicaid	\$ 1,526,228	\$ 1,580,804	\$ 1,587,323	\$ 1,594,397
Medicare	\$ 49,035	\$ 52,000	\$ 50,000	\$ 52,000
Title XX	\$ 33,001	\$ 33,001	\$ 33,001	\$ 33,001
AR Kids	\$ 1,739,476	\$ 1,782,608	\$ 1,789,959	\$ 1,797,936
Homeless Grant				
HUD				
USDA				
Title III				
FEMA				
RSVP & VA				
Food Program	\$ 58,386	\$ 53,300	\$ 54,000	\$ 54,000
Transitional Housing				
Other Federal Revenue				
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 44,597	\$ 44,000	\$ 45,000	\$ 45,000
Self Pay	\$ 201,449	\$ 222,000	\$ 246,000	\$ 256,000
Other				
<b>OTHER CONTRACTS:</b>				
Local Acute Care Funds	\$ 345,807	\$ 346,585	\$ 346,585	\$ 346,585
Intake/Truancy Program	\$ 181,136	\$ 267,112	\$ 267,112	\$ 267,112
<b>OTHER REVENUES:</b>				
Miscellaneous	\$ 44,709	\$ 25,600	\$ 28,000	\$ 34,000
<b>TOTAL FUNDING:</b>	<b>\$ 5,589,261</b>	<b>\$ 5,638,905</b>	<b>\$ 5,761,265</b>	<b>\$ 5,795,816</b>



**BIENNIAL BUDGET SUMMARY**

Health Resources of Arkansas, Inc.

(Name of CMHC)

LINE ITEM TITLE	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 9,336,704.00	\$ 9,250,926.70	\$ 9,713,473.03	\$ 10,199,146.68
Fringe Benefits	\$ 2,268,819.00	\$ 2,247,975.00	\$ 2,360,374.00	\$ 2,478,392.00
<b>Total Personal Services</b>	<b>\$ 11,605,523.00</b>	<b>\$ 11,498,901.70</b>	<b>\$ 12,073,847.03</b>	<b>\$ 12,677,538.68</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 4,473,841.00	\$ 4,322,998.00	\$ 4,569,157.00	\$ 4,836,116.00
Conference Fees & Travel	\$ 368,833.00	\$ 313,275.00	\$ 328,939.00	\$ 345,386.00
Professional Fees	\$ 3,537,938.00	\$ 3,660,447.00	\$ 3,543,501.00	\$ 3,586,926.00
Capital Outlay	\$ 464,489.00	\$ 409,762.00	\$ 430,250.00	\$ 451,762.00
<b>Total Maint. &amp; Operation</b>	<b>\$ 8,845,101.00</b>	<b>\$ 8,706,482.00</b>	<b>\$ 8,871,847.00</b>	<b>\$ 9,220,190.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 20,450,624.00</b>	<b>\$ 20,205,383.70</b>	<b>\$ 20,945,694.03</b>	<b>\$ 21,897,728.68</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 5,215,506.00	\$ 4,998,703.00	\$ 5,000,703.00	\$ 5,103,703.00
Federal Revenues	\$ 9,800,759.00	\$ 10,386,371.00	\$ 10,835,205.00	\$ 11,307,381.00
Fees for Service	\$ 923,024.00	\$ 809,604.00	\$ 948,544.00	\$ 1,167,341.00
Other Contracts	\$ 2,889,579.00	\$ 2,551,032.00	\$ 2,678,584.00	\$ 2,812,513.00
Other Revenues	\$ 1,621,756.00	\$ 1,459,674.00	\$ 1,482,658.00	\$ 1,506,791.00
<b>TOTAL FUNDING</b>	<b>\$ 20,450,624.00</b>	<b>\$ 20,205,384.00</b>	<b>\$ 20,945,694.00</b>	<b>\$ 21,897,729.00</b>

<b>FUNDING SOURCES DETAIL</b>				
Health Resources of Arkansas, Inc.				
(Name of CMHC)				
FUNDING SOURCES	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 929,080	\$ 909,966	\$ 909,966	\$ 909,966
CSP Part B	\$ 299,170	\$ 293,097	\$ 293,097	\$ 293,097
Per Capita	\$ 1,002,600	\$ 1,002,600	\$ 1,002,600	\$ 1,002,600
State Match	\$ 73,534	\$ 51,693	\$ 51,693	\$ 51,693
Forensic Evaluations	\$ 29,000	\$ 40,000	\$ 42,000	\$ 45,000
CASSP	\$ 162,500	\$ 179,202	\$ 179,202	\$ 179,202
Youth Services Contracts	\$ 1,287,481	\$ 1,115,706	\$ 1,115,706	\$ 1,215,706
Other General Revenue	\$ 1,432,161	\$ 1,406,439	\$ 1,406,439	\$ 1,406,439
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 422,935	\$ 425,449	\$ 425,449	\$ 425,449
Medicaid	\$ 7,974,085	\$ 8,581,728	\$ 9,010,814	\$ 9,461,355
Medicare	\$ 358,724	\$ 354,955	\$ 372,703	\$ 391,338
Title XX	\$ 141,428	\$ 115,899	\$ 115,899	\$ 115,899
AR Kids				
Homeless Grant				
HUD	\$ 424,198	\$ 437,640	\$ 437,640	\$ 437,640
USDA				
Title III				
FEMA				
RSVP & VA	\$ 68,689	\$ 60,000	\$ 62,000	\$ 65,000
Food Program				
Transitional Housing				
Other Federal Revenue	\$ 410,700	\$ 410,700	\$ 410,700	\$ 410,700
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 178,303	\$ 275,688	\$ 289,472	\$ 353,946
Self Pay	\$ 744,721	\$ 533,916	\$ 659,072	\$ 813,395
Other				
<b>OTHER CONTRACTS:</b>				
	\$ 2,889,579	\$ 2,551,032	\$ 2,678,584	\$ 2,812,513
<b>OTHER REVENUES:</b>				
Interest	\$ 57,543	\$ 58,000	\$ 60,900	\$ 63,945
Rent and Subdy	\$ 962,754	\$ 1,136,879	\$ 1,143,723	\$ 1,150,910
Misc	\$ 801,459	\$ 264,795	\$ 278,035	\$ 291,936
<b>TOTAL FUNDING:</b>	<b>\$ 20,450,624</b>	<b>\$ 20,205,384</b>	<b>\$ 20,945,694</b>	<b>\$ 21,897,729</b>

**BIENNIAL BUDGET SUMMARY**

Little Rock Community Mental Health Center, Inc.

(Name of CMHC)

LINE ITEM TITLE	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 3,957,110.00	\$ 4,277,669.00	\$ 4,187,119.00	\$ 4,128,519.00
Fringe Benefits	\$ 755,945.00	\$ 852,092.00	\$ 934,288.00	\$ 934,288.00
<b>Total Personal Services</b>	<b>\$ 4,713,055.00</b>	<b>\$ 5,129,761.00</b>	<b>\$ 5,121,407.00</b>	<b>\$ 5,062,807.00</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 4,820,978.00	\$ 4,765,885.00	\$ 4,725,404.00	\$ 4,699,004.00
Conference Fees & Travel	\$ 109,386.00	\$ 107,500.00	\$ 107,500.00	\$ 107,500.00
Professional Fees	\$ 4,498,591.00	\$ 4,664,091.00	\$ 3,401,420.00	\$ 3,213,594.00
Capital Outlay	\$ 111,156.00	\$ 108,400.00	\$ 115,900.00	\$ 120,900.00
<b>Total Maint. &amp; Operation</b>	<b>\$ 9,540,111.00</b>	<b>\$ 9,645,876.00</b>	<b>\$ 8,350,224.00</b>	<b>\$ 8,140,998.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 14,253,166.00</b>	<b>\$ 14,775,637.00</b>	<b>\$ 13,471,631.00</b>	<b>\$ 13,203,805.00</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 3,378,423.00	\$ 3,443,138.83	\$ 3,448,139.00	\$ 3,448,139.00
Federal Revenues	\$ 9,645,076.00	\$ 10,538,781.09	\$ 9,014,926.09	\$ 8,778,042.09
Fees for Service	\$ 213,903.00	\$ 207,000.00	\$ 207,000.00	\$ 207,000.00
Other Contracts	\$ 502,245.00	\$ 562,993.00	\$ 562,993.00	\$ 562,993.00
Other Revenues	\$ 253,273.00	\$ 245,400.00	\$ 245,000.00	\$ 245,000.00
<b>TOTAL FUNDING</b>	<b>\$ 13,992,920.00</b>	<b>\$ 14,997,312.92</b>	<b>\$ 13,478,058.09</b>	<b>\$ 13,241,174.09</b>



**FUNDING SOURCES DETAIL**

Little Rock Community Mental Health Center, Inc.

(Name of CMHC)

<b>FUNDING SOURCES</b>	<b>2010 Actual</b>	<b>2011 Allocation</b>	<b>2012 Estimate</b>	<b>2013 Estimate</b>
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 578,457	\$ 625,945	\$ 625,945	\$ 625,945
CSP Part B	\$ 277,026	\$ 279,076	\$ 279,076	\$ 279,076
Per Capita	\$ 553,055	\$ 553,055	\$ 553,055	\$ 553,055
State Match	\$ 22,949	\$ 28,515	\$ 28,515	\$ 28,515
Forensic Evaluations	\$ 61,500	\$ 75,000	\$ 80,000	\$ 80,000
CASSP	\$ 39,045	\$ 35,290	\$ 35,290	\$ 35,290
Youth Services Contracts	\$ -	\$ -	\$ -	\$ -
Other General Revenue	\$ 1,846,391	\$ 1,846,258	\$ 1,846,258	\$ 1,846,258
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 232,472	\$ 238,997	\$ 238,997	\$ 238,997
Medicaid	\$ 3,465,006	\$ 3,100,000	\$ 3,135,000	\$ 3,130,000
Medicare	\$ 2,498,016	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Title XX	\$ 111,775	\$ 142,749	\$ 142,749	\$ 142,749
AR Kids	\$ -	\$ -	\$ -	\$ -
Homeless Grant	\$ 106,858	\$ 120,782	\$ 120,782	\$ 120,782
HUD	\$ 2,046,561	\$ 2,204,534	\$ 2,204,534	\$ 2,204,534
USDA	\$ -	\$ -	\$ -	\$ -
Title III	\$ -	\$ -	\$ -	\$ -
FEMA	\$ -	\$ -	\$ -	\$ -
RSVP & VA	\$ -	\$ -	\$ -	\$ -
Food Program	\$ 37,510	\$ 37,000	\$ 37,000	\$ 37,000
Transitional Housing	\$ 24,363	\$ 51,200	\$ 51,200	\$ 51,200
Other Federal Revenue	\$ 359,403	\$ 352,780	\$ 352,780	\$ 352,780
HPRP	\$ 763,112	\$ 1,790,739	\$ 231,884	\$ -
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 7,018	\$ 7,000	\$ 7,000	\$ 7,000
Self Pay	\$ 206,885	\$ 200,000	\$ 200,000	\$ 200,000
Other	\$ -	\$ -	\$ -	\$ -
<b>OTHER CONTRACTS:</b>				
Jericho	\$ 502,245	\$ 562,993	\$ 562,993	\$ 562,993
<b>OTHER REVENUES:</b>				
Rental Income	\$ 88,951	\$ 92,000	\$ 92,000	\$ 92,000
Miscellaneous Other	\$ 164,322	\$ 153,400	\$ 153,000	\$ 153,000
<b>TOTAL FUNDING:</b>	<b>\$ 13,992,920</b>	<b>\$ 14,997,313</b>	<b>\$ 13,478,058</b>	<b>\$ 13,241,174</b>



**BIENNIAL BUDGET SUMMARY**

Northeast Arkansas Community Mental Health Center, Inc dba/Mid-South Health Systems, Inc & dba/Counseling Services of Eastern Arkansas, Inc.  
(Name of CMHC)

LINE ITEM TITLE	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 20,226,668.50	\$ 20,394,346.66	\$ 20,902,233.59	\$ 20,902,233.59
Fringe Benefits	\$ 6,000,030.00	\$ 6,062,272.00	\$ 6,090,000.00	\$ 6,090,000.00
<b>Total Personal Services</b>	<b>\$ 26,226,698.50</b>	<b>\$ 26,456,618.66</b>	<b>\$ 26,992,233.59</b>	<b>\$ 26,992,233.59</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 8,286,185.00	\$ 8,711,873.00	\$ 8,911,199.00	\$ 8,468,440.00
Conference Fees & Travel	\$ 1,131,856.00	\$ 1,130,302.00	\$ 1,181,500.00	\$ 1,187,500.00
Professional Fees	\$ 2,501,665.00	\$ 2,415,087.00	\$ 2,295,000.00	\$ 2,295,000.00
Capital Outlay	\$ 593,821.00	\$ 600,000.00	\$ 675,000.00	\$ 650,000.00
<b>Total Maint. &amp; Operation</b>	<b>\$ 12,513,527.00</b>	<b>\$ 12,857,262.00</b>	<b>\$ 13,062,699.00</b>	<b>\$ 12,600,940.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 38,740,225.50</b>	<b>\$ 39,313,880.66</b>	<b>\$ 40,054,932.59</b>	<b>\$ 39,593,173.59</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 8,542,488.00	\$ 9,263,962.00	\$ 9,622,319.96	\$ 8,712,355.92
Federal Revenues	\$ 27,758,785.10	\$ 26,802,041.00	\$ 27,393,000.00	\$ 27,395,000.00
Fees for Service	\$ 1,035,866.00	\$ 1,235,000.00	\$ 1,155,000.00	\$ 1,180,000.00
Other Contracts	\$ 620,534.00	\$ 537,600.00	\$ 567,000.00	\$ 569,000.00
Other Revenues	\$ 958,048.00	\$ 908,273.00	\$ 500,000.00	\$ 500,000.00
<b>TOTAL FUNDING</b>	<b>\$ 38,915,721.10</b>	<b>\$ 38,746,876.00</b>	<b>\$ 39,237,319.96</b>	<b>\$ 38,356,355.92</b>

FUNDING SOURCES DETAIL				
Northeast Arkansas Community Mental Health Center, Inc dba/Mid-South Health Systems, Inc & dba/Counseling Services of Eastern Arkansas, Inc.				
(Name of CMHC)				
FUNDING SOURCES	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 1,041,820	\$ 1,144,080	\$ 1,200,000	\$ 1,225,000
CSP Part B	\$ 471,570	\$ 475,081	\$ 478,388	\$ 481,735
Per Capita	\$ 1,221,766	\$ 1,222,929	\$ 1,224,152	\$ 1,225,376
State Match	\$ 50,745	\$ 63,053	\$ 75,348	\$ 90,041
Forensic Evaluations	\$ 59,000	\$ 61,000	\$ 63,000	\$ 64,000
CASSP	\$ 498,404	\$ 539,864	\$ 581,434	\$ 626,204
Youth Services Contracts	\$ 3,751,067	\$ 3,486,648	\$ 3,500,000	\$ 2,500,000
Other General Revenue	\$ 1,448,116	\$ 2,271,327	\$ 2,500,000	\$ 2,500,000
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 521,682	\$ 535,496	\$ 538,000	\$ 540,000
Medicaid	\$ 25,139,788	\$ 24,313,160	\$ 24,800,000	\$ 24,800,000
Medicare	\$ 1,188,644	\$ 1,150,491	\$ 1,200,000	\$ 1,200,000
Title XX	\$ 206,267	\$ 127,706	\$ 125,000	\$ 125,000
AR Kids				
Homeless Grant	\$ 104,736	\$ 119,400	\$ 125,000	\$ 125,000
HUD				
USDA				
Title III				
FEMA				
RSVP & VA				
Food Program	\$ 173,929	\$ 198,000	\$ 225,000	\$ 225,000
Transitional Housing	\$ 423,739	\$ 327,788	\$ 350,000	\$ 350,000
Other Federal Revenue		\$ 30,000	\$ 30,000	\$ 30,000
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 310,144	\$ 315,000	\$ 325,000	\$ 350,000
Self Pay	\$ 344,426	\$ 540,000	\$ 450,000	\$ 450,000
Other	\$ 381,296	\$ 380,000	\$ 380,000	\$ 380,000
<b>OTHER CONTRACTS:</b>				
Rental Income	\$ 408,734	\$ 335,000	\$ 350,000	\$ 350,000
Project Reach	\$ 72,089	\$ 69,600	\$ 75,000	\$ 75,000
Emergency Screenings	\$ 68,795	\$ 65,000	\$ 70,000	\$ 72,000
Local Contracts	\$ 70,916	\$ 68,000	\$ 72,000	\$ 72,000
<b>OTHER REVENUES:</b>				
Retirement Forfeiture	\$ 573,110	\$ 533,373	\$ 200,000	\$ 200,000
Other Misc Income	\$ 384,938	\$ 374,900	\$ 300,000	\$ 300,000
<b>TOTAL FUNDING:</b>	\$ 38,915,721	\$ 38,746,876	\$ 39,237,320	\$ 38,356,356

**BIENNIAL BUDGET SUMMARY**

OZARK GUIDANCE CENTER, INC.

(Name of CMHC)

LINE ITEM TITLE	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 18,166,938.22	\$ 18,467,976.00	\$ 19,022,015.28	\$ 19,592,675.74
Fringe Benefits	\$ 4,585,114.00	\$ 4,846,661.00	\$ 4,992,060.83	\$ 5,141,822.65
<b>Total Personal Services</b>	<b>\$ 22,752,052.22</b>	<b>\$ 23,314,637.00</b>	<b>\$ 24,014,076.11</b>	<b>\$ 24,734,498.39</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 3,157,606.00	\$ 3,554,180.00	\$ 3,660,805.40	\$ 3,770,629.56
Conference Fees & Travel	\$ 127,359.00	\$ 184,544.00	\$ 190,080.32	\$ 195,782.73
Professional Fees	\$ 2,288,338.00	\$ 2,216,140.00	\$ 2,282,624.20	\$ 2,351,102.93
Capital Outlay	\$ 871,292.11	\$ 501,013.00	\$ 510,901.72	\$ 521,087.10
<b>Total Maint. &amp; Operation</b>	<b>\$ 6,444,595.11</b>	<b>\$ 6,455,877.00</b>	<b>\$ 6,644,411.64</b>	<b>\$ 6,838,602.32</b>
<b>TOTAL EXPENSES</b>	<b>\$ 29,196,647.33</b>	<b>\$ 29,770,514.00</b>	<b>\$ 30,658,487.75</b>	<b>\$ 31,573,100.71</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 3,826,661.00	\$ 3,807,814.00	\$ 3,807,814.00	\$ 3,807,814.00
Federal Revenues	\$ 21,527,907.00	\$ 22,887,127.00	\$ 23,096,956.32	\$ 23,997,340.81
Fees for Service	\$ 933,906.00	\$ 1,106,088.00	\$ 1,150,331.52	\$ 1,196,344.78
Other Contracts	\$ 180,563.00	\$ 179,277.00	\$ 186,448.08	\$ 193,906.00
Other Revenues	\$ 2,112,642.00	\$ 2,008,830.00	\$ 2,089,183.20	\$ 2,089,183.20
<b>TOTAL FUNDING</b>	<b>\$ 28,581,679.00</b>	<b>\$ 29,989,136.00</b>	<b>\$ 30,330,733.12</b>	<b>\$ 31,284,588.80</b>



FUNDING SOURCES DETAIL				
OZARK GUIDANCE CENTER, INC.				
(Name of CMHC)				
FUNDING SOURCES	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 567,384	\$ 658,934	\$ 658,934	\$ 658,934
CSP Part B	\$ 238,280	\$ 240,044	\$ 240,044	\$ 240,044
Per Capita	\$ 1,073,206	\$ 1,073,208	\$ 1,073,208	\$ 1,073,208
State Match	\$ 44,533	\$ 55,332	\$ 55,332	\$ 55,332
Forensic Evaluations	\$ 121,500	\$ 110,004	\$ 110,004	\$ 110,004
CASSP	\$ 119,421	\$ 49,092	\$ 49,092	\$ 49,092
Youth Services Contracts	\$ 102,935	\$ 81,384	\$ 81,384	\$ 81,384
Other General Revenue	\$ 1,559,402	\$ 1,539,816	\$ 1,539,816	\$ 1,539,816
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 452,698	\$ 465,408	\$ 465,408	\$ 465,408
Medicaid	\$ 20,079,322	\$ 21,440,892	\$ 22,298,528	\$ 23,190,469
Medicare	\$ 206,787	\$ 202,968	\$ 211,085	\$ 219,528
Title XX	\$ 70,451	\$ 81,940	\$ 81,940	\$ 81,940
AR Kids				
Homeless Grant	\$ 56,259	\$ 39,998	\$ 39,998	\$ 39,998
HUD				
USDA				
Title III				
FEMA				
RSVP & VA				
Food Program	\$ 150,488	\$ 142,920	\$ -	\$ -
Transitional Housing				
Other Federal Revenue	\$ 511,902	\$ 513,005	\$ -	\$ -
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 392,368	\$ 462,184	\$ 480,671	\$ 499,898
Self Pay	\$ 437,886	\$ 515,950	\$ 536,588	\$ 558,052
Other	\$ 103,652	\$ 127,954	\$ 133,072	\$ 138,395
<b>OTHER CONTRACTS:</b>				
Various	\$ 180,563	\$ 179,277	\$ 186,448	\$ 193,908
<b>OTHER REVENUES:</b>				
	\$ 2,112,642	\$ 2,008,830	\$ 2,089,183	\$ 2,089,183
<b>TOTAL FUNDING:</b>	\$ 28,581,679	\$ 29,989,136	\$ 30,330,733	\$ 31,284,589

**BIENNIAL BUDGET SUMMARY**

Professional Counseling Associates

(Name of CMHC)

LINE ITEM TITLE	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 3,014,686.24	\$ 3,543,908.31	\$ 3,647,675.56	\$ 3,754,555.82
Fringe Benefits	\$ 830,152.00	\$ 999,451.00	\$ 1,021,349.16	\$ 1,051,275.63
<b>Total Personal Services</b>	<b>\$ 3,844,838.24</b>	<b>\$ 4,543,359.31</b>	<b>\$ 4,669,024.71</b>	<b>\$ 4,805,831.45</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 1,278,272.10	\$ 1,668,710.00	\$ 1,702,084.20	\$ 1,736,125.88
Conference Fees & Travel	\$ 60,365.57	\$ 97,479.00	\$ 99,428.58	\$ 101,417.15
Professional Fees	\$ 143,862.86	\$ 168,411.00	\$ 171,779.22	\$ 175,214.80
Capital Outlay	\$ 219,013.57	\$ 229,382.00	\$ 233,969.64	\$ 238,649.03
<b>Total Maint. &amp; Operation</b>	<b>\$ 1,701,514.10</b>	<b>\$ 2,163,982.00</b>	<b>\$ 2,207,261.64</b>	<b>\$ 2,251,406.87</b>
<b>TOTAL EXPENSES</b>	<b>\$ 5,546,352.34</b>	<b>\$ 6,707,341.31</b>	<b>\$ 6,876,286.35</b>	<b>\$ 7,057,238.33</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 3,000,236.42	\$ 3,186,291.95	\$ 3,038,786.95	\$ 3,038,786.95
Federal Revenues	\$ 2,185,600.91	\$ 3,199,648.52	\$ 3,199,648.52	\$ 3,199,648.52
Fees for Service	\$ 276,397.10	\$ 340,000.00	\$ 411,262.90	\$ 482,525.80
Other Contracts	\$ 37,990.50	\$ 15,000.00	\$ -	\$ -
Other Revenues	\$ 49,712.82	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
<b>TOTAL FUNDING</b>	<b>\$ 5,549,937.75</b>	<b>\$ 6,775,940.47</b>	<b>\$ 6,684,698.37</b>	<b>\$ 6,755,961.27</b>

FUNDING SOURCES DETAIL						
Professional Counseling Associates						
(Name of CMHC)						
FUNDING SOURCES	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate		
<b>GENERAL REVENUES:</b>						
CSP Part A	\$ 492,464	\$ 555,730	\$ 555,730	\$ 555,730	\$	555,730
CSP Part B	\$ 215,144	\$ 216,737	\$ 216,737	\$ 216,737	\$	216,737
Per Capita	\$ 743,898	\$ 743,898	\$ 743,898	\$ 743,898	\$	743,898
State Match	\$ 30,868	\$ 38,354	\$ 38,354	\$ 38,354	\$	38,354
Forensic Evaluations	\$ 55,500	\$ 41,000	\$ 41,000	\$ 41,000	\$	41,000
CASSP	\$ 92,500	\$ 90,623	\$ 90,623	\$ 90,623	\$	90,623
Youth Services Contracts	\$ 399,593	\$ 394,794	\$ 394,794	\$ 394,794	\$	394,794
Other General Revenue	\$ 970,269	\$ 1,105,156	\$ 957,651	\$ 957,651	\$	957,651
<b>FEDERAL REVENUES:</b>						
Mental Health Block Grant	\$ 314,296	\$ 323,117	\$ 323,117	\$ 323,117	\$	323,117
Medicaid	\$ 1,626,303	\$ 2,556,317	\$ 2,556,317	\$ 2,556,317	\$	2,556,317
Medicare	\$ 81,891	\$ 128,721	\$ 128,721	\$ 128,721	\$	128,721
Title XX	\$ 70,089	\$ 70,089	\$ 70,089	\$ 70,089	\$	70,089
AR Kids	\$ 67,694	\$ 106,405	\$ 106,405	\$ 106,405	\$	106,405
Homeless Grant						
HUD						
USDA						
Title III						
FEMA						
RSVP & VA						
Food Program	\$ 19,231	\$ 15,000	\$ 15,000	\$ 15,000	\$	15,000
Transitional Housing						
Other Federal Revenue	\$ 6,098					
<b>FEES FOR SERVICE:</b>						
Private Insurance	\$ 90,008	\$ 113,876	\$ 137,744	\$ 161,612	\$	161,612
Self Pay	\$ 178,729	\$ 226,124	\$ 273,519	\$ 320,914	\$	320,914
Other	\$ 7,660					
<b>OTHER CONTRACTS:</b>						
Headstart	\$ 7,682		\$ 15,000	\$ 15,000	\$	15,000
Misc Contracts	\$ 9,709					
Gambling	\$ 15,000	\$ 15,000				
DCFS Foster Parenting	\$ 5,600					
<b>OTHER REVENUES:</b>						
Interest Income	\$ 37,983	\$ 25,000	\$ 25,000	\$ 25,000	\$	25,000
Donations(cash & inkind)	\$ 11,730	\$ 10,000	\$ 10,000	\$ 10,000	\$	10,000
<b>TOTAL FUNDING:</b>	\$ 5,549,938	\$ 6,775,940	\$ 6,699,698	\$ 6,770,961	\$	6,770,961



**BIENNIAL BUDGET SUMMARY**

South Arkansas Regional Health Center, Inc.

LINE ITEM TITLE	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 3,739,375.19	\$ 3,561,880.00	\$ 3,918,068.00	\$ 4,309,874.80
Fringe Benefits	\$ 1,161,013.00	\$ 1,189,167.00	\$ 1,308,083.70	\$ 1,438,892.07
<b>Total Personal Services</b>	<b>\$ 4,900,388.19</b>	<b>\$ 4,751,047.00</b>	<b>\$ 5,226,151.70</b>	<b>\$ 5,748,766.87</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 1,100,565.00	\$ 997,400.00	\$ 1,097,140.00	\$ 1,206,854.00
Conference Fees & Travel	\$ 15,651.00	\$ 16,000.00	\$ 17,600.00	\$ 19,360.00
Professional Fees	\$ 350,500.00	\$ 354,500.00	\$ 389,950.00	\$ 428,945.00
Capital Outlay	\$ 251,250.00	\$ 250,000.00	\$ 275,000.00	\$ 302,500.00
<b>Total Maint. &amp; Operation</b>	<b>\$ 1,717,966.00</b>	<b>\$ 1,617,900.00</b>	<b>\$ 1,779,690.00</b>	<b>\$ 1,957,659.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 6,618,354.19</b>	<b>\$ 6,368,947.00</b>	<b>\$ 7,005,841.70</b>	<b>\$ 7,706,425.87</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 1,873,438.00	\$ 1,916,200.00	\$ 1,916,200.00	\$ 2,146,144.00
Federal Revenues	\$ 3,535,474.91	\$ 4,026,800.00	\$ 4,412,910.00	\$ 4,943,317.20
Fees for Service	\$ 465,803.39	\$ 515,500.00	\$ 567,050.00	\$ 652,107.50
Other Contracts	\$ -	\$ -	\$ -	\$ -
Other Revenues	\$ 744,596.00	\$ 149,800.00	\$ 164,780.00	\$ 189,497.00
<b>TOTAL FUNDING</b>	<b>\$ 6,619,312.30</b>	<b>\$ 6,608,300.00</b>	<b>\$ 7,060,940.00</b>	<b>\$ 7,931,065.70</b>

**FUNDING SOURCES DETAIL**  
South Arkansas Regional Health Center, Inc.

FUNDING SOURCES	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 500,812	\$ 533,300	\$ 533,300	\$ 597,296
CSP Part B	\$ 201,984	\$ 203,500	\$ 203,500	\$ 227,920
Per Capita	\$ 382,289	\$ 382,300	\$ 382,300	\$ 428,178
State Match	\$ 15,863	\$ 19,700	\$ 19,700	\$ 22,064
Forensic Evaluations	\$ 20,000	\$ 23,000	\$ 23,000	\$ 25,760
CASSP	\$ 70,000	\$ 72,300	\$ 72,300	\$ 80,978
Youth Services Contracts				
Other General Revenue	\$ 682,690	\$ 682,100	\$ 682,100	\$ 763,952
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 161,169	\$ 165,700	\$ 165,700	\$ 185,584
Medicaid	\$ 2,845,392	\$ 3,300,000	\$ 3,630,000	\$ 4,065,600
Medicare	\$ 155,334	\$ 175,000	\$ 192,500	\$ 215,600
Title XX	\$ 63,731	\$ 91,100	\$ 100,210	\$ 112,235
AR Kids	\$ 90,209	\$ 93,000	\$ 102,300	\$ 114,576
Homeless Grant				
HUD				
USDA				
Title III				
FEMA				
RSVP & VA	\$ 186,535	\$ 176,000	\$ 193,600	\$ 216,832
Food Program	\$ 33,105	\$ 26,000	\$ 28,600	\$ 32,890
Transitional Housing				
Other Federal Revenue				
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 174,698	\$ 200,000	\$ 220,000	\$ 253,000
Self Pay	\$ 219,180	\$ 225,000	\$ 247,500	\$ 284,625
Other	\$ 71,925	\$ 90,500	\$ 99,550	\$ 114,483
<b>OTHER CONTRACTS:</b>				
<b>OTHER REVENUES:</b>				
	\$ 744,596	\$ 149,800	\$ 164,780	\$ 189,497
<b>TOTAL FUNDING:</b>	<b>\$ 6,819,312</b>	<b>\$ 6,608,300</b>	<b>\$ 7,060,940</b>	<b>\$ 7,931,068</b>



**BIENNIAL BUDGET SUMMARY**

Southeast AR Behavioral Healthcare System, Inc.

(Name of CMHC)

LINE ITEM TITLE	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 4,379,956.00	\$ 5,055,014.00	\$ 5,043,668.00	\$ 5,200,344.00
Fringe Benefits	\$ 894,940.00	\$ 1,048,052.00	\$ 1,033,240.00	\$ 1,055,830.00
<b>Total Personal Services</b>	<b>\$ 5,274,896.00</b>	<b>\$ 6,103,066.00</b>	<b>\$ 6,076,908.00</b>	<b>\$ 6,256,174.00</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 925,081.00	\$ 1,114,900.00	\$ 923,549.00	\$ 924,349.00
Conference Fees & Travel	\$ 1,794.00	\$ 18,000.00	\$ 5,000.00	\$ 5,000.00
Professional Fees	\$ 174,785.00	\$ 287,000.00	\$ 140,000.00	\$ 120,000.00
Capital Outlay	\$ 262,573.00	\$ 268,000.00	\$ 265,000.00	\$ 265,000.00
<b>Total Maint. &amp; Operation</b>	<b>\$ 1,364,233.00</b>	<b>\$ 1,687,900.00</b>	<b>\$ 1,333,549.00</b>	<b>\$ 1,314,349.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 6,639,129.00</b>	<b>\$ 7,790,966.00</b>	<b>\$ 7,410,457.00</b>	<b>\$ 7,570,523.00</b>
<b>Funding Sources:</b>				
<b>Fund Balances</b>				
General Revenues	\$ 1,166,527.00	\$ 1,205,848.00	\$ 1,205,848.00	\$ 1,205,848.00
Federal Revenues	\$ 4,084,468.78	\$ 5,570,875.00	\$ 5,245,366.00	\$ 5,500,432.00
Fees for Service	\$ 350,276.00	\$ 319,500.00	\$ 372,000.00	\$ 372,000.00
Other Contracts	\$ 491,505.00	\$ 453,243.00	\$ 462,243.00	\$ 367,243.00
Other Revenues	\$ 181,898.00	\$ 191,500.00	\$ 75,000.00	\$ 75,000.00
<b>TOTAL FUNDING</b>	<b>\$ 6,274,674.78</b>	<b>\$ 7,740,966.00</b>	<b>\$ 7,360,457.00</b>	<b>\$ 7,520,523.00</b>

<b>FUNDING SOURCES DETAIL</b>				
Southeast AR Behavioral Healthcare System, Inc.				
(Name of CMHC)				
FUNDING SOURCES	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 477,339	\$ 515,123	\$ 515,123	\$ 515,123
CSP Part B	\$ 135,998	\$ 137,005	\$ 137,005	\$ 137,005
Per Capita	\$ 442,335	\$ 442,335	\$ 442,335	\$ 442,335
State Match	\$ 18,355	\$ 22,806	\$ 22,806	\$ 22,806
Forensic Evaluations	\$ 22,500	\$ 20,000	\$ 20,000	\$ 20,000
CASSP	\$ 70,000	\$ 68,579	\$ 68,579	\$ 68,579
Youth Services Contracts				
Other General Revenue				
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 186,451	\$ 191,684	\$ 191,684	\$ 191,684
Medicaid	\$ 3,649,896	\$ 5,128,819	\$ 4,803,310	\$ 5,058,376
Medicare	\$ 158,173	\$ 160,000	\$ 160,000	\$ 160,000
Title XX	\$ 51,372	\$ 51,372	\$ 51,372	\$ 51,372
AR Kids				
Homeless Grant				
HUD				
USDA	\$ 38,577	\$ 39,000	\$ 39,000	\$ 39,000
Title III				
FEMA				
RSVP & VA				
Food Program				
Transitional Housing				
Other Federal Revenue				
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 151,221	\$ 120,000	\$ 160,000	\$ 160,000
Self Pay	\$ 177,521	\$ 180,000	\$ 190,000	\$ 190,000
Other	\$ 21,534	\$ 19,500	\$ 22,000	\$ 22,000
<b>OTHER CONTRACTS:</b>				
Acute Inpatient Admin Fee	\$ 18,288	\$ 18,288	\$ 18,288	\$ 18,288
Drug Contract	\$ 50,946	\$ 67,763	\$ 67,763	\$ 67,763
Adolescent Substance Abuse	\$ 8,327		\$ 9,000	\$ 9,000
Acute Inpatient Revenue	\$ 316,752	\$ 270,000	\$ 270,000	\$ 175,000
System of Care	\$ 97,192	\$ 97,192	\$ 97,192	\$ 97,192
<b>OTHER REVENUES:</b>				
United Way	\$ 73,750	\$ 75,000	\$ 75,000	\$ 75,000
Misc.	\$ 108,148	\$ 116,500		
<b>TOTAL FUNDING:</b>	<b>\$ 6,274,675</b>	<b>\$ 7,740,966</b>	<b>\$ 7,360,457</b>	<b>\$ 7,520,523</b>

**BIENNIAL BUDGET SUMMARY**

Southwest Arkansas Counseling & Mental Health Center, Inc

LINE ITEM TITLE	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 7,879,262.90	\$ 8,255,806.40	\$ 8,503,480.60	\$ 8,758,585.01
Fringe Benefits	\$ 1,466,597.23	\$ 1,510,595.15	\$ 1,555,913.00	\$ 1,602,590.39
<b>Total Personal Services</b>	<b>\$ 9,345,860.13</b>	<b>\$ 9,766,401.55</b>	<b>\$ 10,059,393.60</b>	<b>\$ 10,361,175.41</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 2,085,829.96	\$ 2,190,121.46	\$ 2,299,627.53	\$ 2,414,608.91
Conference Fees & Travel	\$ 291,638.17	\$ 306,220.08	\$ 321,531.08	\$ 337,607.64
Professional Fees	\$ 562,751.24	\$ 590,888.80	\$ 620,433.24	\$ 651,454.90
Capital Outlay	\$ 290,219.63	\$ 304,730.61	\$ 319,967.14	\$ 335,965.50
<b>Total Maint. &amp; Operation</b>	<b>\$ 3,230,439.00</b>	<b>\$ 3,391,960.95</b>	<b>\$ 3,561,559.00</b>	<b>\$ 3,739,636.95</b>
<b>TOTAL EXPENSES</b>	<b>\$ 12,576,299.13</b>	<b>\$ 13,158,362.50</b>	<b>\$ 13,620,952.59</b>	<b>\$ 14,100,812.35</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 1,697,551.00	\$ 1,697,631.00	\$ 1,813,603.57	\$ 1,937,694.22
Federal Revenues	\$ 7,993,245.73	\$ 8,273,277.00	\$ 8,772,507.00	\$ 8,996,173.10
Fees for Service	\$ 715,012.63	\$ 727,675.00	\$ 770,000.00	\$ 810,000.00
Other Contracts	\$ 1,482,810.99	\$ 1,525,000.00	\$ 1,600,000.00	\$ 1,650,000.00
Other Revenues	\$ 345,065.00	\$ 355,000.00	\$ 365,000.00	\$ 375,000.00
<b>TOTAL FUNDING</b>	<b>\$ 12,233,685.35</b>	<b>\$ 12,578,583.00</b>	<b>\$ 13,321,110.57</b>	<b>\$ 13,768,867.32</b>



<b>FUNDING SOURCES DETAIL</b>				
Southwest Arkansas Counseling & Mental Health Center, Inc				
FUNDING SOURCES	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 301,274	\$ 301,274	\$ 322,363	\$ 344,929
CSP Part B	\$ 105,236	\$ 105,236	\$ 112,603	\$ 120,485
Per Capita	\$ 355,798	\$ 355,798	\$ 380,704	\$ 407,353
State Match	\$ 14,764	\$ 18,344	\$ 19,628	\$ 21,002
Forensic Evaluations	\$ 26,500	\$ 23,000	\$ 23,000	\$ 23,000
CASSP	\$ 17,880	\$ 17,880	\$ 17,880	\$ 17,880
Youth Services Contracts	\$ 878,099	\$ 878,099	\$ 937,426	\$ 1,003,046
Other General Revenue				
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 151,157	\$ 155,399	\$ 155,399	\$ 155,399
Medicaid	\$ 6,652,239	\$ 6,900,000	\$ 7,383,000	\$ 7,500,000
Medicare	\$ 84,097	\$ 89,000	\$ 95,230	\$ 101,896
Title XX	\$ 38,877	\$ 38,878	\$ 38,878	\$ 38,878
AR Kids	\$ 1,066,876	\$ 1,090,000	\$ 1,100,000	\$ 1,200,000
Homeless Grant				
HUD				
USDA				
Title III				
FEMA				
RSVP & VA				
Food Program				
Transitional Housing				
Other Federal Revenue				
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 96,216	\$ 109,752	\$ 140,000	\$ 160,000
Self Pay	\$ 190,741	\$ 240,958	\$ 250,000	\$ 250,000
Other	\$ 428,055	\$ 376,965	\$ 380,000	\$ 400,000
<b>OTHER CONTRACTS:</b>				
	\$ 1,482,811	\$ 1,525,000	\$ 1,600,000	\$ 1,650,000
<b>OTHER REVENUES:</b>				
	\$ 345,065	\$ 355,000	\$ 365,000	\$ 375,000
<b>TOTAL FUNDING:</b>				
	\$ 12,233,685	\$ 12,578,583	\$ 13,321,111	\$ 13,768,867

**BIENNIAL BUDGET SUMMARY**

Western Arkansas Counseling & Guidance Center, Inc.

(Name of CMHC)

LINE ITEM TITLE	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 6,973,030.00	\$ 6,850,561.00	\$ 6,693,024.00	\$ 6,572,582.00
Fringe Benefits	\$ 1,383,064.00	\$ 1,358,329.00	\$ 1,327,093.00	\$ 1,368,819.00
<b>Total Personal Services</b>	<b>\$ 8,356,094.00</b>	<b>\$ 8,208,890.00</b>	<b>\$ 8,020,117.00</b>	<b>\$ 7,941,401.00</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 2,116,565.00	\$ 2,217,131.00	\$ 2,245,300.00	\$ 2,199,300.00
Conference Fees & Travel	\$ -	\$ -	\$ -	\$ -
Professional Fees	\$ 1,312,459.00	\$ 1,488,917.00	\$ 1,488,800.00	\$ 1,488,800.00
Capital Outlay	\$ 404,523.00	\$ 344,182.00	\$ 345,000.00	\$ 345,000.00
<b>Total Maint. &amp; Operation</b>	<b>\$ 3,833,547.00</b>	<b>\$ 4,050,230.00</b>	<b>\$ 4,079,100.00</b>	<b>\$ 4,033,100.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 12,189,641.00</b>	<b>\$ 12,259,120.00</b>	<b>\$ 12,099,217.00</b>	<b>\$ 11,974,501.00</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 2,919,616.00	\$ 2,951,178.00	\$ 2,960,555.00	\$ 2,960,555.00
Federal Revenues	\$ 6,709,350.00	\$ 6,649,347.00	\$ 6,873,527.00	\$ 6,999,527.00
Fees for Service	\$ 687,972.00	\$ 885,261.00	\$ 890,500.00	\$ 897,500.00
Other Contracts	\$ 992,970.00	\$ 1,008,314.00	\$ 1,013,119.00	\$ 1,018,363.00
Other Revenues	\$ 205,134.00	\$ 132,784.00	\$ 130,000.00	\$ 142,500.00
<b>TOTAL FUNDING</b>	<b>\$ 11,515,042.00</b>	<b>\$ 11,626,884.00</b>	<b>\$ 11,867,701.00</b>	<b>\$ 12,018,445.00</b>

<b>FUNDING SOURCES DETAIL</b>				
Western Arkansas Counseling & Guidance Center, Inc.				
(Name of CMHC)				
FUNDING SOURCES	2010 Actual	2011 Allocation	2012 Estimate	2013 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 511,233	\$ 497,922	\$ 497,922	\$ 497,922
CSP Part B	\$ 203,067	\$ 198,945	\$ 198,945	\$ 198,945
Per Capita	\$ 733,788	\$ 733,788	\$ 733,788	\$ 733,788
State Match	\$ 30,449	\$ 37,833	\$ 37,833	\$ 37,833
Forensic Evaluations				
CASSP	\$ 92,500	\$ 90,623	\$ 92,500	\$ 92,500
TFC	\$ 339,741	\$ 405,150	\$ 405,150	\$ 405,150
Other General Revenue	\$ 986,713	\$ 979,417	\$ 979,417	\$ 979,417
RSVP State Aid	\$ 22,125	\$ 7,500	\$ 15,000	\$ 15,000
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 311,188	\$ 319,920	\$ 319,920	\$ 319,920
Medicaid	\$ 6,171,896	\$ 6,107,870	\$ 6,325,000	\$ 6,450,000
Medicare	\$ 93,571	\$ 88,344	\$ 90,000	\$ 91,000
Title XX	\$ 66,607	\$ 66,607	\$ 66,607	\$ 66,607
AR Kids				
Homeless Grant				
HUD				
USDA				
Title III				
FEMA				
RSVP & VA	\$ 66,090	\$ 66,606	\$ 72,000	\$ 72,000
Food Program				
Transitional Housing				
Other Federal Revenue				
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 144,850	\$ 213,389	\$ 218,000	\$ 220,750
Self Pay	\$ 266,858	\$ 279,923	\$ 280,500	\$ 281,750
Other	\$ 276,264	\$ 391,949	\$ 392,000	\$ 395,000
<b>OTHER CONTRACTS:</b>				
ADAP and DASEP	\$ 876,984	\$ 888,929	\$ 888,929	\$ 888,929
UAFS Clinic Ops	\$ 109,986	\$ 114,385	\$ 119,190	\$ 124,434
City of Ft Smith CBIG	\$ 6,000	\$ 5,000	\$ 5,000	\$ 5,000
<b>OTHER REVENUES:</b>				
Donations	\$ 74,337	\$ 27,100	\$ 15,000	\$ 17,500
Investment and Sales	\$ 101,272	\$ 75,993	\$ 85,000	\$ 95,000
Rentals	\$ 29,525	\$ 29,891	\$ 30,000	\$ 30,000
<b>TOTAL FUNDING:</b>	<b>\$ 11,515,042</b>	<b>\$ 11,626,884</b>	<b>\$ 11,867,701</b>	<b>\$ 12,018,445</b>

# DHS - County Operations

## Enabling Laws

Act 32 of 2010  
Act 240 of 2010

Administration (Central Office Operations)

- A.C.A. §25-10-102

Economic and Medical Services Enrollment 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 Stamp/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-Ventro 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 the TEA Advisory Council 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.

The American Recovery and Reinvestment Act (ARRA) of 2009 provided additional Federal funding to the Division of County Operations for the Community Services Block Grant Program (CSBG), the Homelessness Prevention and Rapid Re-Housing Program (HPRP), the Weatherization Assistance Program, the Supplemental Nutrition Assistance Program (SNAP), and The Emergency Food Assistance Program (TEFAP). The purpose of the Recovery funds (commonly known as "stimulus funds") is to create new jobs and save existing ones; spur economic activity and invest in long-term growth; help stabilize people impacted by the recession; and, foster unprecedented levels of accountability and transparency in government spending. Recipients of Recovery funds are required to report quarterly on how the funding was used. Data is posted on [Recovery.Arkansas.gov](http://Recovery.Arkansas.gov) so the public can track the Recovery funds.

Below is a summary of the services provided for each ARRA funded program administered by the Division of County Operations:

Community Services Block Grant \$13,595,871 through September 30, 2010 - The ARRA funds are provided to Community Action Agencies and are targeted for outreach, coordination, and planning activities to increase public awareness and utilization of services made available through the Federal stimulus, as well as services to assist individuals and families with employment assistance, food, housing, healthcare and other unmet needs.

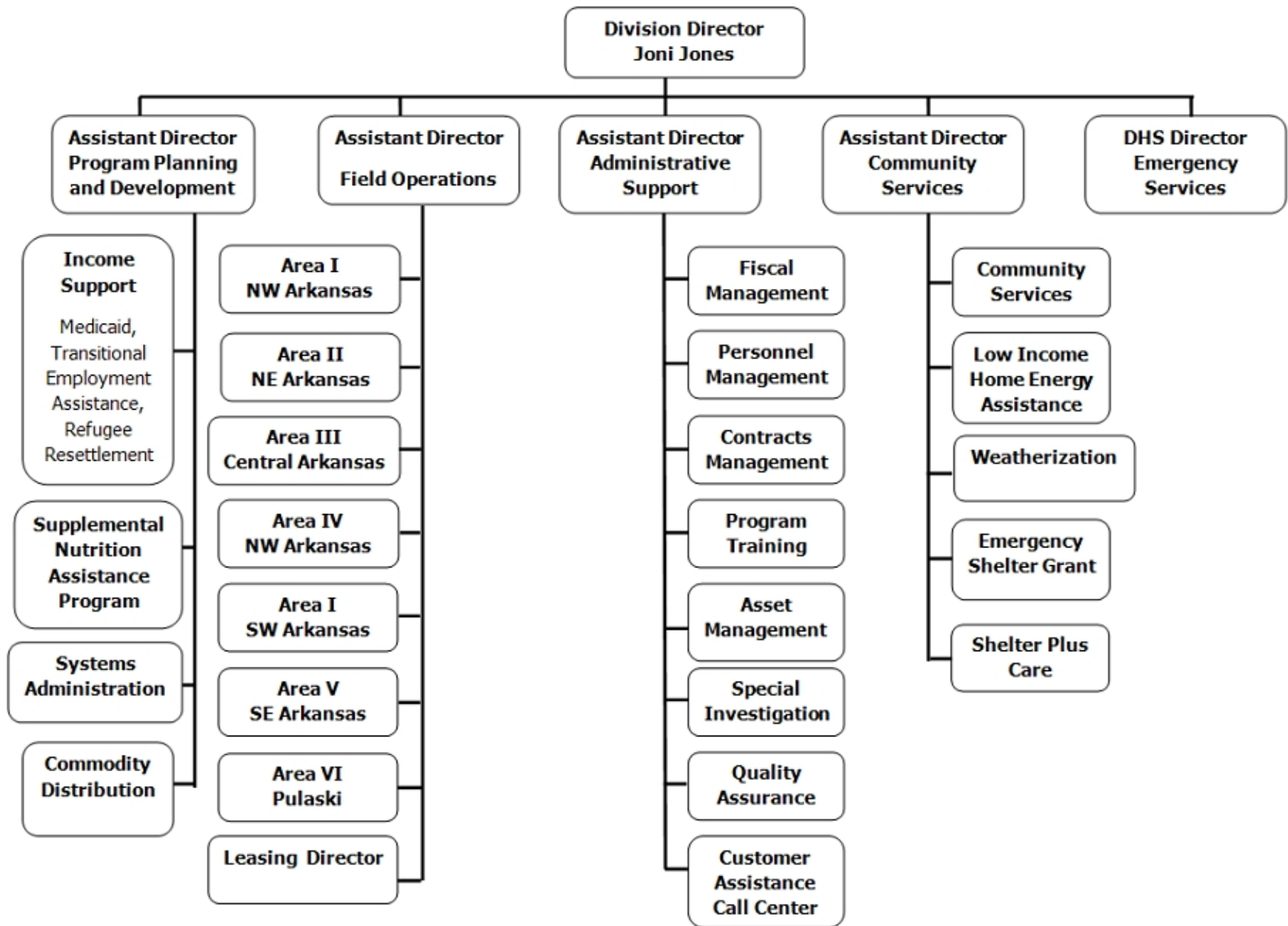
Homelessness Prevention and Rapid Re-Housing Program \$10,530,746 through August 6, 2012 - The ARRA funds provide financial assistance and services to prevent individuals and families from becoming homeless and helps those who are experiencing homelessness to be quickly re-housed and stabilized.

Weatherization Assistance Program \$48,114,415 through March 31, 2012 - The ARRA funds are provided to Community Action Agencies across the State to help low-income individuals and families weatherize their homes thereby reducing home energy costs for qualified homes and creating job opportunities for individuals working on weatherization crews.

Supplemental Nutrition Assistance Program Benefits \$269,000,000 - The ARRA increased the SNAP benefits by raising the maximum allotments by 13.6 percent of the June 2008 value of the Thrifty Food Plan (TFP). These benefit adjustments are "a federal entitlement" that went into effect on 04/01/09.

Supplemental Nutrition Assistance Program Administration \$ 2,837,628 through September 30, 2010 - The ARRA provides states with 100% federal funding to pay increased administrative costs associated with anticipated SNAP caseload increases due to the economic recession.

The Emergency Food Assistance Program (TEFAP) \$1,091,708 (Food Purchases) \$523,317 (Administration) through September 30, 2010 - The ARRA increases the state's allocation for TEFAP food purchases. States were offered a wide variety of food items starting in March 2009.



## 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.

There has been significant growth in the number of Arkansans applying for public assistance benefits during the economic recession. Additionally, new Federal requirements have increased the workload and complexity for determining eligibility for services. To meet these growing needs, the Division of County Operations is currently completing a comprehensive transformation of the public assistance eligibility system in Arkansas and is at the threshold of converting to a higher level of IT modernization through document imaging, electronic records, on-line applications and processing center technology. Federal mandates, an increasing number of applications and the anticipated implementation of health care reform require that our Agency seek new ways of accomplishing Federal and State mandates. Work will be redirected from other areas of the State to the new Access Arkansas Center in Batesville along with applications for public assistance filed online. In addition to case processing, this facility will also scan a high volume of documents and incorporate into electronic case records. This center will be responsible for processing 28,000 applications and re-evaluations each month. This new concept will allow staff in county offices to focus on more complicated cases and provide the Agency with the ability to continue issuing public assistance benefits to increasing numbers of families and individuals.

We request continued use of \$10,138,818 from the Department of Human Services (DHS) Federal Reimbursement/Other Holding fund in each year of the biennium to support costs related to Medicaid enrollment and on-going case management.

POSITION RESTORATIONS SALARIES/FRINGE (Unfunded Appropriation) - A recurring request for DCO is the restoration of positions left unbudgeted due to insufficient funding. The Agency is requesting that 69 positions be restored without funding in the 2012 - 2013 Biennium. These positions are located in local county offices to support the determination of eligibility for the Supplemental Nutrition Assistance Program (formerly known as the Food Stamp Program), Medicaid, Transitional Employment Assistance and Work Pays programs. Without restoration, these positions will be eliminated on June 30, 2011. These reinstated positions allow the Agency to operate in a continuous hiring/training mode to minimize the negative impact of vacancies on customer service and program compliance. The restoration of 69 positions equates to less than one position 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. We have used 96% of the 69 positions reinstated in the 2010-2011 Legislative Session while managing within budget restrictions. DCO provides access to over \$5 Billion in public assistance programs which offer a health and nutrition safety net to low-income Arkansans. It is imperative that we keep the access channels open to increasing numbers of applicants applying for federally supported SNAP and Medicaid benefits during the economic recession. The benefits authorized by DCO create about \$24 Billion in taxable revenue each year.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) POSITION RESTORATIONS SALARIES/FRINGE (Funded Appropriation) - The Agency requests funded appropriation for the continuation of eight positions established through a Miscellaneous Federal Grant request and funded with Federal American Recovery and Reinvestment Act (ARRA) funds for the Homelessness Prevention and Rapid Re-Housing Program (HPRP) and the Weatherization Assistance Program. These programs provide services for homelessness prevention and home energy conservation. The Federal granting agency requires that the duties performed by the employees in these positions must continue throughout the grant period. No State General Revenue is being requested to continue these positions.

POSITION TRANSFERS OUT (Funded Appropriation) - The Agency requests to transfer funded appropriation in Salaries and in Personal Services Matching for SFY 2012 and SFY 2013 for the transfer of one Program Eligibility Specialist position to the Division of Aging and Adult Services. This position is assigned to the Choices in Living Resource Center to provide information to callers about financial eligibility for Home and Community Based Services and assist applicants/family members in completing applications for assistance. The funding is 100% Federal.

OPERATING EXPENSES INCREASES (Funded Appropriation) - The Division of County Operations is requesting additional State General Revenue funding of \$345,065 in 2012 and \$435,851 in 2013 to address increases in costs for administration of the Commodity Distribution Program. In SFY 2009, the Commodity Distribution Program distributed more than 23.9 million pounds of food worth \$19.4 Million to approximately 447 recipient agencies, including local school districts. The request for additional State General Revenue is the result of the competitive procurement of a contract with a vendor that stores and delivers the food and the depletion of "Other" funds that have been exhausted. In SFY 2011 we received permission from the U.S. Department of Agriculture to use Salvage and Container Funds, for one year only, to pay for transportation costs for food distributed to school districts. Without additional State General Revenue Funds, the Division will be unable to maintain the program at the current level and will not be able 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. The Agency is also requesting funded appropriation to support additional Federal funds of \$60,569 each year of the biennium being provided for the Commodity Supplemental Food Program. The total appropriation request is \$405,634 in 2012 and \$496,420 in 2013.

PROFESSIONAL FEES AND SERVICES (Funded Appropriation) - The Division is requesting funded appropriation in 2012 and in 2013 for increased costs associated with contracts for client services in the Supplemental Nutrition Assistance Program (SNAP). 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 SNAP 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 SNAP 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 SNAP 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.

PROFESSIONAL FEES AND SERVICES INFORMATION TECHNOLOGY (Funded Appropriation) - The Agency requests State General Revenue of \$97,719 in 2012 and \$204,233 in 2013 for increases for the Electronic Benefits Transfer (EBT) System. This professional services contract supports the electronic transfer of Supplemental Nutrition Assistance Program (SNAP) benefits and Transitional Employment Assistance (TEA) and Work Pays cash assistance benefits through a Statewide EBT System. Program participants are issued a debit-like card which is used to access SNAP, TEA and Work Pays benefits electronically. The total appropriation request is \$195,438 in 2012 and \$408,465 in 2013 for increases in contract costs due to increasing caseloads and system enhancements. The current contract will expire in 2016. The match rate for this contract is 50% Federal funds and 50% State General Revenue. (The EBT System is referenced on Page 18 of the DCO IT Plan in the Contracts Section. This request will be added to the IT Plan for 2012 and 2013.)

CAPITAL OUTLAY (Funded Appropriation) - 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 analysts to monitor sub-grantees for compliance with program regulations in the Weatherization, Low-Income Home Energy Assistance (LIHEAP), Community Services Block Grant (CSBG) and Emergency Shelter Grant programs. The Agency is requesting appropriation of \$1,800 each year of the biennium to pay for the vehicle sales tax. The Department of Finance and Administration will provide the appropriation to purchase the vehicle. No State General Revenue is being requested.

The Division of County Operations Commodity Distribution Unit receives discretionary State Administrative Expense (SAE) Funds from the U. S. Department of Agriculture (USDA) Food and Nutrition Services, Child and Adult Food and Nutrition Service Program. The funds are provided to Commodity Distribution for program management, improvement and reviews of agencies within the program.

The USDA has approved Arkansas for \$25,046 in SAE Reallocation Funds to purchase a Xerox Color Cube Copy System. This system has been approved by the Arkansas Department of Human Services, Office of Systems Technology as meeting security requirements for use on the DHS Network. This system will be used by the Commodity Distribution Unit to alert participating school districts and all other commodity recipients and agencies of any USDA food recalls and disaster notifications. The system will also produce training materials such as brochures and booklets that are normally sent out of office for reproduction at an additional cost. The Agency requests funded appropriation for purchase of the Xerox Color Cube Copy System. No State General Revenue is being requested for this purchase. (This new request will be added to the IT Plan for 2012 and 2013.)

### **SNAP PROGRAM ADMINISTRATION - Appropriation 896**

The Food and Nutrition Act of 2008 authorizes the Supplemental Nutrition Assistance Program (SNAP) 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 of the food benefits and 50% of all administrative costs. National benefit levels are established by FNS annually. More than \$667 Million in SNAP benefits were issued in Arkansas in the past twelve months. The Division issues SNAP benefits through a Statewide Electronic Benefits Transfer (EBT) System. According to the USDA, these benefits are a significant economic driver as the value of the benefits "turn" twice in the local economy generating more than \$1 Billion in local taxable revenue. The SNAP 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, and to improve and enhance program access through online applications and other web-based service applications.

DCO caseworkers located in the DHS county offices throughout the State determine eligibility for the Supplemental Nutrition Assistance Program. This eligibility is based on household size, monthly family income and resources.

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 SNAP 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 SNAP recipients in as many counties as possible. The contracts are paid with 100% Federal funds.

### **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 2009, the Agency spent more than \$3.7 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 774,505 Arkansans receiving Medicaid in SFY 2009.

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 who do not have health insurance coverage offered through their employer. ARKids is one of the most successful children's health care programs in the nation. In August 2000, the 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 2009, there were 393,324 children who 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) - Increased coverage to the 65 and over population for persons at 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. Coverage has been extended to eligible sole proprietors.

POSITION TRANSFERS SALARIES/FRINGE (Funded Appropriation) -The Department of Human Services is offering a second initiative within Category Three - Expanding Non-Institutional Coverage and Benefits to Adults Age 65 and Over of the Medicaid Expansion Program (MEP). The MEP is funded with Tobacco Settlement proceeds used as the state match to draw federal Medicaid dollars for each of the expansion initiatives. Services to seniors now include two initiatives - ARSeniors and Alternatives Plus. Alternatives Plus will facilitate the transition of low care Medicaid enrollees from nursing facilities to home and community based services, thereby expanding "non-institutional" coverage to older Arkansans. Once individuals have been identified as candidates for transition, Program Eligibility Specialists (PES) will develop a transition plan and assist with transition activities. In those situations where the individual is in a home setting and is presumed eligible for Medicaid home and community based services, the PES will coordinate the eligibility and medical determination processes by working directly with the client and/or their family to ensure the necessary information is obtained to expedite service eligibility. Since the Alternative Plus initiative is managed by the Division of Aging and Adult Services, we are requesting the transfer of 16 Program Eligibility Specialists, 3 Local Office Administrative Assistants, 2 Program Eligibility Supervisors and 1 Program Manager from the Tobacco Settlement positions allocated to the Division of County Operations.

POSITION RESTORATIONS SALARIES/FRINGE (Unfunded Appropriation) - The Agency requests unfunded appropriation for the restoration of one Medicaid Expansion position left unbudgeted due to insufficient funds. This position is funded with 50% Tobacco Settlement dollars and matched with 50% Federal funds.

### **Transitional Employment Assistance (TEA) Program - Appro. 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 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 parents 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.

State General Revenue (SGR) funds are transferred each year of the biennium from the Department of Workforce Services to the DHS Grants Fund to support the payment of services provided to TEA clients. 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. Unfunded appropriation of \$3,640,650 is requested by DCO each year of the biennium for this transfer.

### **STATE SUPPLEMENTARY PAYMENTS FOR THE AGED, BLIND AND DISABLED (AABD)-APPRO. 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 (OCS) 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 the Weatherization Assistance Program. The Office of

Community Services also coordinates initiatives for homeless Arkansans. In addition, OCS will administer funds from the American Recovery and Reinvestment Act (ARRA) for the Homelessness Prevention and Rapid Re-Housing Program (HPRP) and the Weatherization Assistance Program.

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.

COMMUNITY SERVICES BLOCK GRANT PROGRAM (Appro. 898X) - The Agency requests discontinuation of Federal appropriation for the Community Assistance Block Grant Program. The funding for this program expires on September 30, 2010.

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.

HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM ARRA (Appro. 426X) - The Homelessness Prevention and Rapid Re-Housing Program (HPRP) provides homelessness prevention assistance to households at risk of homelessness, and provides rapid re-housing assistance to persons who are homeless. This estimate represents American Recovery and Reinvestment Act (ARRA) funds and appropriation awarded to the State and not spent in the prior fiscal year. Services will be provided until August 6, 2012 when ARRA funds end. The Agency requests funded appropriation in 2012 and in 2013 to provide HPRP services through the end of the ARRA grant. The funding is 100% Federal funds.

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 funded appropriation each year of the biennium previously approved through a Miscellaneous Federal Grant request for anticipated increases in Federal LIHEAP funding. The funding is 100% Federal funds.

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 funded appropriation in 2012 and in 2013, some of which was previously approved through a Miscellaneous Federal Grant request for anticipated increases in Federal Weatherization funding. The funding is 100% Federal funds.

WEATHERIZATION ASSISTANCE PROGRAM ARRA (Appro. 409X) - The Weatherization Assistance Program provides funds for the installation of energy conservation materials on the homes of low-income families to lower utility bills. The Agency's request for funded appropriation represents American Recovery and Reinvestment Act (ARRA) funds awarded to the State that were not used in the prior fiscal year. The funds will be used to provide services until March 31, 2012 when ARRA funding ends. The funding is 100% Federal funds.

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 illnesses), 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 funded appropriation in each year of the biennium to address projected additional Federal funding granted as a result of increasing housing costs. The funding is 100% Federal funds.

### **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. Cash and medical assistance are available to the refugee for the first eight (8) months following entry with social services available for the full five year period. 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. The Division of County Operations administers the cash and medical assistance programs for eligible participants. The program operates with 100% Federal funds. The Federal Office of Refugee Resettlement contracts directly with an Agency outside of DHS for the social services aspects of the program.

### **EMERGENCY FOOD PROGRAM - Appropriation 410**

The Emergency Food Assistance Program (TEFAP) and the Commodity Supplemental Food Program (CSFP) utilize surplus U. S. Department of Agriculture commodities to supplement low-income food programs in Arkansas. The CSFP Program was first funded in State Fiscal Year 2010. Agencies such as Food Banks and Community Action Agencies have sub-grant agreements with the DCO Commodity Distribution Unit to provide food to soup kitchens, food pantries and mass food distribution sites. The purpose of the Commodity Supplemental Food Program (CSFP) is to improve the health of low-income pregnant and breastfeeding women, other new mothers up to one year postpartum, infants, children up to age six, and, elderly people at least 60 years of age by supplementing their diets with nutritious USDA commodity foods. It provides administrative funds to States for the cost of distributing USDA foods to these groups.

The Agency is requesting funded appropriation in each year of the biennium to address projected increases in Federal funding for the TEFAP and CSFP Program. This 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. The funding is 100% Federal funds.

THE EMERGENCY FOOD ASSISTANCE PROGRAM ARRA (Appro. 410X) - The Agency requests discontinuation of Federal appropriation for The Emergency Food Assistance Program (TEFAP). The funding for this program expires on September 30, 2010.

### **SNAP EMPLOYMENT AND TRAINING PROGRAM - APPROP. 898**

The purpose of the SNAP Employment and Training (E & T) Program is to provide Employment and Training activities which promote long term self sufficiency to SNAP 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 - APPROP. 930**

The Commodity Distribution Program receives U. S. 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 USDA, these funds may be used for training, equipment and vehicle purchases utilized by the Commodity Distribution Program for enhancements to the program.

The Commodity Distribution Unit requests approval to purchase one vehicle with SAC funds that will be used to perform on-site monitoring reviews of agencies contracted to provide services for the Commodity Distribution Program. This vehicle will be used to conduct monitoring activities across the State. On-site training for agencies must be conducted as requested and/or as deemed necessary. The Department of Finance and Administration will provide the appropriation to purchase the vehicle. The Agency requests funded appropriation of \$1,500 in 2012 to pay the vehicle sales tax. No State General Revenue is being requested to purchase this vehicle.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

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

## 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	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	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	1,562,522	0	1,819,974	0	1,819,974	0	1,819,974	0	1,874,574	0	1,874,574	0	1,819,974	0	1,930,811	0	1,930,811	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	18,872,766	0	29,741,884	0	18,775,000	0	4,000,000	0	13,898,049	0	13,898,049	0	4,000,000	0	8,000,000	0	8,000,000	0
410 Cty-Emergency Food Program	815,492	0	668,527	0	897,826	0	648,527	0	793,566	0	793,566	0	648,527	0	793,566	0	793,566	0
411 Cty-Low Income Energy Assistance Prgm	34,106,635	0	39,735,151	0	15,487,743	0	15,487,743	0	39,735,151	0	39,735,151	0	15,487,743	0	39,735,151	0	39,735,151	0
412 Cty-Refugee Resettlement Program	5,589	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	4,024,692	0	5,345,000	0	5,851,246	0	1,345,000	0	4,345,000	0	4,345,000	0	1,345,000	0	1,445,000	0	1,445,000	0
59H Hunger Coalition	956,400	0	995,113	0	1,000,000	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0
642 Medicaid Expansion-County Ops	946,080	20	2,730,898	60	2,758,121	61	2,733,472	60	1,622,397	39	2,733,472	60	2,733,472	60	1,622,397	39	2,733,472	60
896 Division of County Operations	113,116,196	1,881	121,349,945	1,822	136,352,424	1,882	118,215,610	1,813	123,393,972	1,889	123,391,044	1,889	118,215,610	1,813	121,886,141	1,882	121,883,213	1,882
897 TANF Block Grant	18,950,881	0	20,925,000	0	33,640,650	0	20,925,000	0	24,565,650	0	24,565,650	0	20,925,000	0	24,565,650	0	24,565,650	0
898 Community Svcs. Block Grant	16,805,525	0	15,062,188	0	20,020,518	0	9,437,390	0	9,437,390	0	9,437,390	0	9,437,390	0	9,437,390	0	9,437,390	0
930 Cty-Commodity Distrib & Salvage Container	31,034	0	274,086	0	274,086	0	274,086	0	275,586	0	275,586	0	274,086	0	274,086	0	274,086	0
<b>Total</b>	<b>210,193,812</b>	<b>1,901</b>	<b>238,663,766</b>	<b>1,882</b>	<b>236,893,588</b>	<b>1,943</b>	<b>175,897,915</b>	<b>1,873</b>	<b>220,952,448</b>	<b>1,928</b>	<b>222,060,595</b>	<b>1,949</b>	<b>175,897,915</b>	<b>1,873</b>	<b>210,701,305</b>	<b>1,921</b>	<b>211,809,452</b>	<b>1,942</b>

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	45,071,538	21.4	47,359,964	19.8	47,348,467	26.9	47,791,251	22.3	47,348,467	22.0	47,348,467	26.9	47,988,551	23.5	47,348,467	23.1	
Federal Revenue	4000020	124,970,128	59.5	141,231,145	59.2	114,944,908	65.3	144,972,000	67.5	145,543,765	67.6	114,944,908	65.3	143,323,106	70.1	143,894,871	70.2	
Cash Fund	4000045	31,034	0.0	274,086	0.1	274,086	0.2	275,586	0.1	275,586	0.1	274,086	0.2	274,086	0.1	274,086	0.1	
Federal Funds-ARRA	4000244	25,464,396	12.1	36,466,427	15.3	0	0.0	8,898,049	4.1	8,898,049	4.1	0	0.0	100,000	0.0	100,000	0.0	
Reallocation of Resources	4000410	398,782	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Tobacco Settlement	4000495	473,040	0.2	1,365,449	0.6	1,366,736	0.8	794,970	0.4	1,366,736	0.6	1,366,736	0.8	794,970	0.4	1,366,736	0.7	
Transfer From DWS	4000527	956,437	0.5	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	12,828,457	6.1	11,966,695	5.0	11,963,718	6.8	11,963,718	5.6	11,963,718	5.6	11,963,718	6.8	11,963,718	5.9	11,963,718	5.8	
<b>Total Funds</b>		<b>210,193,812</b>	<b>100.0</b>	<b>238,663,766</b>	<b>100.0</b>	<b>175,897,915</b>	<b>100.0</b>	<b>214,695,574</b>	<b>100.0</b>	<b>215,396,321</b>	<b>100.0</b>	<b>175,897,915</b>	<b>100.0</b>	<b>204,444,431</b>	<b>100.0</b>	<b>204,947,878</b>	<b>100.0</b>	
Excess Appropriation/(Funding)		0		0		0		6,256,874		6,664,274		0		6,256,874		6,861,574		
<b>Grand Total</b>		<b>210,193,812</b>		<b>238,663,766</b>		<b>175,897,915</b>		<b>220,952,448</b>		<b>222,060,595</b>		<b>175,897,915</b>		<b>210,701,305</b>		<b>211,809,452</b>		

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
1,943	1767	66	1833	110	9.06 %	1,943	1825	42	1867	76	6.07 %	1,943	1811	71	1882	61	6.79 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 242 of 2010 section 17(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 FY1995 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 one (1) sub-grantee that has a total of four (4) 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 such as the federal Department of Housing and Urban Development.

The agency Base Level request for this appropriation is \$1,819,974 each year of the biennium.

The agency Change Level request for this appropriation is \$54,600 in FY2012 and \$110,837 in FY2013 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			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,562,522	1,819,974	1,819,974	1,819,974	1,874,574	1,874,574	1,819,974	1,930,811	1,930,811
Total		1,562,522	1,819,974	1,819,974	1,819,974	1,874,574	1,874,574	1,819,974	1,930,811	1,930,811
<b>Funding Sources</b>										
Federal Revenue	4000020	1,562,522	1,819,974		1,819,974	1,874,574	1,874,574	1,819,974	1,930,811	1,930,811
Total Funding		1,562,522	1,819,974		1,819,974	1,874,574	1,874,574	1,819,974	1,930,811	1,930,811
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,562,522	1,819,974		1,819,974	1,874,574	1,874,574	1,819,974	1,930,811	1,930,811

## Change Level by Appropriation

**Appropriation:** 1DK - Cty-Shelter Plus Care Program  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,819,974</b>	<b>0</b>	<b>1,819,974</b>	<b>100.0</b>	<b>1,819,974</b>	<b>0</b>	<b>1,819,974</b>	<b>100.0</b>
C01	Existing Program	54,600	0	1,874,574	103.0	110,837	0	1,930,811	106.1

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,819,974</b>	<b>0</b>	<b>1,819,974</b>	<b>100.0</b>	<b>1,819,974</b>	<b>0</b>	<b>1,819,974</b>	<b>100.0</b>
C01	Existing Program	54,600	0	1,874,574	103.0	110,837	0	1,930,811	106.1

### Justification

C01	The Division of County Operations (DCO) requests additional Federal appropriation in 2012 and 2013 for the Shelter Plus Care Program to address projected additional funding granted as a result of increased housing costs. No State General Revenue is being requested.
-----	---

## **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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				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
<b>Funding Sources</b>									
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 low-income families 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 \$4,000,000 each year of the biennium.

The agency Change Level request for this appropriation is \$9,898,049 in FY2012 and \$4,000,000 in FY2013. The following delineates the agency's request:

- \$4,000,000 each year of the biennium is requested for the grants line item for continuation of FY2011 Miscellaneous Federal Grant Appropriation. Also, additional appropriation is requested to cover anticipated increases in federal funding for the Weatherization Program.
- \$5,898,049 in FY2012 is requested for the Weatherization Program - ARRA 2009 line item to allow for costs until ARRA funding ends.

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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	6,639,037	6,741,884	4,000,000	4,000,000	8,000,000	8,000,000	4,000,000	8,000,000	8,000,000
Weatherization Program - ARRA 2 5900052	12,233,729	23,000,000	14,775,000	0	5,898,049	5,898,049	0	0	0
<b>Total</b>	<b>18,872,766</b>	<b>29,741,884</b>	<b>18,775,000</b>	<b>4,000,000</b>	<b>13,898,049</b>	<b>13,898,049</b>	<b>4,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	6,639,037	6,741,884		4,000,000	8,000,000	8,000,000	4,000,000	8,000,000	8,000,000
Federal Funds-ARRA 4000244	12,233,729	23,000,000		0	5,898,049	5,898,049	0	0	0
<b>Total Funding</b>	<b>18,872,766</b>	<b>29,741,884</b>		<b>4,000,000</b>	<b>13,898,049</b>	<b>13,898,049</b>	<b>4,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>18,872,766</b>	<b>29,741,884</b>		<b>4,000,000</b>	<b>13,898,049</b>	<b>13,898,049</b>	<b>4,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>

Budget exceeds Authorized Appropriation due to Appropriation established through the authority of the Miscellaneous Federal Program Act.

## Change Level by Appropriation

**Appropriation:** 409 - Cty-Weatherization Program  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,000,000</b>	<b>0</b>	<b>4,000,000</b>	<b>100.0</b>	<b>4,000,000</b>	<b>0</b>	<b>4,000,000</b>	<b>100.0</b>
C01	Existing Program	1,258,116	0	5,258,116	131.5	1,258,116	0	5,258,116	131.5
C03	Discontinue Program	(17,101,951)	0	(11,843,835)	-296.1	(23,000,000)	0	(17,741,884)	-443.5
C06	Restore Position/Approp	2,741,884	0	(9,101,951)	-227.5	2,741,884	0	(15,000,000)	-375.0
C16	ARRA	23,000,000	0	13,898,049	347.5	23,000,000	0	8,000,000	200.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,000,000</b>	<b>0</b>	<b>4,000,000</b>	<b>100.0</b>	<b>4,000,000</b>	<b>0</b>	<b>4,000,000</b>	<b>100.0</b>
C01	Existing Program	1,258,116	0	5,258,116	131.5	1,258,116	0	5,258,116	131.5
C03	Discontinue Program	(17,101,951)	0	(11,843,835)	-296.1	(23,000,000)	0	(17,741,884)	-443.5
C06	Restore Position/Approp	2,741,884	0	(9,101,951)	-227.5	2,741,884	0	(15,000,000)	-375.0
C16	ARRA	23,000,000	0	13,898,049	347.5	23,000,000	0	8,000,000	200.0

### Justification

C01	The Division of County Operations (DCO) requests additional Federal appropriation in 2012 and 2013 for the Weatherization Assistance Program. This additional appropriation is needed to cover projected Federal funding levels during the Biennium. No State General Revenue is being requested.
C03	The Agency requests to reduce Federal appropriation for the American Recovery and Reinvestment Act (ARRA) Weatherization Program which expires March 31, 2012.
C06	The Division of County Operations requests to restore Federal appropriation established through an MFG.
C16	The Division of County Operations requests Federal appropriation for American Recovery and Reinvestment Act (ARRA) funding made available to support the Weatherization Assistance Program.

## **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.

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 \$648,527 each year of the biennium.

The agency Change Level request for this appropriation is \$145,039 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. ARRA appropriation is being discontinued.

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			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	597,163	648,527	672,377	648,527	793,566	793,566	648,527	793,566	793,566
Emergency Food Program - ARRA 5900052	218,329	20,000	225,449	0	0	0	0	0	0
<b>Total</b>	<b>815,492</b>	<b>668,527</b>	<b>897,826</b>	<b>648,527</b>	<b>793,566</b>	<b>793,566</b>	<b>648,527</b>	<b>793,566</b>	<b>793,566</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	597,163	648,527		648,527	793,566	793,566	648,527	793,566	793,566
Federal Funds-ARRA 4000244	218,329	20,000		0	0	0	0	0	0
<b>Total Funding</b>	<b>815,492</b>	<b>668,527</b>		<b>648,527</b>	<b>793,566</b>	<b>793,566</b>	<b>648,527</b>	<b>793,566</b>	<b>793,566</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>815,492</b>	<b>668,527</b>		<b>648,527</b>	<b>793,566</b>	<b>793,566</b>	<b>648,527</b>	<b>793,566</b>	<b>793,566</b>

## Change Level by Appropriation

**Appropriation:** 410 - Cty-Emergency Food Program  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>648,527</b>	<b>0</b>	<b>648,527</b>	<b>100.0</b>	<b>648,527</b>	<b>0</b>	<b>648,527</b>	<b>100.0</b>
C01	Existing Program	145,039	0	793,566	122.4	145,039	0	793,566	122.4
C03	Discontinue Program	(20,000)	0	773,566	119.3	(20,000)	0	773,566	119.3
C16	ARRA	20,000	0	793,566	122.4	20,000	0	793,566	122.4

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>648,527</b>	<b>0</b>	<b>648,527</b>	<b>100.0</b>	<b>648,527</b>	<b>0</b>	<b>648,527</b>	<b>100.0</b>
C01	Existing Program	145,039	0	793,566	122.4	145,039	0	793,566	122.4
C03	Discontinue Program	(20,000)	0	773,566	119.3	(20,000)	0	773,566	119.3
C16	ARRA	20,000	0	793,566	122.4	20,000	0	793,566	122.4

### Justification

C01	The agency requests Federal appropriation in SFY 2012 and SFY 2013 for The Emergency Food Assistance Program (TEFAP) and the Commodity Supplemental Food Program (CSFP) for projected grant increases during the Biennium. No State General Revenue funds are being requested.
C03	The Agency requests to discontinue Federal appropriation for the American Recovery and Reinvestment Act (ARRA) TEFAP Program which expires September 30, 2010.
C16	The Division of County Operations requests Federal appropriation for American Recovery and Reinvestment Act (ARRA) funding made available to support the The Emergency Food Assistance Program (TEFAP).

## **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 the cost of their home energy expenses such as gas, electricity, propane, etc. The agency administers 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.

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 \$15,487,743 each year of the biennium.

The agency Change Level request for this appropriation is \$24,247,408 each year of the biennium for continuation of FY2011 Miscellaneous Federal Grant Appropriation. 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			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	34,106,635	39,735,151	15,487,743	15,487,743	39,735,151	39,735,151	15,487,743	39,735,151	39,735,151
Total		34,106,635	39,735,151	15,487,743	15,487,743	39,735,151	39,735,151	15,487,743	39,735,151	39,735,151
<b>Funding Sources</b>										
Federal Revenue	4000020	34,106,635	39,735,151		15,487,743	39,735,151	39,735,151	15,487,743	39,735,151	39,735,151
Total Funding		34,106,635	39,735,151		15,487,743	39,735,151	39,735,151	15,487,743	39,735,151	39,735,151
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		34,106,635	39,735,151		15,487,743	39,735,151	39,735,151	15,487,743	39,735,151	39,735,151

Budget exceeds Authorized Appropriation due to Appropriation established through the authority of the Miscellaneous Federal Program Act.

## Change Level by Appropriation

**Appropriation:** 411 - Cty-Low Income Energy Assistance Prgm  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>15,487,743</b>	<b>0</b>	<b>15,487,743</b>	<b>100.0</b>	<b>15,487,743</b>	<b>0</b>	<b>15,487,743</b>	<b>100.0</b>
C06	Restore Position/Approp	24,247,408	0	39,735,151	256.6	24,247,408	0	39,735,151	256.6

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>15,487,743</b>	<b>0</b>	<b>15,487,743</b>	<b>100.0</b>	<b>15,487,743</b>	<b>0</b>	<b>15,487,743</b>	<b>100.0</b>
C06	Restore Position/Approp	24,247,408	0	39,735,151	256.6	24,247,408	0	39,735,151	256.6

### Justification

C06	The Division of County Operations (DCO) requests to continue Federal appropriation, established by a Miscellaneous Federal Grant (MFG) in SFY 2011, for the Low-Income Home Energy Assistance Program (LIHEAP). This additional appropriation is needed for projected increases in Federal funding levels during the Biennium for the LIHEAP program due to rising energy costs. No State General Revenue is being requested.
-----	---

## **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 following entry. Social services may be provided to refugees for up to five years. Refugees may apply for cash, medical and the supplemental nutrition assistance program (SNAP) 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. The federal Office of Refugee Resettlement contracts directly with an agency outside of DHS for the social services aspects of the program.

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	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	5,589	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
<b>Total</b>	<b>5,589</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	5,589	12,000		12,000	12,000	12,000	12,000	12,000	12,000
<b>Total Funding</b>	<b>5,589</b>	<b>12,000</b>		<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>5,589</b>	<b>12,000</b>		<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>

## **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. The estimated homeless count in the State of Arkansas for 2010 is 18,484. Funding for this appropriation is 100% federal.

The agency Base Level request for this appropriation is \$1,345,000 each year of the biennium.

The agency Change Level request for this appropriation is \$3,000,000 in FY2012 and \$100,000 in FY2013 for the Homeless Assistance Grant - ARRA 2009 line item to allow for costs until ARRA funding ends.

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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,151,143	1,345,000	1,851,246	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000
Homeless Asst Grant - ARRA '09	5900052	2,873,549	4,000,000	4,000,000	0	3,000,000	3,000,000	0	100,000	100,000
<b>Total</b>		<b>4,024,692</b>	<b>5,345,000</b>	<b>5,851,246</b>	<b>1,345,000</b>	<b>4,345,000</b>	<b>4,345,000</b>	<b>1,345,000</b>	<b>1,445,000</b>	<b>1,445,000</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	1,151,143	1,345,000		1,345,000	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000
Federal Funds-ARRA	4000244	2,873,549	4,000,000		0	3,000,000	3,000,000	0	100,000	100,000
<b>Total Funding</b>		<b>4,024,692</b>	<b>5,345,000</b>		<b>1,345,000</b>	<b>4,345,000</b>	<b>4,345,000</b>	<b>1,345,000</b>	<b>1,445,000</b>	<b>1,445,000</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>4,024,692</b>	<b>5,345,000</b>		<b>1,345,000</b>	<b>4,345,000</b>	<b>4,345,000</b>	<b>1,345,000</b>	<b>1,445,000</b>	<b>1,445,000</b>

## Change Level by Appropriation

**Appropriation:** 426 - Cty-Homeless Assistance Grant  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,345,000</b>	<b>0</b>	<b>1,345,000</b>	<b>100.0</b>	<b>1,345,000</b>	<b>0</b>	<b>1,345,000</b>	<b>100.0</b>
C03	Discontinue Program	(1,000,000)	0	345,000	25.7	(3,900,000)	0	(2,555,000)	-190.0
C16	ARRA	4,000,000	0	4,345,000	323.0	4,000,000	0	1,445,000	107.4

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,345,000</b>	<b>0</b>	<b>1,345,000</b>	<b>100.0</b>	<b>1,345,000</b>	<b>0</b>	<b>1,345,000</b>	<b>100.0</b>
C03	Discontinue Program	(1,000,000)	0	345,000	25.7	(3,900,000)	0	(2,555,000)	-190.0
C16	ARRA	4,000,000	0	4,345,000	323.0	4,000,000	0	1,445,000	107.4

### Justification

C03	The Agency requests to reduce Federal appropriation for the American Recovery and Reinvestment Act (ARRA) Homelessness Prevention and Rapid Re-Housing Program (HPRP) which expires August 6, 2012.
C16	The Division of County Operations requests Federal appropriation for American Recovery and Reinvestment Act (ARRA) funding available to support the Homelessness Prevention and Rapid Re-Housing Program (HPRP).

## **Analysis of Budget Request**

**Appropriation:** 59H - Hunger Coalition

**Funding Sources:** DCO - County Operations Account

Arkansas food banks have reported an increase in utilization which is attributed to poor economic conditions and local disasters coupled with the increased cost of food storage and transportation. To address this need, the State Food Purchasing Program was created and funded with state general revenues generated from an increase in the tax on cigarettes and other tobacco products provided in Act 180 of 2009.

The Division of County Operations grants these funds to the Arkansas Hunger Relief Alliance for distribution to the local food distribution networks for the purpose of purchasing Arkansas products through the State Food Purchasing Program.

Funding for this appropriation is 100% General Revenue (DCO - County Operations Fund Account).

The agency Base Level and total request for this appropriation is \$995,113 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

# Appropriation Summary

**Appropriation:** 59H - Hunger Coalition

**Funding Sources:** DCO - County Operations Account

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	956,400	995,113	1,000,000	995,113	995,113	995,113	995,113	995,113	995,113
<b>Total</b>	<b>956,400</b>	<b>995,113</b>	<b>1,000,000</b>	<b>995,113</b>	<b>995,113</b>	<b>995,113</b>	<b>995,113</b>	<b>995,113</b>	<b>995,113</b>
<b>Funding Sources</b>									
General Revenue 4000010	956,400	995,113		995,113	995,113	995,113	995,113	995,113	995,113
<b>Total Funding</b>	<b>956,400</b>	<b>995,113</b>		<b>995,113</b>	<b>995,113</b>	<b>995,113</b>	<b>995,113</b>	<b>995,113</b>	<b>995,113</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>956,400</b>	<b>995,113</b>		<b>995,113</b>	<b>995,113</b>	<b>995,113</b>	<b>995,113</b>	<b>995,113</b>	<b>995,113</b>

## **Analysis of Budget Request**

**Appropriation:** 642 - DHS DCO–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 and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The agency Base Level request for this appropriation is \$2,733,472 each year of the biennium with 60 budgeted Base Level positions.

The agency Change Level request for this appropriation is (\$1,111,075) each year of the biennium. The following delineates the agency's request:

- Restoration of one (1) position that was authorized but not budgeted with unfunded salary and matching appropriation.
- Transfer twenty-two (22) positions to the Division of Aging and Adult Services (DAAS) with salary and matching appropriation and tobacco settlement funding to establish a new program in DAAS called Alternatives Plus. This new requested program will facilitate the transition of low care Medicaid enrollees from nursing facilities to home and community based services.
- Transfer \$145,000 each year of the biennium from the Operating Expenses line item to DAAS with tobacco settlement funding.
- Transfer \$100,000 each year of the biennium from the Professional Fees line item to DAAS with tobacco settlement funding.
- Transfer \$40,000 each year of the biennium from the Data Processing Services line item to DAAS with tobacco settlement funding.

The Executive Recommendation provides for Base Level.

# Appropriation Summary

**Appropriation:** 642 - DHS DCO–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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	552,973	1,744,686	1,760,847	1,738,486	1,137,948	1,738,486	1,738,486	1,137,948	1,738,486
<b>#Positions</b>		<b>20</b>	<b>60</b>	<b>61</b>	<b>60</b>	<b>39</b>	<b>60</b>	<b>60</b>	<b>39</b>	<b>60</b>
Personal Services Matching	5010003	382,835	640,417	651,479	649,191	423,654	649,191	649,191	423,654	649,191
Operating Expenses	5020002	5,924	195,795	195,795	195,795	50,795	195,795	195,795	50,795	195,795
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	100,000	100,000	100,000	0	100,000	100,000	0	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	4,348	50,000	50,000	50,000	10,000	50,000	50,000	10,000	50,000
<b>Total</b>		<b>946,080</b>	<b>2,730,898</b>	<b>2,758,121</b>	<b>2,733,472</b>	<b>1,622,397</b>	<b>2,733,472</b>	<b>2,733,472</b>	<b>1,622,397</b>	<b>2,733,472</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	473,040	1,365,449		1,366,736	794,971	1,366,736	1,366,736	794,971	1,366,736
Tobacco Settlement	4000495	473,040	1,365,449		1,366,736	794,970	1,366,736	1,366,736	794,970	1,366,736
<b>Total Funding</b>		<b>946,080</b>	<b>2,730,898</b>		<b>2,733,472</b>	<b>1,589,941</b>	<b>2,733,472</b>	<b>2,733,472</b>	<b>1,589,941</b>	<b>2,733,472</b>
Excess Appropriation/(Funding)		0	0		0	32,456	0	0	32,456	0
<b>Grand Total</b>		<b>946,080</b>	<b>2,730,898</b>		<b>2,733,472</b>	<b>1,622,397</b>	<b>2,733,472</b>	<b>2,733,472</b>	<b>1,622,397</b>	<b>2,733,472</b>

Tobacco Settlement Funds do not carry forward into the new biennium unless criteria is met as prescribed in Initiated Act 1 of 2000.

## Change Level by Appropriation

**Appropriation:** 642 - DHS DCO–Medicaid Expansion Program  
**Funding Sources:** PTA - Medicaid Expansion Program Account

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,733,472</b>	<b>60</b>	<b>2,733,472</b>	<b>100.0</b>	<b>2,733,472</b>	<b>60</b>	<b>2,733,472</b>	<b>100.0</b>
C05	Unfunded Appropriation	32,456	1	2,765,928	101.2	32,456	1	2,765,928	101.2
C07	Agency Transfer	(1,143,531)	(22)	1,622,397	59.4	(1,143,531)	(22)	1,622,397	59.4

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,733,472</b>	<b>60</b>	<b>2,733,472</b>	<b>100.0</b>	<b>2,733,472</b>	<b>60</b>	<b>2,733,472</b>	<b>100.0</b>
C05	Unfunded Appropriation	0	0	2,733,472	100.0	0	0	2,733,472	100.0
C07	Agency Transfer	0	0	2,733,472	100.0	0	0	2,733,472	100.0

### Justification

C05	The agency requests unfunded appropriation to restore one Tobacco Settlement position.
C07	The agency is transferring 22 Tobacco Settlement positions to the Division of Aging and Adult Services for use in the Medicaid Expansion Program initiative, Alternatives Plus. These employees will coordinate the application process for Home and Community Based services, thereby expanding non-institutional Medicaid coverage to older Arkansans. In addition to the positions, we are transferring funded appropriation for salaries, fringe, operating, contract and Data Processing costs associated with the Program.



## **Analysis of Budget Request**

**Appropriation:** 896 - DHS DCO—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 (now called Supplemental Nutrition Assistance Program - SNAP), 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 81<sup>st</sup> 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 85<sup>th</sup> General Assembly and signed by the Governor, Act 1705 of 2005 transferred responsibility for the program to the Department of Workforce Services (DWS) and also created the Work Pays program, which is an extension of the TEA program for former TEA recipients who are working. 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, a new Access Arkansas Center is being constructed in Batesville and will process approximately 28,000 applications and re-evaluations each month, many of which are being filed online. The Division of County Operations is responsible for administering the SNAP, TEA, Medicaid and ARKids Programs to citizens across Arkansas. Additional programs administered at the county level though local organizations include the 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, SNAP, 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 Title XIX match, miscellaneous collections, 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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The agency Base Level request for this appropriation is \$118,215,610 each year of the biennium with 1,813 budgeted Base Level positions.

The agency Change Level request for this appropriation is \$5,178,362 in FY2012 and \$3,670,531 in FY2013, which includes general revenue requests of \$442,784 in FY2012 and \$640,084 in FY2013. The general revenue request consists of the following components:

- \$345,065 in FY2012 and \$435,851 in FY2013 in new general revenue to address increases in storage and distribution costs for administration of the Commodity Distribution Program;
- \$97,719 in FY2012 and \$204,233 in FY2013 in new general revenue to address increasing caseloads and system enhancements for the Electronic Benefits Transfer System.

The following delineates the agency's request:

- Restoration of sixty-nine (69) positions that were authorized but not budgeted with unfunded salary and matching appropriation. These positions provide the county offices with an opportunity to more efficiently manage their vacancies.
- Transfer one (1) position to the Division of Aging and Adult Services with salary and matching appropriation to provide information to callers about financial eligibility for home and community based services and assist applicants/family members in completing applications for assistance.
- Continuation of eight (8) American Recovery and Reinvestment Act (ARRA) positions in FY2012 and one (1) ARRA position in FY2013 with salary and matching appropriation.
- Reclassification on six (6) positions due to the duties and responsibilities changing since the pay plan study.
- \$405,634 in FY2012 and \$496,420 in FY2013 for the Operating Expenses line item. This includes an increase for freight to address increases in storage and distribution costs for administration of the commodity distribution program.
- \$280,090 in FY2012 and \$577,770 in FY2013 for the Professional Fees line item to address increasing caseloads and system enhancements for the electronic benefits transfer system and for contracted services for the supplemental nutrition assistance program (SNAP).
- \$26,846 in FY2012 and \$1,800 in FY2013 for the Capital Outlay line item. This includes increases for replacing one (1) existing vehicle each year of the biennium. Only appropriation for the cost of the sales tax is being requested each year. Also, included in FY2012 is appropriation requested to purchase a Xerox color copy system.
- \$1,920,465 in FY2012 and \$49,214 in FY2013 for the ARRA of 2009 line item to allow for administrative costs until ARRA funding ends.

The Executive Recommendation provides for the Agency Request with the exception on one (1) of the reclassifications where a different reclassification has been recommended and no new general revenue. The capital outlay that has been recommended for vehicles is to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

# Appropriation Summary

**Appropriation:** 896 - DHS DCO—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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	59,917,413	60,314,590	64,265,702	59,936,856	61,774,546	61,772,130	59,936,856	61,774,546	61,772,130
<b>#Positions</b>		<b>1,881</b>	<b>1,822</b>	<b>1,882</b>	<b>1,813</b>	<b>1,889</b>	<b>1,889</b>	<b>1,813</b>	<b>1,882</b>	<b>1,882</b>
Extra Help	5010001	220,835	234,052	234,052	234,052	234,052	234,052	234,052	234,052	234,052
<b>#Extra Help</b>		<b>18</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>
Personal Services Matching	5010003	19,285,022	20,113,904	22,043,066	21,208,932	21,916,569	21,916,057	21,208,932	21,916,569	21,916,057
Overtime	5010006	689	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	20,124,761	22,322,396	25,925,613	22,322,396	22,728,030	22,728,030	22,322,396	22,818,816	22,818,816
Conference & Travel Expenses	5050009	76,497	178,831	178,831	178,831	178,831	178,831	178,831	178,831	178,831
Professional Fees	5060010	6,321,573	9,328,479	11,409,349	9,328,479	9,608,569	9,608,569	9,328,479	9,906,249	9,906,249
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	28,644	30,000	30,000	0	26,846	26,846	0	1,800	1,800
Data Processing Services	5900044	4,450,239	4,981,064	5,217,152	4,981,064	4,981,064	4,981,064	4,981,064	4,981,064	4,981,064
ARRA of 2009	5900052	2,690,523	3,821,629	7,023,659	0	1,920,465	1,920,465	0	49,214	49,214
<b>Total</b>		<b>113,116,196</b>	<b>121,349,945</b>	<b>136,352,424</b>	<b>118,215,610</b>	<b>123,393,972</b>	<b>123,391,044</b>	<b>118,215,610</b>	<b>121,886,141</b>	<b>121,883,213</b>

Funding Sources										
General Revenue	4000010	43,972,363	46,207,412		46,195,915	46,638,699	46,195,915	46,195,915	46,835,999	46,195,915
Federal Revenue	4000020	53,773,127	59,354,209		60,055,977	62,207,787	62,207,787	60,055,977	60,502,656	60,502,656
Federal Funds-ARRA	4000244	2,690,523	3,821,629		0	0	0	0	0	0
Reallocation of Resources	4000410	398,782	0		0	0	0	0	0	0
Various Program Support	4000730	12,281,401	11,966,695		11,963,718	11,963,718	11,963,718	11,963,718	11,963,718	11,963,718
<b>Total Funding</b>		<b>113,116,196</b>	<b>121,349,945</b>		<b>118,215,610</b>	<b>120,810,204</b>	<b>120,367,420</b>	<b>118,215,610</b>	<b>119,302,373</b>	<b>118,662,289</b>
Excess Appropriation/(Funding)		0	0		0	2,583,768	3,023,624	0	2,583,768	3,220,924
<b>Grand Total</b>		<b>113,116,196</b>	<b>121,349,945</b>		<b>118,215,610</b>	<b>123,393,972</b>	<b>123,391,044</b>	<b>118,215,610</b>	<b>121,886,141</b>	<b>121,883,213</b>

Budgeted positions include nine (9) positions established through the authority of the Miscellaneous Federal Program Act.  
The FY10 funding includes General Revenue fund transfers from various DHS Divisions by Authority of Reallocation of Resources.

## Change Level by Appropriation

**Appropriation:** 896 - DHS DCO–Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	118,215,610	1,813	118,215,610	100.0	118,215,610	1,813	118,215,610	100.0
C01	Existing Program	517,132	0	118,732,742	100.4	667,525	0	118,883,135	100.6
C03	Discontinue Program	(1,926,067)	(1)	116,806,675	98.8	(3,503,609)	(1)	115,379,526	97.6
C05	Unfunded Appropriation	2,583,768	69	119,390,443	101.0	2,583,768	69	117,963,294	99.8
C07	Agency Transfer	(38,441)	(1)	119,352,002	101.0	(38,441)	(1)	117,924,853	99.8
C08	Technology	195,438	0	119,547,440	101.1	408,465	0	118,333,318	100.1
C10	Reclass	0	0	119,547,440	101.1	0	0	118,333,318	100.1
C16	ARRA	3,846,532	9	123,393,972	104.4	3,552,823	2	121,886,141	103.1

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	118,215,610	1,813	118,215,610	100.0	118,215,610	1,813	118,215,610	100.0
C01	Existing Program	517,132	0	118,732,742	100.4	667,525	0	118,883,135	100.6
C03	Discontinue Program	(1,926,067)	(1)	116,806,675	98.8	(3,503,609)	(1)	115,379,526	97.6
C05	Unfunded Appropriation	2,583,768	69	119,390,443	101.0	2,583,768	69	117,963,294	99.8
C07	Agency Transfer	(38,441)	(1)	119,352,002	101.0	(38,441)	(1)	117,924,853	99.8
C08	Technology	195,438	0	119,547,440	101.1	408,465	0	118,333,318	100.1
C10	Reclass	(2,928)	0	119,544,512	101.1	(2,928)	0	118,330,390	100.1
C16	ARRA	3,846,532	9	123,391,044	104.4	3,552,823	2	121,883,213	103.1

### Justification

C01	The Agency requests increases in appropriation for contracted services for the Supplemental Nutrition Assistance Program (SNAP). The services provided are Employment and Training, Workfare and Nutrition Education. All of these professional services are funded with 100% Federal funds. The agency requests additional funding and appropriation to address increases in storage and distribution costs for administration of the Commodity Distribution Program. The request for additional State General Revenue is the result of the depletion of "Other" funds that will be exhausted after 2011. Without the additional State General Revenue funds of \$345,065 in 2012 and \$435,851 in 2013, the agency may be unable to maintain the program at the current level and will not be able to accept food donated to local schools by the U.S. Department of Agriculture. The agency requests \$60,569 in federal appropriation for projected increases in federal Emergency Food funds. The Office of Community Services is requesting funded appropriation for the sales tax associated with the replacement of two existing vehicles (one in each year of the biennium). DFA will provide appropriation for the cost of the vehicle. These vehicles are utilized by grant analysts to monitor sub-grantees for compliance with program regulations in the Weatherization, Low-Income Home Energy Assistance (LIHEAP), Community Services Block Grant (CSBG) and Emergency Shelter Grant programs. The funding is 100% Federal.
C03	The funding for the American Recovery and Reinvestment Act (ARRA) Community Block Grant Program expired on September 30, 2010. The Agency requests to discontinue appropriation and a position related to this program. The Agency also requests to reduce administrative appropriation for the Weatherization and Homelessness Prevention and Rapid Re-Housing Program (HPRP) as these grants will expire during the biennium.

## Change Level by Appropriation

<b>Justification</b>	
C05	The Agency requests unfunded appropriation for the restoration of 69 positions left unbudgeted in State Fiscal Year 2011 due to insufficient funding. The majority of these positions are located in local county offices to support the determination of eligibility for the Supplemental Nutrition Assistance Program (formerly known as the Food Stamp Program), Medicaid, Transitional Employment Assistance and Work Pays programs. Without restoration, these positions will be eliminated on June 30, 2011. 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.
C07	The Agency requests to transfer funded appropriation in Salaries and in Personal Services Matching for SFY 2012 and SFY 2013 for the transfer of one Program Eligibility Specialist position to the Division of Aging and Adult Services. This position is assigned to the Choices in Living Resource Center to provide information to callers about financial eligibility for Home and Community Based Services and assist applicants/family members in completing applications for assistance. The funding is 100% Federal.
C08	The Agency requests funded appropriation in 2012 and 2013 for the Electronic Benefits Transfer (EBT) System. The Division of County Operations issues SNAP and Transitional Employment Assistance (TEA) and Work Pays cash assistance benefits through a statewide EBT System. Program participants are issued a debit-like card which is used to access SNAP, TEA and Work Pays benefits electronically. The Agency projects increases in costs for the EBT system due to increasing caseloads and system enhancements. The funding for this contract is 50% State and 50% Federal funds. (Reference EBT System on Page 18 of the IT Plan – Contracted Services)
C10	DCO requests the re-classification of the job title and grade of six positions to correct inequities that we have been unable to resolve internally after implementation of the new Play Plan. These changes will preserve the Agency's organizational structure and provide equity among these employees and others that have similar job duties and responsibilities.
C16	DCO requests federal appropriation for the American Recovery and Reinvestment Act (ARRA) funding available to support administrative activities and positions for the ARRA Weatherization Program through March 2012 and the Homelessness Prevention and Rapid Re-housing Program (HPRP) through August 2012.

## **Analysis of Budget Request**

**Appropriation:** 897 - DHS DCO—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 81<sup>st</sup> 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 65% since the program was implemented in July 1997. 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 1385 of 2009 section 9 for FY2010 and Act 32 of 2010 section 9 for FY2011. 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 \$20,925,000 each year of the biennium.

The agency Change Level request for this appropriation is \$3,640,650 each year of the biennium in appropriation to allow for general revenue transfers from the Department of Workforce Services.

The Executive Recommendation provides for the Agency Request.



## Appropriation Summary

**Appropriation:** 897 - DHS DCO–Grants Paying Account

**Funding Sources:** PWD - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
TANF Block Grant	5100004	18,950,881	20,925,000	33,640,650	20,925,000	24,565,650	24,565,650	20,925,000	24,565,650	24,565,650
<b>Total</b>		<b>18,950,881</b>	<b>20,925,000</b>	<b>33,640,650</b>	<b>20,925,000</b>	<b>24,565,650</b>	<b>24,565,650</b>	<b>20,925,000</b>	<b>24,565,650</b>	<b>24,565,650</b>
Funding Sources										
Federal Revenue	4000020	17,447,388	20,925,000		20,925,000	20,925,000	20,925,000	20,925,000	20,925,000	20,925,000
Transfer From DWS	4000527	956,437	0		0	0	0	0	0	0
Various Program Support	4000730	547,056	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>18,950,881</b>	<b>20,925,000</b>		<b>20,925,000</b>	<b>20,925,000</b>	<b>20,925,000</b>	<b>20,925,000</b>	<b>20,925,000</b>	<b>20,925,000</b>
Excess Appropriation/(Funding)		0	0		0	3,640,650	3,640,650	0	3,640,650	3,640,650
<b>Grand Total</b>		<b>18,950,881</b>	<b>20,925,000</b>		<b>20,925,000</b>	<b>24,565,650</b>	<b>24,565,650</b>	<b>20,925,000</b>	<b>24,565,650</b>	<b>24,565,650</b>

The FY10 funding includes General Revenue fund transfers from the Department of Workforce Services by Authority of Act 1385 of 2009 section 9.

## Change Level by Appropriation

**Appropriation:** 897 - DHS DCO–Grants Paying Account  
**Funding Sources:** PWD - Grants Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>20,925,000</b>	<b>0</b>	<b>20,925,000</b>	<b>100.0</b>	<b>20,925,000</b>	<b>0</b>	<b>20,925,000</b>	<b>100.0</b>
C05	Unfunded Appropriation	3,640,650	0	24,565,650	117.4	3,640,650	0	24,565,650	117.4

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>20,925,000</b>	<b>0</b>	<b>20,925,000</b>	<b>100.0</b>	<b>20,925,000</b>	<b>0</b>	<b>20,925,000</b>	<b>100.0</b>
C05	Unfunded Appropriation	3,640,650	0	24,565,650	117.4	3,640,650	0	24,565,650	117.4

### Justification

C05	The agency requests \$3,640,650 in unfunded appropriation in SFY 2012 and 2013 for services provided to TEA program participants. This additional appropriation will cover General Revenue funds that will be transferred from the Department of Workforce Services (DWS) to the Department of Human Services to pay these client benefits.
-----	---

## **Analysis of Budget Request**

**Appropriation:** 898 - DHS DCO—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).

The agency Base Level and total request for this appropriation is \$9,437,390 each year of the biennium. ARRA appropriation is being discontinued.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 898 - DHS DCO-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Community Srvs. Block Grant 5100004	9,357,259	9,437,390	10,920,321	9,437,390	9,437,390	9,437,390	9,437,390	9,437,390	9,437,390
Cmty. Srvs. Block Grant-ARRA 5900052	7,448,266	5,624,798	9,100,197	0	0	0	0	0	0
<b>Total</b>	<b>16,805,525</b>	<b>15,062,188</b>	<b>20,020,518</b>	<b>9,437,390</b>	<b>9,437,390</b>	<b>9,437,390</b>	<b>9,437,390</b>	<b>9,437,390</b>	<b>9,437,390</b>
<b>Funding Sources</b>									
General Revenue 4000010	142,775	153,439		153,439	153,439	153,439	153,439	153,439	153,439
Federal Revenue 4000020	9,214,484	9,283,951		9,283,951	9,283,951	9,283,951	9,283,951	9,283,951	9,283,951
Federal Funds-ARRA 4000244	7,448,266	5,624,798		0	0	0	0	0	0
<b>Total Funding</b>	<b>16,805,525</b>	<b>15,062,188</b>		<b>9,437,390</b>	<b>9,437,390</b>	<b>9,437,390</b>	<b>9,437,390</b>	<b>9,437,390</b>	<b>9,437,390</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>16,805,525</b>	<b>15,062,188</b>		<b>9,437,390</b>	<b>9,437,390</b>	<b>9,437,390</b>	<b>9,437,390</b>	<b>9,437,390</b>	<b>9,437,390</b>

## Change Level by Appropriation

**Appropriation:** 898 - DHS DCO–Grants Paying Account  
**Funding Sources:** PWE - Grants Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>9,437,390</b>	<b>0</b>	<b>9,437,390</b>	<b>100.0</b>	<b>9,437,390</b>	<b>0</b>	<b>9,437,390</b>	<b>100.0</b>
C03	Discontinue Program	(5,624,798)	0	3,812,592	40.4	(5,624,798)	0	3,812,592	40.4
C16	ARRA	5,624,798	0	9,437,390	100.0	5,624,798	0	9,437,390	100.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>9,437,390</b>	<b>0</b>	<b>9,437,390</b>	<b>100.0</b>	<b>9,437,390</b>	<b>0</b>	<b>9,437,390</b>	<b>100.0</b>
C03	Discontinue Program	(5,624,798)	0	3,812,592	40.4	(5,624,798)	0	3,812,592	40.4
C16	ARRA	5,624,798	0	9,437,390	100.0	5,624,798	0	9,437,390	100.0

### Justification

C03	The Agency requests to eliminate Federal appropriation for the American Recovery and Reinvestment Act (ARRA) Community Services Block Grant Program which expires September 30, 2010.
C16	The Division of County Operations requests Federal appropriation for American Recovery and Reinvestment Act (ARRA) funding made available to support the Community Services Block Grant Program.

## **Analysis of Budget Request**

**Appropriation:** 930 - Cty-Commodity Distrib & Salvage Container

**Funding Sources:** NHS - Cash in Treasury

The Commodity Distribution and Salvage Container Program receives 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 USDA, 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 \$274,086 each year of the biennium.

The agency Change Level request for this appropriation is \$1,500 in FY2012 for the Capital Outlay line item. This includes appropriation for the sales tax to replace one (1) existing vehicle.

The Executive Recommendation provides for the Agency Request. The capital outlay that has been recommended for the vehicle is to replace an aging, high mileage vehicle in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement. 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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,079	264,596	264,596	264,596	264,596	264,596	264,596	264,596	264,596
Conference & Travel Expenses	5050009	3,973	9,490	9,490	9,490	9,490	9,490	9,490	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	23,982	0	0	0	1,500	1,500	0	0	0
<b>Total</b>		<b>31,034</b>	<b>274,086</b>	<b>274,086</b>	<b>274,086</b>	<b>275,586</b>	<b>275,586</b>	<b>274,086</b>	<b>274,086</b>	<b>274,086</b>
<b>Funding Sources</b>										
Cash Fund	4000045	31,034	274,086		274,086	275,586	275,586	274,086	274,086	274,086
<b>Total Funding</b>		<b>31,034</b>	<b>274,086</b>		<b>274,086</b>	<b>275,586</b>	<b>275,586</b>	<b>274,086</b>	<b>274,086</b>	<b>274,086</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>31,034</b>	<b>274,086</b>		<b>274,086</b>	<b>275,586</b>	<b>275,586</b>	<b>274,086</b>	<b>274,086</b>	<b>274,086</b>

## Change Level by Appropriation

**Appropriation:** 930 - Cty-Commodity Distrib & Salvage Container  
**Funding Sources:** NHS - Cash in Treasury

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>274,086</b>	<b>0</b>	<b>274,086</b>	<b>100.0</b>	<b>274,086</b>	<b>0</b>	<b>274,086</b>	<b>100.0</b>
C01	Existing Program	1,500	0	275,586	100.5	0	0	274,086	100.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>274,086</b>	<b>0</b>	<b>274,086</b>	<b>100.0</b>	<b>274,086</b>	<b>0</b>	<b>274,086</b>	<b>100.0</b>
C01	Existing Program	1,500	0	275,586	100.5	0	0	274,086	100.0

### Justification

C01	The agency requests funded appropriation in SFY 2012 for the sales tax associated with the purchase of a vehicle for use in the Commodity Distribution Program. DFA will provide appropriation for the cost of the vehicle. The vehicle will be used in performing administrative and site monitoring reviews of agencies contracted to distribute over 20 million pounds of USDA Commodity Foods. No State General Revenue funds are being requested for the purchase of this vehicle.
-----	---



# DHS - Developmental Disabilities Services

## **Enabling Laws**

Act 275 of 2010

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 Waiver Association, Human Development Centers Statewide Parent Group, Early Intervention Interagency Coordinating Council and any other interested groups whose primary interest 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 ninety (90) community programs and providers as well as ninety-five (95) 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 five (5) 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 five (5) 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; DDS Special Needs; 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 the DDS Waiver for individuals with developmental disabilities that are under age 22 and still in school. The Service Specialists are responsible for processing requests for program 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 (CSHCN). Children's Services serves approximately 14,000 children and youth by providing referral and resource information and payment for medical services for eligible individuals. Of those, over 1,300 are children with Medicaid coverage that have requested Children's Services as their case manager; some are children with ARKids First B that have medical needs which may not be met by that program; and about 1,000 are children that may have private insurance, but no Medicaid coverage and have asked for financial assistance in paying for medical care.

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 Health 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.

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.

DDS Special Needs program provides limited assistance to eligible families in need of services not available through other programs. Eligible services may include respite, purchase of equipment, purchase of services required for integration into the community. Eligibility requirements exist.

### **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 de-institutionalization for persons who request or need a change. Maximum Waiver capacity is 3988 individuals served at any given time with approximately 3,700 unduplicated persons served with an additional 95 HDC reserved capacity on a fiscal year basis. 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-seven (37) 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 (92) 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) opened September 1, 1959, resultant of Arkansans seeking learning opportunities for children with developmental disabilities. CHDC was the first of six (6) Human Development Centers in Arkansas. CHDC's 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, and recreational opportunities. CHDC offers medical services to include: physicians, nursing, physical therapy, occupational therapy, speech therapy, dental, orthotics, audiology services, physician peer review, psychology peer review, infection control and comprehensive dysphasia screening and bone density screening. CHDC also provides chapel services and a specialized library. Today, CHDC provides these comprehensive services to children who are school age with behavioral and medical needs and to adults (including seniors) with habilitation/employment needs and/or significant health care needs. With the present licensed capacity of five hundred thirty nine (539), CHDC provides these services in a residential home-like setting, including special residential settings for children with intense behavioral needs.

### **ARKADELPHIA HUMAN DEVELOPMENT CENTER**

The Arkadelphia Human Development Center opened in October of 1968. 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 others 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. In 2008 the Center partnered with the Volunteer Council, the City of Arkadelphia, Arkansas, Department of Environmental Quality, West Central Waste District, Arkadelphia Public Schools and private businesses to create the Clark County Recycling Cooperative which operates from the Center's campus and provides job opportunities for people served by the Center.

### **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, an art project, recycling and jobs in food service.

## **SOUTHEAST ARKANSAS HUMAN DEVELOPMENT CENTER**

"Providing the Best Training, Treatment, Opportunity and Care for the Person We Serve"

SEAHDC, the last of the six human development centers to be constructed by the state, is built on 179 acres of land donated by the citizens of Bradley County. The Center, a part of the Bradley County community since 1978, provides services to 72 persons of varying disabilities and ages. Services are provided for adult males and females who need behavioral supports, a Special Treatment Unit for adult females requiring more intensive supervision due to their behaviors, adult transitioning services to prepare them for a less restrictive environment and an adult enrichment program. SEAHDC is a nationally accredited organization with a strong commitment to persons it serves and the surrounding community. It has been called one of the nation's "elite" organizations. SEAHDC has now extended its community outreach to include a training and meeting center. Through this program, training opportunities and meeting space will be provided to community programs and the community as a whole.

The Adult Transition Program provides skills training for adult men and women that will allow them to develop the skills necessary to live and work in their home communities. This program assists in growth of the abilities needed to make choices in life, to better live in a more independent setting, and to help overcome other barriers which might be preventing transition into a person's home of choice. SEAHDC is proud of the fact that an average of 20% of the people served at SEAHDC transition from our campus to a less restrictive environment each year.

The Adult Enrichment Program provides maintenance of daily living skills for older adults who, due to their medical condition and/or age, required active treatment in a more leisurely atmosphere.

The Special Treatment Unit at SEAHDC provides specialized behavior treatment for adult females with a developmental disability and a co-occurring psychiatric disorder with severe behavioral difficulties. The program focuses on social skills development utilizing preventive and corrective teaching, differential reinforcement, and response cost. Residents are encouraged to accept responsibility for their own actions and their progress through the program is dependent upon their success at learning appropriate strategies to deal with their particular areas of concern.

Administration consists of the Superintendent, Administrative Assistant and the Service Area Directors.

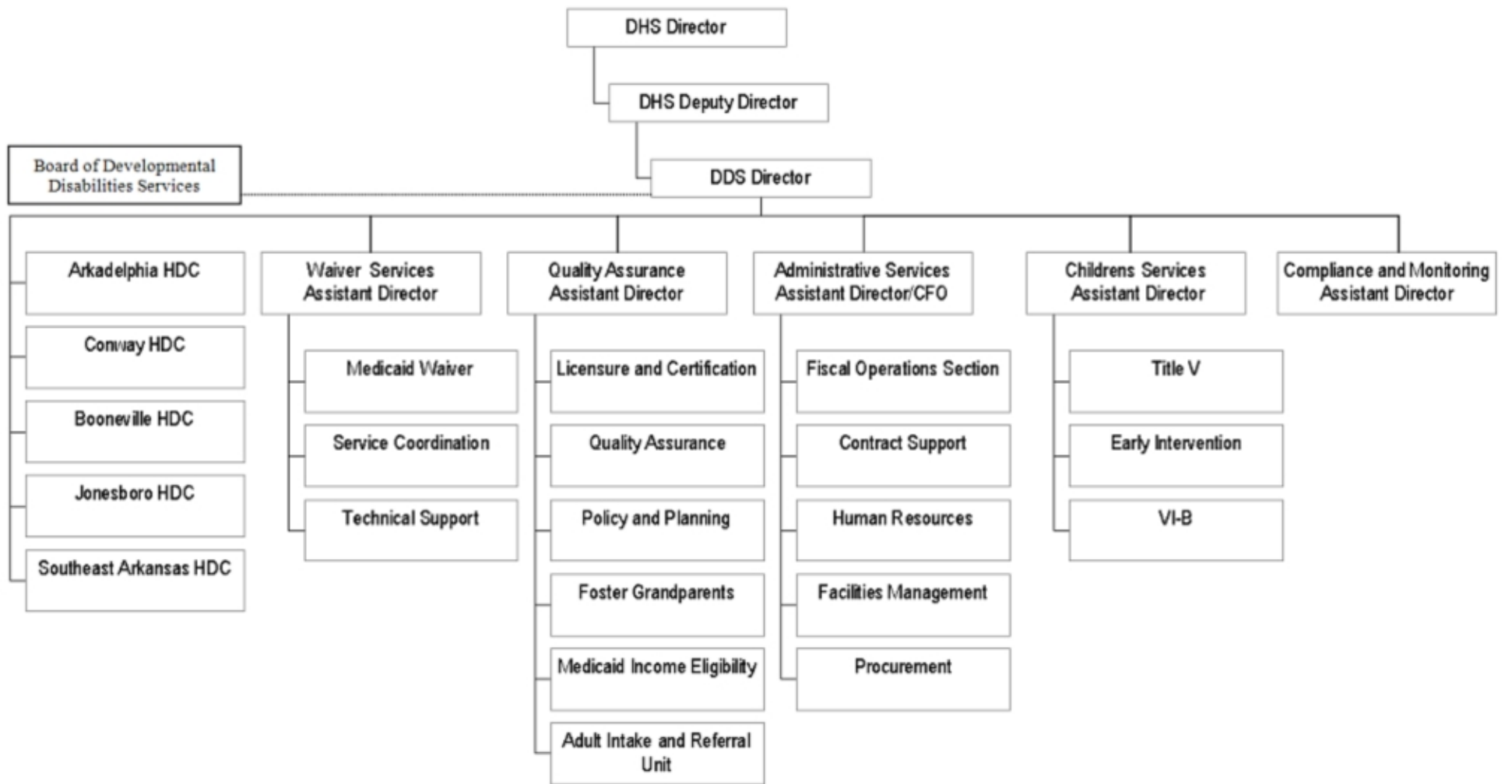
Administrative Service consists of the Business Office, Dietary, ICF Coordinator, Maintenance, Personnel, Switchboard and Storeroom.

Programming includes Quality Assurance, Program Coordination, Staff Development, Habilitation/Rehabilitation, Resource Media, Library, Supported Employment and Pinewood Village, a sheltered workshop.

Social Work acts as the liaison between the family/guardian, the person and the staff. Services provided include: admissions, respite care, discharges, transfers, advocacy and rights protection, and counseling.

Support Service provides 24-hours medical care and includes Physical Therapy, Occupational Therapy, Speech Therapy, and Psychology.

Living Unit Services and Special Treatment Unit provide a homelike living atmosphere for 72 residents, training in self-help skills, socialization skills and domestic skills. A recreation program provides opportunities for leisure, recreational and social activities. Respite care is provided for families who need time away from caring for a developmentally disabled relative.





## **Agency Commentary**

The Division of Developmental Disabilities Services (DDS) is requesting a change level request for existing program for both years of the 2011-2013 biennium.

Unfunded appropriation is requested to provide for salary and match for the restoration of 179 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 increased costs associated with operating expenses; overtime due to nursing and direct care coverage needs; extra help to insure coverage due to turnover and hard to fill positions; expansion of vocational training opportunities for residents at the HDC's; processing of required provider fees for intermediate care facilities for individuals with developmental disabilities and the provision of professional fees for the defense of a lawsuit and the purchase of services to support the needs of residents at the HDC's.

A reallocation of appropriation is requested from the purchase of services line to the operating expenses line to provide for technical services contracts.

Unfunded appropriation is requested to permit the use of funds to replace equipment not cost effective to repair at the HDC's.

Unfunded appropriation is requested to transfer of one (1) position, DHS Assistant Director of Contract Monitoring Unit, to the Division of Medical Services.

Appropriation to provide for the continuation of the ARRA-Early Intervention program is requested in FY2012. The ARRA-Early Intervention program will be discontinued in FY2013.

Funding only is requested for increased Medicaid Match due to the requested expansion of the Alternative Community Services (ACS) Home and Community Based Medicaid Waiver program by 300 persons. This program provides individuals residing in their communities 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) in both years of the biennium.

Funding only is requested to cover the loss of Title XIX match rate funding in both years of the biennium. The federal match rate is adjusted annually on October 1. Because the federal rate has decreased, additional General Revenue is required to replace the loss of federal funds.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

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

## 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	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
147 Special Olympics	153,587	0	178,768	0	179,666	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0
397 Children's Medical Services	1,688,574	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	1,376,838	0	1,377,338	0	1,377,338	0	1,377,338	0	1,446,205	0	1,446,205	0	1,377,338	0	1,446,205	0	1,446,205	0
59J Autism Treat/Coord	1,391,353	0	1,492,500	0	1,500,000	0	1,492,500	0	1,492,500	0	1,492,500	0	1,492,500	0	1,492,500	0	1,492,500	0
653 DDS-State Operations	4,808,195	0	9,328,003	0	13,930,669	0	7,099,242	0	9,328,003	0	9,328,003	0	7,099,242	0	7,099,242	0	7,099,242	0
657 Community Programs	10,000	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	15,658,716	0	15,892,045	0	15,909,753	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0
896 Division of Developmental Disabilities Srvs	128,370,138	2,618	134,874,385	2,547	157,062,814	2,726	132,802,629	2,547	150,748,469	2,725	150,723,311	2,725	132,802,629	2,547	150,427,520	2,725	150,402,362	2,725
982 Inter-Divisional Programs	39,350	0	108,644	0	109,190	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0
<b>Total</b>	<b>153,496,751</b>	<b>2,618</b>	<b>165,030,962</b>	<b>2,547</b>	<b>191,848,709</b>	<b>2,726</b>	<b>160,730,445</b>	<b>2,547</b>	<b>180,973,913</b>	<b>2,725</b>	<b>180,948,755</b>	<b>2,725</b>	<b>160,730,445</b>	<b>2,547</b>	<b>178,424,203</b>	<b>2,725</b>	<b>178,399,045</b>	<b>2,725</b>

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	60,414,410	39.4	63,626,669	38.6		63,502,943	39.5	63,502,943	38.5	63,502,943	38.5	63,502,943	39.5	63,502,943	39.5	63,502,943	39.5
Federal Revenue	4000020	14,016,542	9.1	17,346,076	10.5		17,537,470	10.9	17,537,470	10.6	17,537,470	10.6	17,537,470	10.9	17,537,470	10.9	17,537,470	10.9
Special Revenue	4000030	10,000	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	50,000	0.0
Federal Funds-ARRA	4000244	629,996	0.4	4,019,878	2.4		0	0.0	4,019,878	2.4	4,019,878	2.4	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	(21,415)	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Medicaid Match	4000660	(11,617,735)	(7.6)	(11,617,735)	(7.0)		(11,617,735)	(7.2)	(11,617,735)	(7.1)	(11,617,735)	(7.1)	(11,617,735)	(7.2)	(11,617,735)	(7.2)	(11,617,735)	(7.2)
Various Program Support	4000730	90,064,953	58.7	91,606,074	55.5		91,257,767	56.8	91,257,767	55.4	91,257,767	55.4	91,257,767	56.8	91,257,767	56.8	91,257,767	56.8
Total Funds		153,496,751	100.0	165,030,962	100.0		160,730,445	100.0	164,750,323	100.0	164,750,323	100.0	160,730,445	100.0	160,730,445	100.0	160,730,445	100.0
Excess Appropriation/(Funding)		0		0			0		16,223,590		16,198,432		0		17,693,758		17,668,600	
Grand Total		153,496,751		165,030,962			160,730,445		180,973,913		180,948,755		160,730,445		178,424,203		178,399,045	

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
2,599	2364	56	2420	179	9.04 %	2,726	2395	152	2547	179	12.14 %	2,726	2377	170	2547	179	12.80 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 242 of 2010 section 17(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 Base Level and total request is \$178,768 in each year of the biennium.

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		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	153,587	178,768	179,666	178,768	178,768	178,768	178,768	178,768	178,768
Total		153,587	178,768	179,666	178,768	178,768	178,768	178,768	178,768	178,768
<b>Funding Sources</b>										
General Revenue	4000010	153,587	178,768		178,768	178,768	178,768	178,768	178,768	178,768
Total Funding		153,587	178,768		178,768	178,768	178,768	178,768	178,768	178,768
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		153,587	178,768		178,768	178,768	178,768	178,768	178,768	178,768

## **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 members 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 Base Level and total request is \$1,729,279 for each year of the biennium.

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			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,688,574	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		1,688,574	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279
<b>Funding Sources</b>										
General Revenue	4000010	1,688,574	1,729,279		1,729,279	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279
Total Funding		1,688,574	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		1,688,574	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 Base Level request is \$1,377,338 in appropriation each year of the biennium.

The Agency Change Level request is \$68,867 in appropriation only each year of the biennium in anticipation of future grant award increases.

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	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	1,376,838	1,377,338	1,377,338	1,377,338	1,446,205	1,446,205	1,377,338	1,446,205	1,446,205
<b>Total</b>	<b>1,376,838</b>	<b>1,377,338</b>	<b>1,377,338</b>	<b>1,377,338</b>	<b>1,446,205</b>	<b>1,446,205</b>	<b>1,377,338</b>	<b>1,446,205</b>	<b>1,446,205</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	1,376,838	1,377,338		1,377,338	1,377,338	1,377,338	1,377,338	1,377,338	1,377,338
<b>Total Funding</b>	<b>1,376,838</b>	<b>1,377,338</b>		<b>1,377,338</b>	<b>1,377,338</b>	<b>1,377,338</b>	<b>1,377,338</b>	<b>1,377,338</b>	<b>1,377,338</b>
Excess Appropriation/(Funding)	0	0		0	68,867	68,867	0	68,867	68,867
<b>Grand Total</b>	<b>1,376,838</b>	<b>1,377,338</b>		<b>1,377,338</b>	<b>1,446,205</b>	<b>1,446,205</b>	<b>1,377,338</b>	<b>1,446,205</b>	<b>1,446,205</b>

## Change Level by Appropriation

**Appropriation:** 408 - Children's Medical Services-Federal  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,377,338</b>	<b>0</b>	<b>1,377,338</b>	<b>100.0</b>	<b>1,377,338</b>	<b>0</b>	<b>1,377,338</b>	<b>100.0</b>
C05	Unfunded Appropriation	68,867	0	1,446,205	105.0	68,867	0	1,446,205	105.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,377,338</b>	<b>0</b>	<b>1,377,338</b>	<b>100.0</b>	<b>1,377,338</b>	<b>0</b>	<b>1,377,338</b>	<b>100.0</b>
C05	Unfunded Appropriation	68,867	0	1,446,205	105.0	68,867	0	1,446,205	105.0

### Justification

C05	An increase in grant in aid is requested for future grant award increases.
-----	--

## **Analysis of Budget Request**

**Appropriation:** 59J - Autism Treat/Coord

**Funding Sources:** DEA - Developmental Disabilities Services Fund Account

Increasing numbers of Arkansans are being diagnosed with Autism Spectrum Disorders. Children and adults with Autism Spectrum Disorders require specialized treatment. To address this need, state general revenues generated from an increase in the tax on cigarettes and other tobacco products as a result of Act 180 of 2009 were provided to the Division of Developmental Disabilities Services.

The Division of Developmental Disabilities Services is working closely with the Legislative Task Force on Autism to identify and prioritize needed services to this population.

Funding is 100% General Revenue (DEA - Developmental Disabilities Services Fund)

The Agency Base Level and total request is \$1,492,500 in appropriation in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 59J - Autism Treat/Coord

**Funding Sources:** DEA - Developmental Disabilities Services Fund Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,391,353	1,492,500	1,500,000	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500
Total		1,391,353	1,492,500	1,500,000	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500
<b>Funding Sources</b>										
General Revenue	4000010	1,391,353	1,492,500		1,492,500	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500
Total Funding		1,391,353	1,492,500		1,492,500	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,391,353	1,492,500		1,492,500	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500

## **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 Base Level and total request is \$50,000 for each year of the biennium.

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	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Community Programs 5900046	10,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total</b>	10,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Funding Sources</b>									
Special Revenue 4000030	10,000	50,000		50,000	50,000	50,000	50,000	50,000	50,000
<b>Total Funding</b>	10,000	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
<b>Grand Total</b>	10,000	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 Base Level and total request is \$15,892,045 for each year of the biennium.

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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	15,658,716	15,892,045	15,909,753	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045
Total		15,658,716	15,892,045	15,909,753	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045
<b>Funding Sources</b>										
General Revenue	4000010	15,658,716	15,892,045		15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045
Total Funding		15,658,716	15,892,045		15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		15,658,716	15,892,045		15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045

## **Analysis of Budget Request**

**Appropriation:** 896 - DHS DDS—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.

**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.

**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. The announcement was made in May 2010 to close the Alexander HDC. DDS is continuing the process of the closure which includes reassigning those individuals who reside there to alternative placements. The provision of services will continue until all are relocated to other appropriate care giving settings.

The Grants/Patient Services appropriation is designed to meet The primary goal providing funding, support, technical assistance and monitoring for the 92 DDS community-based programs in Arkansas. DDS Grants Administration works with the community programs to assure that persons with developmental disabilities receive appropriate and quality community services based on their needs and desires.

The Foster Grandparents Stipends appropriation provides older Arkansans the opportunity to put their life experiences to work for local communities. Foster Grandparents serve as mentors, tutors, and caregivers for at-risk children and youth with special needs. They serve a minimum of 20 hours per week in child care centers, schools, Headstart centers and centers for children with disabilities. Foster Grandparents help young people achieve academically, physically, emotionally and socially, thereby, helping them to attain self-confidence and personal independence so they can learn to overcome their problems and become productive members of society.

Child and Adolescent Services appropriation provides support for a myriad of DDS services that includes the following 16 federally mandated components: identification; evaluation; procedural safeguards; case management; speech, physical and occupational therapies; audiological services; developmental therapy; family training, health/medical services; nutrition services; psychological services; social work services and transportation. Additionally, this program works closely with both the State and Local Interagency Coordinating Councils, whose responsibility is to provide advice and assistance regarding early intervention services in the local community.

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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level request for Regular Salaries includes board member stipend payments.

**Base Level:**

896 DHS - Administrative Paying Account

The Agency Base Level request for the Administration appropriation is \$132,802,629 each year of the biennium with 2,547 budgeted positions each year.

653 DHS - State Operations

The Agency Base Level request for the Grants/Patient Services line item is \$6,752,051 each year of the biennium.

The Agency Base Level and total request for the Foster Grandparents Stipends line item is \$280,000 each year of the biennium.

The Agency Base Level and total request for the Children and Adolescent Services line item is \$67,191 each year of the biennium.

**Change Level:**

896 DHS - Administrative Paying Account

The Agency Change Level request for the Administration appropriation is \$17,945,840 in FY2012 and \$17,624,891 in FY2013.

The agency line item request consists of the following:

- Restoration of one hundred seventy-nine (179) positions that are authorized but not budgeted with salary and matching appropriation 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 service residents residing in the community.
- Transfer one (1) position to the Division of Medical Services (DMS) with salary and matching to perform leadership responsibilities for monitoring and evaluating the performance for all professional services contracts.
- Reclassification of eighty-three (83) positions due to the duties and responsibilities changing since the pay plan study.
- \$800,000 each year of the biennium in Extra Help appropriation to pay for nursing coverage at the Human Development Centers.
- \$1,800,000 each year of the biennium in Overtime appropriation to pay for nursing coverage at the Human Development Centers.
- \$3,878,319, in FY2012 and \$5,375,055 in FY2013 in Operating Expenses appropriation to provide for the payment of the provider tax at the Human Development Centers and to support the utilization of technical services.
- \$419,985 in FY2012 and \$392,417 in FY2013 in Capital Outlay appropriation to replace worn out equipment.
- \$22,000 in FY2012 and \$23,000 in FY2013 in the Vocational Trainees appropriation to accommodate an increase in vocational training opportunities for individuals at Human Development Centers.
- \$3,153,000 each year of the biennium in the Purchase of Services appropriation to provide for an increase in professional contracts at the Human Development Centers.
- \$1,791,117 in FY2012 in American Recovery and Reinvestment Act (ARRA) appropriation to continue services delivered under the ARRA program.

#### 653 DHS - State Operations

The Agency Change Level request for the Grants/Patient Services line item is \$2,228,761 in FY2012 to continue services delivered under the American Recovery and Reinvestment Act.

The Agency Change Level request for the Foster Grandparents Stipends line item is Base Level.

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 the Agency Request with various changes to the reclassification of positions. The capital outlay that has been recommended for vehicles is to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

#### 653 DHS - State Operations

The Executive Recommendation for the Grants/Patient Services 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.

# Appropriation Summary

**Appropriation:** 896 - DHS DDS--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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	72,426,692	74,767,643	80,625,371	74,255,822	78,214,162	78,193,401	74,255,822	78,214,162	78,193,401
<b>#Positions</b>		<b>2,618</b>	<b>2,547</b>	<b>2,726</b>	<b>2,547</b>	<b>2,725</b>	<b>2,725</b>	<b>2,547</b>	<b>2,725</b>	<b>2,725</b>
Extra Help	5010001	1,347,951	1,089,645	1,089,645	1,089,645	1,889,645	1,889,645	1,089,645	1,889,645	1,889,645
<b>#Extra Help</b>		<b>177</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
Personal Services Matching	5010003	25,854,401	27,106,025	29,732,364	27,846,974	29,970,053	29,965,656	27,846,974	29,970,053	29,965,656
Overtime	5010006	442,008	510,000	854,062	510,000	2,310,000	2,310,000	510,000	2,310,000	2,310,000
Extra Salaries	5010008	0	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
Operating Expenses	5020002	20,418,399	21,370,155	27,976,625	21,370,155	25,248,474	25,248,474	21,370,155	26,745,210	26,745,210
Conference & Travel Expenses	5050009	44,493	103,253	112,615	103,253	103,253	103,253	103,253	103,253	103,253
Professional Fees	5060010	649,075	918,147	2,478,698	918,147	918,147	918,147	918,147	918,147	918,147
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants/Patient Services	5100004	4,383,614	6,752,051	6,752,051	6,752,051	6,752,051	6,752,051	6,752,051	6,752,051	6,752,051
Capital Outlay	5120011	300,467	509,767	3,732,771	0	419,985	419,985	0	392,417	392,417
Foster Grandparent Stipends	5900038	274,222	280,000	289,851	280,000	280,000	280,000	280,000	280,000	280,000
Data Processing Services	5900044	351,524	719,883	719,883	719,883	719,883	719,883	719,883	719,883	719,883
Vocational Trainees	5900046	189,094	293,000	294,000	293,000	315,000	315,000	293,000	316,000	316,000
Purchase of Services	5900047	5,821,510	5,668,750	8,341,018	5,668,750	8,821,750	8,821,750	5,668,750	8,821,750	8,821,750
DDS-State Operations	5900047	44,887	67,191	67,529	67,191	67,191	67,191	67,191	67,191	67,191
Grants/Patient Svcs-ARRA 2009	5900052	105,472	2,228,761	6,821,238	0	2,228,761	2,228,761	0	0	0
ARRA 2009	5900052	524,524	1,791,117	1,078,762	0	1,791,117	1,791,117	0	0	0
<b>Total</b>		<b>133,178,333</b>	<b>144,202,388</b>	<b>170,993,483</b>	<b>139,901,871</b>	<b>160,076,472</b>	<b>160,051,314</b>	<b>139,901,871</b>	<b>157,526,762</b>	<b>157,501,604</b>

Funding Sources										
General Revenue	4000010	41,482,830	44,225,433		44,101,707	44,101,707	44,101,707	44,101,707	44,101,707	44,101,707
Federal Revenue	4000020	12,639,704	15,968,738		16,160,132	16,160,132	16,160,132	16,160,132	16,160,132	16,160,132
Federal Funds-ARRA	4000244	629,996	4,019,878		0	4,019,878	4,019,878	0	0	0
Reallocation of Resources	4000410	(21,415)	0		0	0	0	0	0	0
Transfer to Medicaid Match	4000660	(11,617,735)	(11,617,735)		(11,617,735)	(11,617,735)	(11,617,735)	(11,617,735)	(11,617,735)	(11,617,735)
Various Program Support	4000730	90,064,953	91,606,074		91,257,767	91,257,767	91,257,767	91,257,767	91,257,767	91,257,767
<b>Total Funding</b>		<b>133,178,333</b>	<b>144,202,388</b>		<b>139,901,871</b>	<b>143,921,749</b>	<b>143,921,749</b>	<b>139,901,871</b>	<b>139,901,871</b>	<b>139,901,871</b>
Excess Appropriation/(Funding)		0	0		0	16,154,723	16,129,565	0	17,624,891	17,599,733
<b>Grand Total</b>		<b>133,178,333</b>	<b>144,202,388</b>		<b>139,901,871</b>	<b>160,076,472</b>	<b>160,051,314</b>	<b>139,901,871</b>	<b>157,526,762</b>	<b>157,501,604</b>

The FY10 funding includes a General Revenue fund transfer to the DHS - Division of County Operations by Authority of Reallocation of Resources. Budget exceeds Authorized Appropriation due to Appropriation established through the authority of the Miscellaneous Federal Program Act.

## Change Level by Appropriation

**Appropriation:** 896 - DHS DDS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	132,802,629	2,547	132,802,629	100.0	132,802,629	2,547	132,802,629	100.0
C03	Discontinue Program	0	0	132,802,629	100.0	(1,791,117)	0	131,011,512	98.7
C04	Reallocation	0	0	132,802,629	100.0	0	0	131,011,512	98.7
C05	Unfunded Appropriation	16,212,865	179	149,015,494	112.2	17,683,033	179	148,694,545	112.0
C07	Agency Transfer	(105,025)	(1)	148,910,469	112.1	(105,025)	(1)	148,589,520	111.9
C10	Reclass	46,883	0	148,957,352	112.2	46,883	0	148,636,403	111.9
C16	ARRA	1,791,117	0	150,748,469	113.5	1,791,117	0	150,427,520	113.3

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	132,802,629	2,547	132,802,629	100.0	132,802,629	2,547	132,802,629	100.0
C03	Discontinue Program	0	0	132,802,629	100.0	(1,791,117)	0	131,011,512	98.7
C04	Reallocation	0	0	132,802,629	100.0	0	0	131,011,512	98.7
C05	Unfunded Appropriation	16,212,865	179	149,015,494	112.2	17,683,033	179	148,694,545	112.0
C07	Agency Transfer	(105,025)	(1)	148,910,469	112.1	(105,025)	(1)	148,589,520	111.9
C10	Reclass	21,725	0	148,932,194	112.1	21,725	0	148,611,245	111.9
C16	ARRA	1,791,117	0	150,723,311	113.5	1,791,117	0	150,402,362	113.3

### Justification

C03	Reduction in American Recovery and Reinvestment Act (ARRA) funding and/or Expiration of funding limitations. FY2013
C04	DDS requests to reallocate technical services contracts from Purchase of Services to Operating Expense at the Human Development Centers.
C05	DDS requests unfunded appropriation to support the restoration of positions in the division to provide quality, continuity of care, to increase coverage flexibility and to insure the health and safety of the residents in the five (5) Human Development Centers (HDC's) and those service recipients residing in the community. Additionally, request an increase in unfunded appropriation in Extra Help (01) in order to insure coverage at the Human Development Centers due to turnover rates and positions that are hard to fill; Overtime (06) is requested for nurses (LPN&RN) and Residential Care Technicians to insure coverage at the Human Development Centers due to high turnover rates in these positions; Operating Expense (02) for payment of provider tax at the Human Development Centers; Vocational Trainee (46) to provide additional jobs for clients in the Recycling program; Purchase of Services (47) for Human Development Centers and for Legal Defense; Capital Equipment (11) is requested to replace worn out items and items not cost effective to repair.
C07	DDS requests the transfer of funded appropriation to support the transfer of 1 position and associated salary and match to the Division of Medical Services.
C10	DDS requests appropriation to support the reclassification of positions to support the daily operations and provision of care at the Human Development Centers.
C16	Continued American Recovery and Reinvestment Act (ARRA) funding available to support programs and/or projects. FY2012

## Change Level by Appropriation

**Appropriation:** 653 - DDS-State Operations  
**Funding Sources:** PWP - Administrative Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,099,242</b>	<b>0</b>	<b>7,099,242</b>	<b>100.0</b>	<b>7,099,242</b>	<b>0</b>	<b>7,099,242</b>	<b>100.0</b>
C03	Discontinue Program	0	0	7,099,242	100.0	(2,228,761)	0	4,870,481	68.6
C16	ARRA	2,228,761	0	9,328,003	131.4	2,228,761	0	7,099,242	100.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,099,242</b>	<b>0</b>	<b>7,099,242</b>	<b>100.0</b>	<b>7,099,242</b>	<b>0</b>	<b>7,099,242</b>	<b>100.0</b>
C03	Discontinue Program	0	0	7,099,242	100.0	(2,228,761)	0	4,870,481	68.6
C16	ARRA	2,228,761	0	9,328,003	131.4	2,228,761	0	7,099,242	100.0

### Justification

C03	Reduction in American Recovery and Reinvestment Act (ARRA) funding and/or Expiration of funding limitations. FY2013
C16	Continued American Recovery and Reinvestment Act (ARRA) funding available to support programs and/or projects. FY2012

## **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 coordinates 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 Base Level and total request is \$108,644 for each year of the biennium.

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		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	39,350	108,644	109,190	108,644	108,644	108,644	108,644	108,644	108,644
Total		39,350	108,644	109,190	108,644	108,644	108,644	108,644	108,644	108,644
<b>Funding Sources</b>										
General Revenue	4000010	39,350	108,644		108,644	108,644	108,644	108,644	108,644	108,644
Total Funding		39,350	108,644		108,644	108,644	108,644	108,644	108,644	108,644
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		39,350	108,644		108,644	108,644	108,644	108,644	108,644	108,644

# DHS - Medical Services

## **Enabling Laws**

Act 276 of 2010  
Act 240 of 2010  
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.

Each state has some type 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 Department of Human Services (DHS). This program receives federal grants under Title XIX. Thus Arkansas Medicaid is a joint federal and state program that pays for necessary medical services to eligible persons who are not able to pay for such services. The Medicaid program was implemented in Arkansas January 1, 1970. DHS administers the Medicaid program through its Division of Medical Services (DMS).

### **ADMINISTRATION & FUNDING**

Arkansas' Medicaid program is detailed in the Arkansas Medicaid State Plan and in 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 Medicaid State Plan, ensuring compliance with human services federal regulations.

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 state, program and nature of the expenditure. 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. In addition, the American Recovery and Reinvestment Act (ARRA) provides for an enhanced federal match rate from October 1, 2008 through December 31, 2010.

Arkansas funds approximately 22% (29% without ARRA) of Arkansas Medicaid program-related costs; the federal government funds approximately 78% (71% without ARRA). State funds are drawn directly from appropriated state general revenues, license fees, drug rebates, recoveries and, if necessary, the Medicaid Trust Fund.

Administrative costs for Arkansas Medicaid are generally funded 50% by Arkansas and 50% by the federal government, with some specialized activities funded 75% or 90% by the federal government.

## **ELIGIBILITY**

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. Eligibility depends on age, income, and assets. Most people who can get Medicaid are in one of these groups:

- Age 65 and older
- Under age 19
- Blind
- Disabled
- Pregnant
- The parent or the relative who is the caretaker of a child with an absent, disabled, or unemployed parent
- Live in a nursing home
- Under age 21 and in foster care
- In medical need of certain home- and community-based services
- Have breast or cervical cancer
- Disabled, including working disabled

## **SERVICES**

Medicaid pays for a wide range of medical services. Limits, if applicable, may be daily, weekly, monthly, or annually. There are also services that have an overall dollar amount limit per time period. Some services require a referral from the beneficiaries' PCPs, and/or prior authorization. Services may be rendered by both private and public providers. All services, by definition or regulation, fall into one of the following groups:

- **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 early and periodic screening, diagnosis, and treatment (EPSDT) for children under age 21.
- **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's optional services 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.

## **MEDICAID PROVIDERS**

Arkansas Medicaid has approximately 12,500 actively PARTICIPATING providers, meaning these providers have performed services to Medicaid members and submitted claims to Arkansas Medicaid in the last year. Arkansas Medicaid processes over thirty five million claims annually, with an average processing time of 2.5 days. All Medicaid claims are processed through the Medicaid Management Information System (MMIS), an automated system certified by CMS. DMS receives federal matching funds at 50%, 75%, and 90% for MMIS functions.

## **ORGANIZATION**

The DHS - Division of Medical Services houses two major programs under one administration:

### **Medicaid**

DHS is the single state agency authorized and responsible for regulating and administering the Medicaid program. DHS administers the Medicaid Program through the DMS. 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 federal regulations. Individuals are certified as eligible for Medicaid services by DHS field staff located in DHS County Offices or by District Social Security Offices.

## **Long Term Care**

Each year, more than 23,000 Arkansans who have chronic, long-term medical needs require services in long-term care facilities. These individuals live in approximately 238 nursing facilities and 41 intermediate care facilities for persons with developmental disabilities that are licensed to provide long-term care services in Arkansas.

Improving the quality of life for residents and protecting their health and safety through enforcing state and federal standards are primary goals of Arkansas Medicaid's Office of Long Term Care (OLTC). Using qualified health care professionals, the OLTC inspects all facilities to ensure residents receive the care they need in a clean, safe environment and are treated with dignity and respect.

The OLTC also surveys Adult Day Care, Adult Day Health Care, Post Acute Head Injury Facility, Residential Care Facilities, and Assisted Living Facilities, for a total of approximately four hundred (400) long-term care facilities regulated and licensed by the OLTC. In addition to surveying facilities, the OLTC administers the Nursing Home Administrator Licensure program, Criminal Background program, Certified Nursing Assistant registry and training program, processes Medical Needs Determinations for Nursing Home and Waivers and operates a Complaints Unit.

The DMS administers its two major programs through a total of six administrative and program areas:

- Long Term Care
- Program and Administrative Support
- Medical Services
- Pharmacy
- Policy, Program & Contract Oversight
- Medicaid Information Management

DMS operations are administered by approximately 270 employees--145 long-term care employees and 125 employees working in the remaining five areas. Each of the six 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**

### **Adult Dental Services**

In August 2009, Arkansas Medicaid became a leader in promoting oral health for adults by providing limited coverage for beneficiaries ages 21 and over. The Arkansas program surpasses most Medicaid adult dental programs by offering preventative services such as cleanings and fluoride, in addition to restorative and emergency services.

### **DMS Medicaid Pharmacy Program**

The Pharmacy Program continues to implement additional edits on medications which serve to assure appropriate utilization and patient safety, and prevent waste and abuse with the end result being cost containment. With the recent addition of an analyst position in the Pharmacy unit, Arkansas Medicaid has been better able to identify brand name drugs for which a generic equivalent is available. Once identified, an upper limit payment per unit is applied on the generic and its brand equivalent, thus shifting utilization to the generic and containing costs in the program.

Due to the numerous edits applied using the Point of Sale, Prior Authorization (POS PA) system and other table driven edits, as well as increasing the number of upper limit payments, the unit has shown a 4.38% decrease in spending in July - March of SFY 2010 compared to the same months in SFY 2009. This decrease in costs was achieved despite the fact that the number of prescriptions increased by approximately 7%, and beneficiaries obtaining prescriptions increased by approximately 8%.

The Zyprexa settlement with Eli Lilly which resulted in \$16 million dollars coming to Arkansas Medicaid was in part due to the thousands of documents produced by the Pharmacy unit, countless conference calls with the Attorney General's office and the many hours of deposition.

### **Contract Monitoring Unit**

The Contract Monitoring Unit is a new work unit that monitors DMS contracts for quality and compliance. In the thirteen months the unit has been operational, it has developed an auditing process that is applied in a fair and consistent manner. As of the end of SFY2010, the section has completed the audit of ten contracts with four audits in progress, has written and reviewed several RFPs and contracts, and has assisted contractors by resolving issues related to invoices and client safety.

### **Program Budgeting and Analysis Unit**

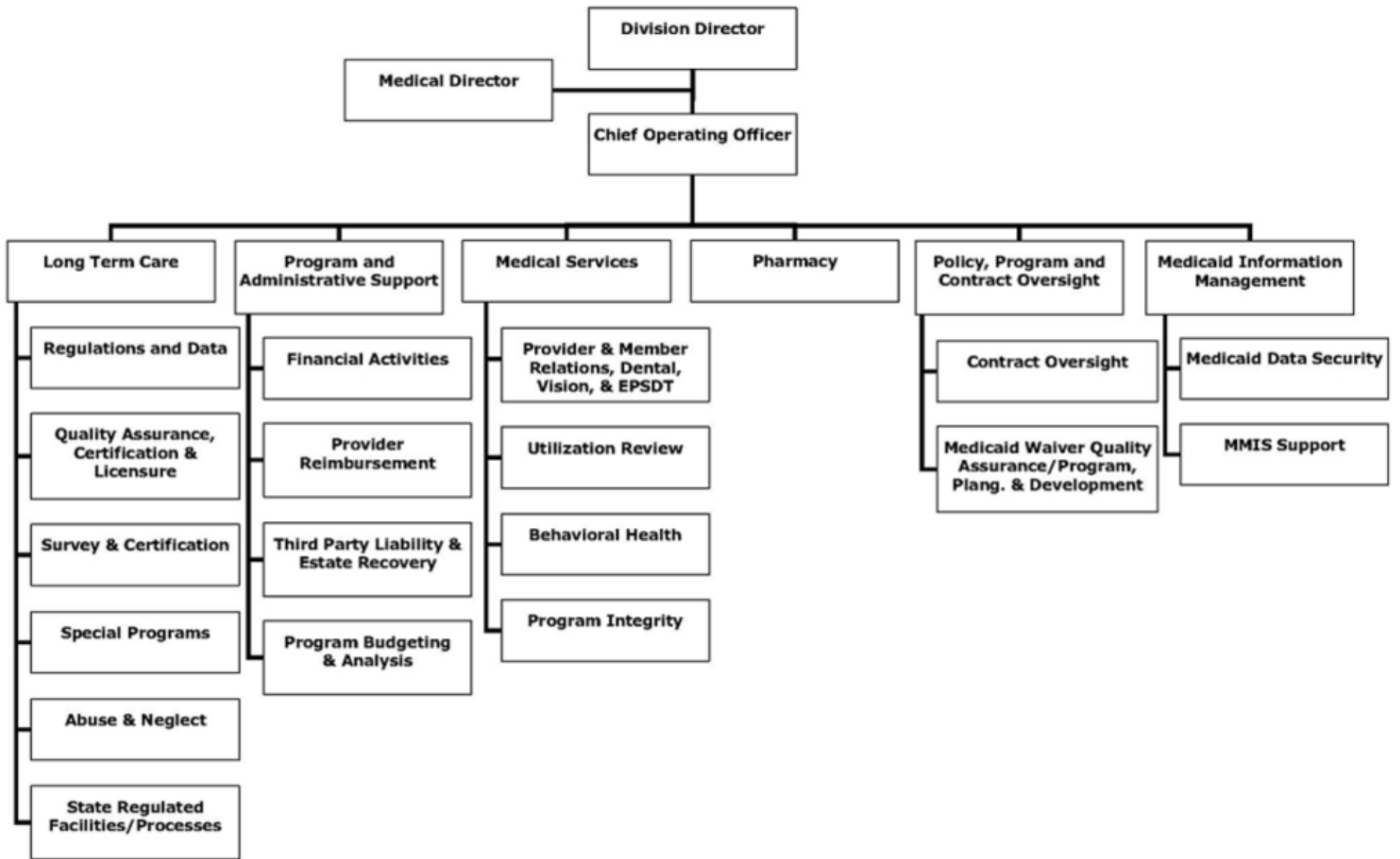
The Program Budgeting and Analysis Unit was developed in 2009 to assist in analyzing waiver budget information, estimate the cost of proposed rate or program expansions, and prepare required periodic reports. This unit also analyzes overall DMS expenditures by category of service, aid category, provider type and at a program-specific level to identify trends and assist in management decision making.

### **Third Party Liability**

Third Party Liability (TPL) collections and cost avoidance have doubled from 2007-2009 (\$28 mil. to \$56 mil.). To further enhance collections, Arkansas Medicaid has contracted with HMS to identify and update TPL information in the MMIS and to implement electronic billing for the collection of post payment recoveries. Also, a supplemental insurance file tape that is updated monthly was added to the MMIS, thus increasing cost avoidance and limiting Arkansas Medicaid's liability for payments. Finally, online access to a national provider's insurance information was made available to DMS and its contractor, HMS, greatly increasing savings through cost avoidance.

### **ARHealthNetworks**

This program was created to provide low-cost health care benefits for employees of small businesses and self-employed individuals who are between 19 and 64 years of age and who have not had access to group health insurance coverage within one year of application. ARHealthNetworks was launched in October 2006 and has served over 18,000 hard-working Arkansans through SFY 2010.





## **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), as well as operating 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), SCHIP funds (Social Security title XXI).

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 Arkansas Medicaid Program.

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.

Growth in the Arkansas Medicaid program, both in terms of expenditures and number of beneficiaries served, continues to outpace growth in staffing. This is accomplished through better program management, increased use of technology, and continued process improvements. (See graph.)

Arkansas Medicaid management and staff are committed to ensuring that all Medicaid-eligible Arkansans have access to the best medical services possible. Arkansas Medicaid management and staff work with providers and their professional organizations across the state to increase the use of technology in the delivery and administration of services, to identify and support use of the best evidence-based practices, and to ensure access to those services in all areas of the state.

### **Medicaid Operations**

In State Fiscal Year (SFY) 2009, Medicaid's fiscal agent, Hewlett Packard (HP), processed more than 35 million claims for more than 12,000 providers on behalf of more than 750,000 Arkansans. HP responded to more than 164,000 voice calls, 235,000 automated calls, nearly 22,000 written inquiries, and conducted over 1,200 provider visits and 18 workshops around the state.

Medicaid processes 99% of claims within 30 days with the average claim being processed in under 2.5 days. That means on average providers are receiving payments within a week of the claim submissions.

Medicaid is a critical component of health care financing for children and pregnant women. Through ARKids First and other programs, Medicaid insures approximately 400,000 children. In SFY 2009, Medicaid paid for approximately 63% of all births in Arkansas.

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.

### **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, the OLTC is responsible for regulating approximately 400 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 2009, the OLTC performed approximately 1,000 state and federal surveys and complaint investigations of long term care facilities.

The OLTC also performs criminal record background checks on the employees and applicants of facilities it regulates, and the OLTC is responsible for the administration of the training and certification of Certified Nursing Assistants (CNAs), who are long term care facility caregivers that are employed in long term care facilities and hospital-based facilities.

## **Current Innovations**

### **e-Prescribing**

Arkansas Medicaid implemented e-Prescribing in December 2008. e-Prescribing provides bi-directional electronic delivery of prescriptions between physicians and pharmacies of the recipient's choice. e-Prescribing also provides physicians with access to critical information so they can make safer and better informed decisions.

As part of the implementation, Medicaid actively encouraged providers to implement e-Prescribing by providing training and on-site assessments. In December 2008, there were only 345 prescribers actively routing electronic prescriptions to pharmacies. As of the end of SFY 2010, there were almost 1,000 prescribers e-Prescribing, generating a pharmacy participation rate of approximately 72%. This has translated into the number of e-Prescription transactions in Arkansas growing from 347,000 in 2008 to nearly 1.6 million in 2009--over a 450% increase!

### **System of Care Initiatives**

The DMS Behavioral Health Unit has been instrumental in generating several positive changes related to the Arkansas System of Care initiative which was mandated by Act 2209 of the 85th General Assembly, 2005. The primary purpose of this initiative is to address challenges affecting each child's emotional well-being, improve appropriate child development and increase each child's chance to arrive at adulthood as a productive, functioning member of society. This unit led the successful implementation of Rehabilitative Services for Persons with Mental Illness (RSPMI) policy revisions to define services and their delivery on a more individualized basis. The DMS-Behavioral Health Unit is assisting with the launch and implementation of an outcomes measurement and tracking system for children and adolescents (Y-OQ®), adapted and implemented through the MMIS, to be mandated for use by all RSPMI providers by September 1, 2010. Clinical training started in January 2010 and continued through June. Training sessions were held in four regional areas of the State and in Little Rock. These training sessions were attended by 557 Mental Health Professionals. Additional web training sessions will be held in the first quarter of SFY 2011 leading up to the September 1 deadline.

### **Health Information Technology**

Some Medicaid Providers may be eligible to receive incentive payments or reimbursements of up to \$63,750 from Arkansas Medicaid to offset the cost associated with implementing an electronic health record (EHR) in their clinics. The Health Information Technology (HIT) provisions of the American Recovery and Reinvestment Act of 2009 (ARRA) afford states and their Medicaid providers an opportunity to leverage existing HIT efforts to achieve the vision of interoperable information technology for health care. Arkansas Medicaid will play a critical role in fulfilling this vision.

Arkansas Medicaid has begun preparing and planning for administration of incentive payments to providers, ensuring proper payments through auditing and monitoring, and participating in statewide efforts to promote interoperability and meaningful use of electronic health records.

Arkansas Department of Human Services, Division of Medical Services will be responsible for determining if a Medicaid provider meets the required volume of Medicaid patients, and shows meaningful use of the EHR systems in order to qualify for the incentive payments. The Medicaid financial incentives will begin in 2011. EHR payments to providers are 100% federally funded.

### **Long Term Care - Green House® Facilities**

The OLTC developed the infrastructure for Green House® facilities, a non-traditional design for long term living utilizing universal workers and the Eden Alternative philosophy. Green House® facilities are designed, built and operated in a residential model with no more than twelve residents living in each home. Arkansas' position is unique in the nation in that its implementation is designed to encourage Green House® facilities to accept Medicaid residents. There are two Green House® facilities licensed and operating in Arkansas. The project required the cooperation of CMS and the endorsement and assistance of the Governor and the General Assembly. In 2010, to further the philosophy of person centered care, efforts will be made to encourage traditionally built nursing homes to engage in culture change.

### **PACE (Program for All-inclusive Care for the Elderly)**

PACE is a new Medicaid program and one of the first rural programs approved by CMS. PACE features comprehensive medical and social services that can be provided at an adult day health center, home, and/or inpatient facility. As of the end of SFY 2010, PACE was serving 33 participants in the Northeast region of the State.

### **Arkansas Innovative Performance Program**

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, in a declining economy, the Medicaid eligible population generally increases, resulting in an increase in the number of individuals accessing services without any changes in Medicaid policy. Additionally, because Medicaid is an entitlement program, if 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 is 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 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 with the exception of the growth rate of 25%

for the Medicaid Expansion Programs (MEP). The growth rate in the Medicaid Expansion Programs is driven primarily by the increase in participation in the small business program called ARHealthNetworks.

**Request #2 - FMAP Rate Change:** This request results from a change in the Federal Medical Assistance Percentage of 76.28% in SFY 2011 to 70.89% for SFY 2012 and an estimated rate of 70.73% for SFY 2013. 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. In addition, unfunded appropriation will allow Arkansas Medicaid to participate in new demonstration grants contained in the Affordable Care Act, as appropriate. This request is for appropriation only.

**Request #4 - Restore Base:** ARRA was put in place from October of 2008 through December of 2010. As a result of its discontinuance, DMS will lose approximately \$175 million in federal funding for its programs in 2012 and 2013. This request is to replace the amount lost from the discontinuance of ARRA in December 2010.

**Request #5 - Shortfall Other Funding:** The Medicaid Trust Fund had accumulated a balance which was used in place of additional general revenue in funding the SFY 2011 and SFY 2012 budgets. The Medicaid Trust Fund balance will be depleted during SFY2012, therefore the amount from the base level is not available for SFY 2013.

**Request #6 - Medicare Part D - Clawback Adjustment:** Medicare Part D was recalculated for the impact of ARRA in late SFY 2010 which resulted in a credit/decrease in billing of \$24.6 million. Therefore part of SFY 2010 and SFY 2011 had no payment. The base has a remaining credit of approximately \$4.2 million and reduced payments of approximately \$7 million through December 2010. This request for 2012 and 2013 calculates the requirements based on the regular FMAP with no ARRA for the Part D population.

**Request #7 - New MMIS System:** As a result of a required new architecture for Medicaid Management Information System (MMIS) and the expiration of the current system contract, DMS will be required to procure a new MMIS system. Centers for Medicare and Medicaid Services will provide 90% federal funds for development and implementation with some funding at 75% and 50% for maintenance and reimbursable expenses. This request is based on an 85% federal match rate.

**Request #8 - Suspended Optional Expansions:** This request reflects suspended implementation of \$22 million in optional Hospital/Medical expansions and \$11 million in ARKids expansions that were included in the base.

## ADMINISTRATIVE REQUESTS

The Division of Medical Services' (DMS) primary responsibility is the management of the Arkansas Medicaid Program. DMS consists of six organizational units: (1) Medical Services (2) Pharmacy (3) Office of Long-Term Care (4) Medicaid Management Information (5) Policy, Program & Contract Oversight and Performance and (6) 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 - Pool Position Continuations:** The Division of Medical Services surrendered five positions in order to acquire three positions in 1) Policy Development and Quality Assurance, 2) Program and Administrative Support and 3) Utilization Review within DMS. These positions are essential in meeting the demands of the growing HCBS waiver programs; providing financial impact analysis for program support, policy development, and grant origination; and developing strategies and policy that impacts quality health care and improves clinical care and outcomes. This request is for the continuation of three pool positions.

**Request #2 - Transfer of Positions:** The Division of Medical Services requests the transfer of one position out to another Division and ten (10) positions in from other Divisions for use in Medicaid. The one position transfer out is to the Division of Aging and Adult Services for vital support to the Public Guardianship program.

The transfer of ten positions to DMS are as follows:

1. One position to provide Medicaid eligibility opinions.
2. One position for Chief Operating Officer (COO) to work with the Division Director and AD's to develop and implement strategic plans and review policies, programs, federal and state regulatory mandates and budgetary needs and expenditures.
3. One position for a DHS Program Manager to meet the needs of a growing HCBS waiver program and other self-directed programs.
4. One position in Accounting to perform financial functions related to waiver budget preparation and budget neutrality.
5. One position to fill the DHS Assistant Director of Contract Monitoring role responsible for monitoring and evaluating the performance of all DMS professional service contracts.
6. One position to be responsible for oversight of the Medicaid coding structure and rate files for non-institutional reimbursement.
7. One Assets Coordinator position necessary for federal reporting, grants, and funds management, reconciliation and Medicaid accounts receivable associated with Program Integrity.
8. One DMS Program Specialist position to support planning, development and implementation of the new MMIS system.
9. Two Program Administrators to provide project lead for the planning, development and implementation of new Medicaid programs and systems requirements directed by CMS and other national health care regulatory agencies.

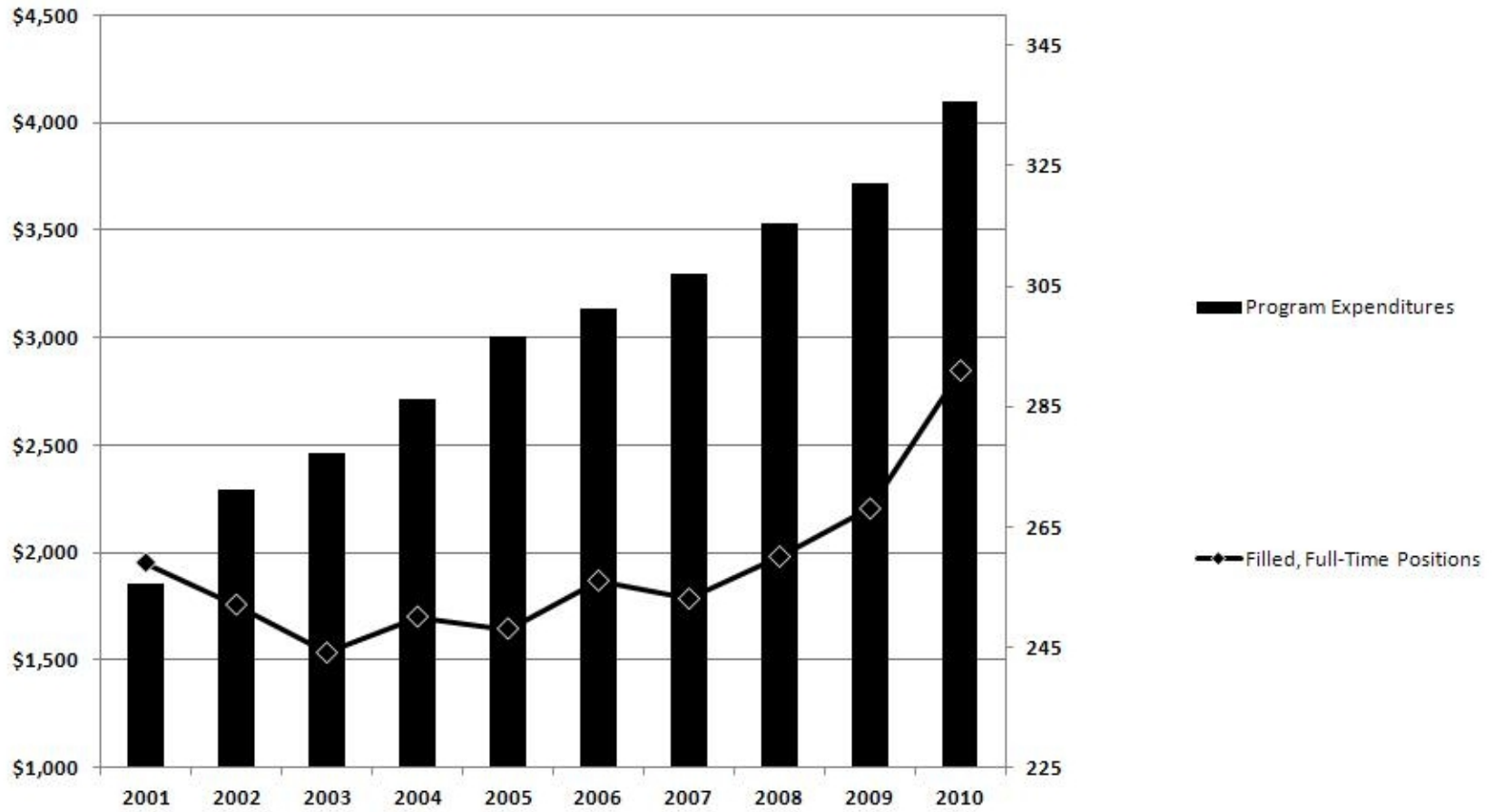
These ten transfer requests are for positions and appropriation.

**Request #3 - Restore Positions:** DMS requests restoration of six unbudgeted positions to allow the flexibility to fill these positions if the funds become available.

**Request #4 - Maintenance and Operations:** The Division of Medical Services requests appropriation for Operating Expenses costs to support staff. A 3% increase in rent of office space for the Donaghey Plaza Complex is anticipated for the biennial period. No General Revenue is requested.

Capital outlay is requested in the amount of \$195,000 for equipment and additional vehicles if funds become available. With the replacement of the Medicaid Management Information System, there could be additional equipment costs to the program. This request is for appropriation only.

## Staffing vs Expenditures





## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

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

## **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	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
4KS Nursing Home Quality	184,888	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 Medicaid Expansion-Medical Svcs	100,931	2	115,128	2	125,069	2	113,189	2	113,189	2	113,189	2	113,189	2	113,189	2	113,189	2
648 Medicaid Exp-Prescription Drugs	2,000,802	0	2,091,256	0	12,845,491	0	2,079,878	0	4,230,636	0	4,230,636	0	2,079,878	0	5,367,414	0	5,367,414	0
648 Medicaid Exp-Hospital & Medical Services	35,631,154	0	50,216,689	0	131,164,332	0	48,801,739	0	74,770,861	0	74,770,861	0	48,801,739	0	93,463,577	0	93,463,577	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
896 Division of Medical Services	21,834,926	312	24,847,920	318	25,541,661	324	24,615,339	318	25,639,564	333	25,639,564	333	24,615,339	318	25,639,564	333	25,639,564	333
897 ARKIDS B Program	93,404,418	0	109,362,368	0	204,023,484	0	109,108,809	0	115,642,425	0	115,642,425	0	109,108,809	0	118,873,417	0	118,873,417	0
897 Hospital & Medical Services	2,909,820,002	0	3,198,851,136	0	4,192,018,983	0	3,074,471,484	0	3,584,528,631	0	3,584,528,631	0	3,074,471,484	0	3,776,570,716	0	3,776,570,716	0
897 Prescription Drugs	318,094,054	0	343,948,311	0	575,144,026	0	330,998,852	0	378,738,146	0	378,738,146	0	330,998,852	0	385,275,742	0	385,275,742	0
897 Private Nursing Home Care	562,494,229	0	597,250,427	0	752,732,888	0	571,374,213	0	639,794,311	0	639,794,311	0	571,374,213	0	670,810,091	0	670,810,091	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 Infant Infirmary	21,497,971	0	22,752,600	0	33,152,691	0	21,716,788	0	25,389,673	0	25,389,673	0	21,716,788	0	26,100,584	0	26,100,584	0
898 Public Nursing Home Care	174,447,604	0	194,431,274	0	270,815,554	0	185,670,840	0	211,605,788	0	211,605,788	0	185,670,840	0	221,982,063	0	221,982,063	0
<b>Total</b>	<b>4,139,510,979</b>	<b>314</b>	<b>4,547,617,109</b>	<b>320</b>	<b>6,201,314,179</b>	<b>326</b>	<b>4,372,701,131</b>	<b>320</b>	<b>5,064,203,224</b>	<b>335</b>	<b>5,064,203,224</b>	<b>335</b>	<b>4,372,701,131</b>	<b>320</b>	<b>5,327,946,357</b>	<b>335</b>	<b>5,327,946,357</b>	<b>335</b>

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	650,031,721	15.7	688,473,677	15.1	688,434,268	15.7	688,434,268	14.2	688,434,268	14.2	688,434,268	15.7	950,066,640	18.7	862,767,023	18.0	
Federal Revenue	4000020	2,999,197,434	72.5	3,261,790,032	71.7	3,261,629,811	74.6	3,436,905,911	71.0	3,436,905,911	71.0	3,261,629,811	74.6	3,599,881,270	70.8	3,388,924,594	70.9	
Trust Fund	4000050	184,888	0.0	148,686,702	3.3	148,686,702	3.4	231,757,327	4.8	231,757,327	4.8	148,686,702	3.4	174,797,000	3.4	174,797,000	3.7	
Drug Rebates	4000200	27,908,793	0.7	25,761,288	0.6	25,761,288	0.6	26,018,901	0.5	26,018,901	0.5	25,761,288	0.6	26,279,090	0.5	26,279,090	0.5	
Federal Funds-ARRA	4000244	305,720,459	7.4	174,681,458	3.8	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Hospital Assessment Fee	4000281	0	0.0	38,881,700	0.9	38,881,700	0.9	56,582,819	1.2	56,582,819	1.2	38,881,700	0.9	38,881,700	0.8	38,881,700	0.8	
ICF/MR Provider Fee	4000282	1,412,961	0.0	8,703,003	0.2	8,703,003	0.2	15,222,904	0.3	15,222,904	0.3	8,703,003	0.2	10,002,390	0.2	10,002,390	0.2	
Insurance Premium Tax	4000298	0	0.0	0	0.0	0	0.0	10,991,568	0.2	10,991,568	0.2	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	62,801,234	1.5	65,405,440	1.4	65,405,440	1.5	68,392,716	1.4	68,392,716	1.4	65,405,440	1.5	71,628,346	1.4	71,628,346	1.5	
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	9,787,049	0.2	13,387,094	0.3	13,386,124	0.3	28,153,620	0.6	28,153,620	0.6	13,386,124	0.3	54,954,526	1.1	54,954,526	1.1	
Various Program Support	4000730	82,351,440	2.0	121,631,715	2.7	121,597,795	2.8	275,525,829	5.7	275,525,829	5.7	121,597,795	2.8	154,582,034	3.0	154,582,034	3.2	
<b>Total Funds</b>		<b>4,139,510,979</b>	<b>100.0</b>	<b>4,547,617,109</b>	<b>100.0</b>	<b>4,372,701,131</b>	<b>100.0</b>	<b>4,838,200,863</b>	<b>100.0</b>	<b>4,838,200,863</b>	<b>100.0</b>	<b>4,372,701,131</b>	<b>100.0</b>	<b>5,081,287,996</b>	<b>100.0</b>	<b>4,783,031,703</b>	<b>100.0</b>	
Excess Appropriation/(Funding)		0		0		0		226,002,361		226,002,361		0		246,658,361		544,914,654		
<b>Grand Total</b>		<b>4,139,510,979</b>		<b>4,547,617,109</b>		<b>4,372,701,131</b>		<b>5,064,203,224</b>		<b>5,064,203,224</b>		<b>4,372,701,131</b>		<b>5,327,946,357</b>		<b>5,327,946,357</b>		

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
305	266	36	302	3	12.79 %	328	284	33	317	11	13.41 %	328	287	33	320	8	12.50 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 242 of 2010 section 17(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:** 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 on-going 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	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	184,888	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>Total</b>	<b>184,888</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>
<b>Funding Sources</b>									
Trust Fund 4000050	184,888	1,500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>Total Funding</b>	<b>184,888</b>	<b>1,500,000</b>		<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>184,888</b>	<b>1,500,000</b>		<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>

## **Analysis of Budget Request**

**Appropriation:** 642 - DHS DMS–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 and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The agency Base Level and total request for this appropriation is \$113,189 each year of the biennium with 2 budgeted Base Level positions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 642 - DHS DMS–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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	71,743	72,444	81,200	70,844	70,844	70,844	70,844	70,844	70,844
<b>#Positions</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching	5010003	23,699	24,711	25,896	24,372	24,372	24,372	24,372	24,372	24,372
Operating Expenses	5020002	5,447	15,973	15,973	15,973	15,973	15,973	15,973	15,973	15,973
Conference & Travel Expenses	5050009	42	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
<b>Total</b>		<b>100,931</b>	<b>115,128</b>	<b>125,069</b>	<b>113,189</b>	<b>113,189</b>	<b>113,189</b>	<b>113,189</b>	<b>113,189</b>	<b>113,189</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	50,466	57,564		56,595	56,595	56,595	56,595	56,595	56,595
Tobacco Settlement	4000495	50,465	57,564		56,594	56,594	56,594	56,594	56,594	56,594
<b>Total Funding</b>		<b>100,931</b>	<b>115,128</b>		<b>113,189</b>	<b>113,189</b>	<b>113,189</b>	<b>113,189</b>	<b>113,189</b>	<b>113,189</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>100,931</b>	<b>115,128</b>		<b>113,189</b>	<b>113,189</b>	<b>113,189</b>	<b>113,189</b>	<b>113,189</b>	<b>113,189</b>

Tobacco Settlement Funds do not carry forward into the new biennium unless criteria is met as prescribed in Initiated Act 1 of 2000.



## **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 488**

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 \$2,079,878 each year of the biennium.

The agency Change Level request for this appropriation is \$2,150,758 in FY2012 and \$3,287,536 in FY2013 which includes adjustments for the FMAP reduction. The following delineates the agency's request:

- \$1,150,758 in FY2012 and \$1,287,536 in FY2013 for growth.
- \$1,000,000 in FY2012 and \$2,000,000 in FY2013 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.
- ARRA appropriation is being discontinued.

The Executive Recommendation provides for the Agency Request.

### **Medicaid Expansion Program - Hospital and Medical Services referenced on page 489**

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 \$48,801,739 each year of the biennium.

The agency Change Level request for this appropriation is \$25,969,122 in FY2012 and \$44,661,838 in FY2013 which includes adjustments for the FMAP reduction. The following delineates the agency's request:

- \$13,969,122 in FY2012 and \$29,661,838 in FY2013 for growth.
- \$12,000,000 in FY2012 and \$15,000,000 in FY2013 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.
- ARRA appropriation is being discontinued.

The Executive Recommendation provides for the Agency Request.

## 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			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Medicaid Exp-Prescrip Drugs 5100004	1,983,376	2,079,878	12,845,491	2,079,878	4,230,636	4,230,636	2,079,878	5,367,414	5,367,414
Med Exp-Prescrip Drugs-ARRA 5900052	17,426	11,378	0	0	0	0	0	0	0
<b>Total</b>	<b>2,000,802</b>	<b>2,091,256</b>	<b>12,845,491</b>	<b>2,079,878</b>	<b>4,230,636</b>	<b>4,230,636</b>	<b>2,079,878</b>	<b>5,367,414</b>	<b>5,367,414</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	158,665	192,590		192,590	192,324	192,324	192,590	193,810	193,810
Federal Funds-ARRA 4000244	17,426	11,378		0	0	0	0	0	0
Tobacco Settlement 4000495	1,824,711	1,887,288		1,887,288	3,038,312	3,038,312	1,887,288	3,173,604	3,173,604
<b>Total Funding</b>	<b>2,000,802</b>	<b>2,091,256</b>		<b>2,079,878</b>	<b>3,230,636</b>	<b>3,230,636</b>	<b>2,079,878</b>	<b>3,367,414</b>	<b>3,367,414</b>
Excess Appropriation/(Funding)	0	0		0	1,000,000	1,000,000	0	2,000,000	2,000,000
<b>Grand Total</b>	<b>2,000,802</b>	<b>2,091,256</b>		<b>2,079,878</b>	<b>4,230,636</b>	<b>4,230,636</b>	<b>2,079,878</b>	<b>5,367,414</b>	<b>5,367,414</b>

Budget exceeds Authorized Appropriation in the Medicaid Exp-Prescription Drugs-ARRA line item due to a transfer from the Miscellaneous Federal Grant Holding Account. Tobacco Settlement Funds do not carry forward into the new biennium unless criteria is met as prescribed in Initiated Act 1 of 2000.

## 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			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Medicaid Exp-Hosp/Med Svcs 5100004	33,563,975	48,801,739	131,164,332	48,801,739	74,770,861	74,770,861	48,801,739	93,463,577	93,463,577
Med Exp-Hosp/Med Svcs-ARRA 5900052	2,067,179	1,414,950	0	0	0	0	0	0	0
<b>Total</b>	<b>35,631,154</b>	<b>50,216,689</b>	<b>131,164,332</b>	<b>48,801,739</b>	<b>74,770,861</b>	<b>74,770,861</b>	<b>48,801,739</b>	<b>93,463,577</b>	<b>93,463,577</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	25,652,102	37,359,497		37,359,497	46,438,991	46,438,991	37,359,497	58,138,041	58,138,041
Federal Funds-ARRA 4000244	2,067,179	1,414,950		0	0	0	0	0	0
Tobacco Settlement 4000495	7,911,873	11,442,242		11,442,242	16,331,870	16,331,870	11,442,242	20,325,536	20,325,536
<b>Total Funding</b>	<b>35,631,154</b>	<b>50,216,689</b>		<b>48,801,739</b>	<b>62,770,861</b>	<b>62,770,861</b>	<b>48,801,739</b>	<b>78,463,577</b>	<b>78,463,577</b>
Excess Appropriation/(Funding)	0	0		0	12,000,000	12,000,000	0	15,000,000	15,000,000
<b>Grand Total</b>	<b>35,631,154</b>	<b>50,216,689</b>		<b>48,801,739</b>	<b>74,770,861</b>	<b>74,770,861</b>	<b>48,801,739</b>	<b>93,463,577</b>	<b>93,463,577</b>

Budget exceeds Authorized Appropriation in the Medicaid Exp-Prescription Drugs-ARRA line item due to a transfer from the Miscellaneous Federal Grant Holding Account. Tobacco Settlement Funds do not carry forward into the new biennium unless criteria is met as prescribed in Initiated Act 1 of 2000.

## 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		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	2,079,878	0	2,079,878	100.0	2,079,878	0	2,079,878	100.0
C01	Existing Program	1,150,758	0	3,230,636	155.3	1,287,536	0	3,367,414	161.9
C03	Discontinue Program	(11,378)	0	3,219,258	154.8	(11,378)	0	3,356,036	161.4
C05	Unfunded Appropriation	1,000,000	0	4,219,258	202.9	2,000,000	0	5,356,036	257.5
C16	ARRA	11,378	0	4,230,636	203.4	11,378	0	5,367,414	258.1

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	2,079,878	0	2,079,878	100.0	2,079,878	0	2,079,878	100.0
C01	Existing Program	1,150,758	0	3,230,636	155.3	1,287,536	0	3,367,414	161.9
C03	Discontinue Program	(11,378)	0	3,219,258	154.8	(11,378)	0	3,356,036	161.4
C05	Unfunded Appropriation	1,000,000	0	4,219,258	202.9	2,000,000	0	5,356,036	257.5
C16	ARRA	11,378	0	4,230,636	203.4	11,378	0	5,367,414	258.1

### 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. For example, in a declining economy, the Medicaid eligible population generally increases, resulting in an increase in the number of individuals accessing services without any changes in Medicaid policy. Additionally, because Medicaid is an entitlement program, if 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 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 with the exception of the growth rate of 25% for the Medicaid Expansion Programs (MEP). Growth rates anticipated for the Prescription Drug Expansion program are 1% excluding Medicare Part D Clawback in 2012 and 2013. FMAP Rate Change - This request results from a change in the Federal Medical Assistance Percentage of 76.28% in SFY 2011 to 70.89% for SFY 2012 and 70.73% for SFY 2013. This decrease in federal matching affects almost all Medicaid programs. Restore Base (Loss of ARRA) - ARRA was put into place in 2008 through December 2010. As a result of its discontinuance, DMS will lose approximately \$175 million in federal funding from base funding for its programs in 2012 and 2013. This request is to replace the amount lost from the discontinuance of ARRA in December 2010 for the Prescription Drug Expansion program of \$11 thousand. Medicare Part D – Clawback Adjustment - Medicare Part D was recalculated for the impact of ARRA in late SFY 2010 which resulted in a credit/decrease in billing of \$24.6 million. Therefore part of SFY 2010 and SFY 2011 had no payment. The base has a remaining credit of approximately \$4.2 million and reduced payments of approximately \$7 million through December 2010. This request for 2012 and 2013 calculates the requirements based on the regular FMAP with no ARRA for the Part D population that are in the ARSeniors program, other portion of this adjustment is included in the regular Medicaid Prescription Drug program appropriation.
C03	The American Recovery and Reinvestment Act of 2009 (ARRA) was put into place October 2008 through December 2010. This request is to discontinue the appropriation that was exclusively established for the ARRA stimulus expenditures. This funding will not be available for SFY 2012 and 2013.
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.
C16	Request the continued American Recovery and Reinvestment Act (ARRA) funding available to support programs and/or projects.

## 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		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	48,801,739	0	48,801,739	100.0	48,801,739	0	48,801,739	100.0
C01	Existing Program	13,969,122	0	62,770,861	128.6	29,661,838	0	78,463,577	160.8
C03	Discontinue Program	(1,414,950)	0	61,355,911	125.7	(1,414,950)	0	77,048,627	157.9
C05	Unfunded Appropriation	12,000,000	0	73,355,911	150.3	15,000,000	0	92,048,627	188.6
C16	ARRA	1,414,950	0	74,770,861	153.2	1,414,950	0	93,463,577	191.5

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	48,801,739	0	48,801,739	100.0	48,801,739	0	48,801,739	100.0
C01	Existing Program	13,969,122	0	62,770,861	128.6	29,661,838	0	78,463,577	160.8
C03	Discontinue Program	(1,414,950)	0	61,355,911	125.7	(1,414,950)	0	77,048,627	157.9
C05	Unfunded Appropriation	12,000,000	0	73,355,911	150.3	15,000,000	0	92,048,627	188.6
C16	ARRA	1,414,950	0	74,770,861	153.2	1,414,950	0	93,463,577	191.5

### 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. For example, in a declining economy, the Medicaid eligible population generally increases, resulting in an increase in the number of individuals accessing services without any changes in Medicaid policy. Additionally, because Medicaid is an entitlement program, if 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 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 with the exception of the growth rate of 25% for the Hospital/Medical Medicaid Expansion Programs (MEP). This increased percentage is largely due to the continued growth of the ArHealth Networks program. FMAP Rate Change - This request results from a change in the Federal Medical Assistance Percentage of 76.28% in SFY 2011 to 70.89% for SFY 2012 and 70.73% for SFY 2013. This decrease in federal matching affects almost all Medicaid programs. Restore Base (Loss of ARRA) - ARRA was put into place in 2008 through December 2010. As a result of its discontinuance, DMS will lose approximately \$175 million in federal funding from base funding for its programs in 2012 and 2013. This request is to replace the amount lost from the discontinuance of ARRA in December 2010 for the Hospital/Medical Expansion program of \$1.4 million.
C03	The American Recovery and Reinvestment Act of 2009 (ARRA) was put into place October 2008 through December 2010. This request is to discontinue the appropriation that was exclusively established for the ARRA stimulus expenditures. This funding will not be available for SFY 2012 and 2013.
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.
C16	Request the continued American Recovery and Reinvestment Act (ARRA) funding available to support programs and/or projects.

## **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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	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
<b>Funding Sources</b>									
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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	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
<b>Funding Sources</b>									
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 DMS—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 (RHC)
- Transportation to and from medical providers (is also a federal requirement when the transportation is medically necessary)

**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
- ✓ 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
- ✓ Hospice Services
- ✓ Hyperalimentation Services
- ✓ Independent Choices
- ✓ Inpatient Psychiatric Services Under Age 21
- ✓ Intermediate Care Facility Services for Mentally Retarded
- ✓ Licensed Mental Health Practitioner Services (Under Age 21)
- ✓ Medical Supplies
- ✓ Medicare Crossovers
- ✓ Nursing Facility Services (Under Age 21)
- ✓ Occupational, Physical, Speech Therapy Services (Under Age 21)
- ✓ Orthotic Appliances
- ✓ Program of All-Inclusive Care for the Elderly (PACE)
- ✓ 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 HealthNetWorks
- ❖ 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 six (6) 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 administering the Medicaid Management Information System (MMIS) which processes all Medicaid claims. 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.

**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 state's 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

**Policy, Program and Contract Oversight:** The Policy, Program and Contract Oversight 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 fifty-seven (57) different Medicaid provider policy manuals, which include information on covered services, benefit limits, prior approvals, and billing procedures. 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. The Contract Oversight unit is responsible for assisting program and contract staff in developing performance indicators for contracts and monitoring the performance of all Division of Medical Services contractors.

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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The agency Base Level request for this appropriation is \$24,615,339 each year of the biennium with 318 budgeted base level positions.

The agency Change Level request for this appropriation is \$1,024,225 each year of the biennium with no new general revenue request. The following delineates the agency's request:

- Transfer one (1) position to the Division of Aging and Adult Services with salary and matching appropriation to support the public guardianship office.
- Transfer one (1) position from the Division of Aging and Adult Services with salary and matching appropriation to assist in the program development/quality assurance unit.
- Transfer one (1) position from the Division of Administrative Services with salary and matching appropriation to perform waiver budget preparation and budget neutrality functions.
- Transfer two (2) positions from the Division of Children and Family Services with salary and matching appropriation to lead projects associated with planning, development and implementation of programs and systems requirements.
- Transfer one (1) position from the Division of Development Disabilities Services with salary and matching appropriation to perform leadership responsibilities for monitoring and evaluating the performance for all professional services contracts.
- Transfer one (1) position from the Division of Services for the Blind with salary and matching appropriation to provide oversight of the Medicaid coding structure and rate files for non-institutional reimbursement.
- Transfer two (2) positions from the Division of Youth Services with salary and matching appropriation to support federal reporting, grants and funds management, reconciliations and Medicaid accounts receivable associated with Program Integrity identified overpayments and to support planning, development and implementation of the new Medicaid Management Information System.

- Transfer one (1) position from the Division of Behavioral Health Services with salary and matching appropriation to function as Chief Operating Officer to work with the Division Director and Assistant Directors to develop and implement strategic plans and review policies, programs, federal and state regulatory mandates and budgetary needs and expenditures.
- Transfer one (1) position from the Office of Chief Counsel with salary and matching appropriation to assist in rendering Medicaid eligibility opinions in accordance with federal and state guidelines.
- Restoration of six (6) positions that are authorized but not budgeted with salary and matching appropriation only to assist in meeting established staffing patterns.
- \$21,864 each year of the biennium for the Operating Expenses line item for rent of facilities.
- \$195,000 each year of the biennium for the Capital Outlay line item for equipment and the sales tax on three (3) replacement vehicles each year if funds become available and any equipment costs associated with the replacement of the Medicaid Management Information System.

The Executive Recommendation provides for the Agency Request. The capital outlay that has been recommended for vehicles is to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.



# Appropriation Summary

**Appropriation:** 896 - DHS DMS–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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	13,911,397	15,601,940	15,696,747	15,377,264	15,987,356	15,987,356	15,377,264	15,987,356	15,987,356
<b>#Positions</b>		<b>312</b>	<b>318</b>	<b>324</b>	<b>318</b>	<b>333</b>	<b>333</b>	<b>318</b>	<b>333</b>	<b>333</b>
Extra Help	5010001	104,938	126,892	126,892	126,892	126,892	126,892	126,892	126,892	126,892
<b>#Extra Help</b>		<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
Personal Services Matching	5010003	4,055,687	4,571,773	4,712,682	4,758,868	4,956,137	4,956,137	4,758,868	4,956,137	4,956,137
Overtime	5010006	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,125,900	3,446,243	3,446,243	3,446,243	3,468,107	3,468,107	3,446,243	3,468,107	3,468,107
Conference & Travel Expenses	5050009	170,995	246,340	246,340	246,340	246,340	246,340	246,340	246,340	246,340
Professional Fees	5060010	293,965	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	87,269	195,000	195,000	0	195,000	195,000	0	195,000	195,000
Data Processing Services	5900044	84,775	299,600	299,600	299,600	299,600	299,600	299,600	299,600	299,600
ARRA of 2009	5900052	0	0	458,025	0	0	0	0	0	0
<b>Total</b>		<b>21,834,926</b>	<b>24,847,920</b>	<b>25,541,661</b>	<b>24,615,339</b>	<b>25,639,564</b>	<b>25,639,564</b>	<b>24,615,339</b>	<b>25,639,564</b>	<b>25,639,564</b>
<b>Funding Sources</b>										
General Revenue	4000010	4,757,617	4,997,626		4,958,217	4,958,217	4,958,217	4,958,217	4,958,217	4,958,217
Federal Revenue	4000020	13,594,104	15,548,642		15,389,390	15,400,322	15,400,322	15,389,390	15,400,322	15,400,322
Various Program Support	4000730	3,483,205	4,301,652		4,267,732	4,278,664	4,278,664	4,267,732	4,278,664	4,278,664
<b>Total Funding</b>		<b>21,834,926</b>	<b>24,847,920</b>		<b>24,615,339</b>	<b>24,637,203</b>	<b>24,637,203</b>	<b>24,615,339</b>	<b>24,637,203</b>	<b>24,637,203</b>
Excess Appropriation/(Funding)		0	0		0	1,002,361	1,002,361	0	1,002,361	1,002,361
<b>Grand Total</b>		<b>21,834,926</b>	<b>24,847,920</b>		<b>24,615,339</b>	<b>25,639,564</b>	<b>25,639,564</b>	<b>24,615,339</b>	<b>25,639,564</b>	<b>25,639,564</b>

## Change Level by Appropriation

**Appropriation:** 896 - DHS DMS–Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>24,615,339</b>	<b>318</b>	<b>24,615,339</b>	<b>100.0</b>	<b>24,615,339</b>	<b>318</b>	<b>24,615,339</b>	<b>100.0</b>
C01	Existing Program	21,864	0	24,637,203	100.1	21,864	0	24,637,203	100.1
C05	Unfunded Appropriation	378,192	6	25,015,395	101.6	378,192	6	25,015,395	101.6
C07	Agency Transfer	624,169	9	25,639,564	104.2	624,169	9	25,639,564	104.2

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>24,615,339</b>	<b>318</b>	<b>24,615,339</b>	<b>100.0</b>	<b>24,615,339</b>	<b>318</b>	<b>24,615,339</b>	<b>100.0</b>
C01	Existing Program	21,864	0	24,637,203	100.1	21,864	0	24,637,203	100.1
C05	Unfunded Appropriation	378,192	6	25,015,395	101.6	378,192	6	25,015,395	101.6
C07	Agency Transfer	624,169	9	25,639,564	104.2	624,169	9	25,639,564	104.2

### Justification

C01	The Division of Medical Services requests appropriation for Maintenance and Operating costs to support staff. A 3% increase in rent of office space for the Donaghey Plaza Complex is anticipated for the biennial period. No General Revenue is requested.
C05	This is to request restoration of six positions to allow the positions to be filled as necessary to meet the needs of the Division. This request is for positions and appropriation only. Capital Outlay - Capital outlay is requested in the amount of \$195,000 for equipment and the sales tax on 3 replacement vehicles each year if funds become available. With the replacement of the Medicaid Management Information System, there could be additional equipment costs to the program. This request is for appropriation only.
C07	The Division of Medical Services requests the transfer of one position out to another Division and ten (10) positions in from other Divisions for use in Medicaid. The one position transfer out, is to the Division of Aging and Adult Services for vital support to the Public Guardianship program. The transfer of ten positions to DMS are as follows: One position to provide Medicaid eligibility opinions. One position for Chief Operating Officer (COO) to work with the Division Director and Assistant Director's to develop and implement strategic plans and review policies, programs, federal and state regulatory mandates and budgetary needs and expenditures. One position for a DHS Program Manager to meet the needs of a growing Home and Community Based Services (HCBS) waiver program and other self-directed programs. One position in Accounting to perform financial functions related to waiver budget preparation and budget neutrality. One position to serve as the DHS Assistant Director of Contract Monitoring to be responsible for monitoring and evaluating the performance of all DMS professional services contracts. One position to be responsible for oversight of the Medicaid coding structure and rate files for non-institutional reimbursement. One Assets Coordinator position necessary for federal reporting, grants, and funds management, reconciliation and Medicaid accounts receivable associated with Program Integrity. One DMS Program Specialist position to support planning, development and implementation of the new MMIS system. Two Program Administrators to provide project lead for the planning, development and implementation of new Medicaid programs and systems requirements directed by CMS and other national health care regulatory agencies. These transfer requests are for positions and appropriation only. The Division will utilize internal funding to fund these positions.

## **Analysis of Budget Request**

**Appropriation:** 897 - DHS DMS—Grants Paying Account

**Funding Sources:** PWD - Grants Paying

### **Private Nursing Home Care Appropriation referenced on page 510**

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, miscellaneous transfers derived from Arkansas Code Annotated §17-24-305(b)(1)(A), and the Medicaid Trust Fund.

The agency Base Level request for this appropriation is \$571,374,213 each year of the biennium with general revenue of \$78,804,823.

The agency Change Level request for this appropriation is \$68,420,098 in FY2012 and \$99,435,878 in FY2013 with general revenue request of \$0 in FY2012 and \$42,245,234 in FY2013 which includes adjustments for the FMAP reduction. The following delineates the agency's request:

- \$53,420,098 in FY2012 and \$83,235,878 in FY2013 for growth.
- \$15,000,000 in FY2012 and \$16,200,000 in FY2013 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.
- ARRA appropriation is being discontinued.

The Executive Recommendation provides for the Agency Request.

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

- \$36,442,482 in FY2013 for growth; and
- \$5,802,752 in FY2013 for the FMAP change.

### **Prescription Drugs Appropriation referenced on page 511**

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, Medicaid Trust Fund, and various program support which can include Medicaid match.

The agency Base Level request for this appropriation is \$330,998,852 each year of the biennium with general revenue of \$77,958,303.

The agency Change Level request for this appropriation is \$47,739,294 in FY2012 and \$54,276,890 in FY2013 with general revenue request of \$0 in FY2012 and \$30,690,251 in FY2013 which includes adjustments for the FMAP reduction. The following delineates the agency's request:

- \$27,739,294 in FY2012 and \$32,676,890 in FY2013 for growth.
- \$20,000,000 in FY2012 and \$21,600,000 in FY2013 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.
- ARRA appropriation is being discontinued.

The Executive Recommendation provides for the Agency Request.

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

- \$27,708,811 in FY2013 for growth; and
- \$2,981,440 in FY2013 for the FMAP change.

## **Hospital and Medical Services Appropriation referenced on page 512**

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, intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, hospital assessment fee per Act 562 of 2009, 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 \$3,074,471,484 each year of the biennium with general revenue of \$492,832,389.

The agency Change Level request for this appropriation is \$510,057,147 in FY2012 and \$702,099,232 in FY2013 with general revenue request of \$0 in FY2012 and \$185,777,979 in FY2013 which includes adjustments for the FMAP reduction and suspension of 22 million in optional Hospital/Medical expansions that were included in base level. The following delineates the agency's request:

- \$278,898,821 in FY2012 and \$470,099,232 in FY2013 for growth.
- \$80,000,000 in FY2012 and \$70,000,000 in FY2013 for new Medicaid Management Information System (MMIS).
- \$151,158,326 in FY2012 and \$162,000,000 in FY2013 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.
- ARRA appropriation is being discontinued.

The Executive Recommendation provides for the Agency Request for appropriation and \$98,478,362 in new general revenue in FY2013 pending further implementation of the federal Patient Protection and Affordable Care Act of 2010 and decisions by the Centers for Medicare & Medicaid Services regarding the state fiscal year 2013 Arkansas Medicaid Program. Additionally, the Executive Recommendation provides for

the projected excess balance of \$8,726,844 in FY2012 and \$31,398,792 in FY2013 in the Medicaid Expansion Program Account be used to fund the Hospital and Medical Services appropriation in the 2011-2013 Biennium. 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:

- \$59,091,779 in FY2013 for growth; and
- 10,500,000 in FY2013 for new Medicaid Management Information System; and
- \$28,886,583 in FY2013 for the FMAP change.

### **ARKIDS B Program Appropriation referenced on page 513**

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 \$109,108,809 each year of the biennium with general revenue of \$21,988,534.

The agency Change Level request for this appropriation is \$6,533,616 in FY2012 and \$9,764,608 in FY2013 with general revenue request of \$0 in FY2012 and (\$333,650) in FY2013 which includes adjustments for the FMAP reduction and suspension of 11 million in optional ArKids expansions that were included in base level. ARRA appropriation is being discontinued.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 897 - DHS DMS–Grants Paying Account/Private Nursing Home Care

**Funding Sources:** PWD - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Private Nursing Home Care	5100004	517,846,769	571,374,213	618,038,129	571,374,213	639,794,311	639,794,311	571,374,213	670,810,091	670,810,091
Private Nursing Hm Care-ARRA	5900052	44,647,460	25,876,214	134,694,759	0	0	0	0	0	0
<b>Total</b>		<b>562,494,229</b>	<b>597,250,427</b>	<b>752,732,888</b>	<b>571,374,213</b>	<b>639,794,311</b>	<b>639,794,311</b>	<b>571,374,213</b>	<b>670,810,091</b>	<b>670,810,091</b>
<b>Funding Sources</b>										
General Revenue	4000010	45,675,596	78,804,823		78,804,823	78,804,823	78,804,823	78,804,823	121,050,057	121,050,057
Federal Revenue	4000020	410,153,927	427,957,187		427,957,187	442,630,084	442,630,084	427,957,187	462,724,925	462,724,925
Trust Fund	4000050	0	0		0	4,852,962	4,852,962	0	0	0
Federal Funds-ARRA	4000244	44,647,460	25,876,214		0	0	0	0	0	0
Miscellaneous Transfers	4000355	115,000	115,000		115,000	115,000	115,000	115,000	115,000	115,000
Quality Assurance Fee	4000395	61,902,246	64,438,630		64,438,630	67,425,906	67,425,906	64,438,630	70,661,536	70,661,536
Various Program Support	4000730	0	58,573		58,573	30,965,536	30,965,536	58,573	58,573	58,573
<b>Total Funding</b>		<b>562,494,229</b>	<b>597,250,427</b>		<b>571,374,213</b>	<b>624,794,311</b>	<b>624,794,311</b>	<b>571,374,213</b>	<b>654,610,091</b>	<b>654,610,091</b>
Excess Appropriation/(Funding)		0	0		0	15,000,000	15,000,000	0	16,200,000	16,200,000
<b>Grand Total</b>		<b>562,494,229</b>	<b>597,250,427</b>		<b>571,374,213</b>	<b>639,794,311</b>	<b>639,794,311</b>	<b>571,374,213</b>	<b>670,810,091</b>	<b>670,810,091</b>



## Appropriation Summary

**Appropriation:** 897 - DHS DMS–Grants Paying Account/Prescription Drugs

**Funding Sources:** PWD - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Prescription Drugs	5100004	295,044,925	330,998,852	480,599,452	330,998,852	378,738,146	378,738,146	330,998,852	385,275,742	385,275,742
Prescription Drugs-ARRA 2009	5900052	23,049,129	12,949,459	94,544,574	0	0	0	0	0	0
<b>Total</b>		<b>318,094,054</b>	<b>343,948,311</b>	<b>575,144,026</b>	<b>330,998,852</b>	<b>378,738,146</b>	<b>378,738,146</b>	<b>330,998,852</b>	<b>385,275,742</b>	<b>385,275,742</b>
Funding Sources										
General Revenue	4000010	52,405,996	77,958,303		77,958,303	77,958,303	77,958,303	77,958,303	108,648,554	108,648,554
Federal Revenue	4000020	214,730,136	227,279,261		227,279,261	227,011,589	227,011,589	227,279,261	228,748,098	228,748,098
Trust Fund	4000050	0	0		0	16,089,828	16,089,828	0	0	0
Drug Rebates	4000200	27,908,793	25,761,288		25,761,288	26,018,901	26,018,901	25,761,288	26,279,090	26,279,090
Federal Funds-ARRA	4000244	23,049,129	12,949,459		0	0	0	0	0	0
Various Program Support	4000730	0	0		0	11,659,525	11,659,525	0	0	0
<b>Total Funding</b>		<b>318,094,054</b>	<b>343,948,311</b>		<b>330,998,852</b>	<b>358,738,146</b>	<b>358,738,146</b>	<b>330,998,852</b>	<b>363,675,742</b>	<b>363,675,742</b>
Excess Appropriation/(Funding)		0	0		0	20,000,000	20,000,000	0	21,600,000	21,600,000
<b>Grand Total</b>		<b>318,094,054</b>	<b>343,948,311</b>		<b>330,998,852</b>	<b>378,738,146</b>	<b>378,738,146</b>	<b>330,998,852</b>	<b>385,275,742</b>	<b>385,275,742</b>

## 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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Hospital and Medical Services	5100004	2,689,970,109	3,074,471,484	3,545,563,906	3,074,471,484	3,584,528,631	3,584,528,631	3,074,471,484	3,776,570,716	3,776,570,716
Hospital & Medical Svcs-ARRA	5900052	219,849,893	124,379,652	646,455,077	0	0	0	0	0	0
<b>Total</b>		<b>2,909,820,002</b>	<b>3,198,851,136</b>	<b>4,192,018,983</b>	<b>3,074,471,484</b>	<b>3,584,528,631</b>	<b>3,584,528,631</b>	<b>3,074,471,484</b>	<b>3,776,570,716</b>	<b>3,776,570,716</b>
Funding Sources										
General Revenue	4000010	519,084,237	492,832,389		492,832,389	492,832,389	492,832,389	492,832,389	678,610,368	591,310,751
Federal Revenue	4000020	2,120,085,151	2,310,512,363		2,310,512,363	2,466,118,066	2,466,118,066	2,310,512,363	2,587,025,139	2,376,068,463
Trust Fund	4000050	0	147,136,702		147,136,702	208,228,725	208,228,725	147,136,702	173,247,000	173,247,000
Federal Funds-ARRA	4000244	219,849,893	124,379,652		0	0	0	0	0	0
Hospital Assessment Fee	4000281	0	38,881,700		38,881,700	56,582,819	56,582,819	38,881,700	38,881,700	38,881,700
ICF/MR Provider Fee	4000282	0	8,703,003		8,703,003	15,037,452	15,037,452	8,703,003	10,002,390	10,002,390
Insurance Premium Tax	4000298	0	0		0	10,991,568	10,991,568	0	0	0
Tobacco Settlement	4000495	0	0		0	8,726,844	8,726,844	0	31,398,792	31,398,792
Various Program Support	4000730	50,800,721	76,405,327		76,405,327	174,852,442	174,852,442	76,405,327	95,405,327	95,405,327
<b>Total Funding</b>		<b>2,909,820,002</b>	<b>3,198,851,136</b>		<b>3,074,471,484</b>	<b>3,433,370,305</b>	<b>3,433,370,305</b>	<b>3,074,471,484</b>	<b>3,614,570,716</b>	<b>3,316,314,423</b>
Excess Appropriation/(Funding)		0	0		0	151,158,326	151,158,326	0	162,000,000	460,256,293
<b>Grand Total</b>		<b>2,909,820,002</b>	<b>3,198,851,136</b>		<b>3,074,471,484</b>	<b>3,584,528,631</b>	<b>3,584,528,631</b>	<b>3,074,471,484</b>	<b>3,776,570,716</b>	<b>3,776,570,716</b>

## Appropriation Summary

**Appropriation:** 897 - DHS DMS–Grants Paying Account/ARKids B Program

**Funding Sources:** PWD - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
ARKids B Program	5100004	92,964,255	109,108,809	176,646,045	109,108,809	115,642,425	115,642,425	109,108,809	118,873,417	118,873,417
ARKids B Program-ARRA 2009	5900052	440,163	253,559	27,377,439	0	0	0	0	0	0
<b>Total</b>		<b>93,404,418</b>	<b>109,362,368</b>	<b>204,023,484</b>	<b>109,108,809</b>	<b>115,642,425</b>	<b>115,642,425</b>	<b>109,108,809</b>	<b>118,873,417</b>	<b>118,873,417</b>
<b>Funding Sources</b>										
General Revenue	4000010	21,168,303	21,988,534		21,988,534	21,988,534	21,988,534	21,988,534	21,654,884	21,654,884
Federal Revenue	4000020	71,795,952	87,120,275		87,120,275	79,558,658	79,558,658	87,120,275	81,218,533	81,218,533
Federal Funds-ARRA	4000244	440,163	253,559		0	0	0	0	0	0
Various Program Support	4000730	0	0		0	253,559	253,559	0	0	0
<b>Total Funding</b>		<b>93,404,418</b>	<b>109,362,368</b>		<b>109,108,809</b>	<b>101,800,751</b>	<b>101,800,751</b>	<b>109,108,809</b>	<b>102,873,417</b>	<b>102,873,417</b>
Excess Appropriation/(Funding)		0	0		0	13,841,674	13,841,674	0	16,000,000	16,000,000
<b>Grand Total</b>		<b>93,404,418</b>	<b>109,362,368</b>		<b>109,108,809</b>	<b>115,642,425</b>	<b>115,642,425</b>	<b>109,108,809</b>	<b>118,873,417</b>	<b>118,873,417</b>

## Change Level by Appropriation

**Appropriation:** 897 - DHS DMS–Grants Paying Account / Private Nursing Home Care  
**Funding Sources:** PWD - Grants Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	571,374,213	0	571,374,213	100.0	571,374,213	0	571,374,213	100.0
C01	Existing Program	53,420,098	0	624,794,311	109.3	83,235,878	0	654,610,091	114.6
C03	Discontinue Program	(25,876,214)	0	598,918,097	104.8	(25,876,214)	0	628,733,877	110.0
C05	Unfunded Appropriation	15,000,000	0	613,918,097	107.4	16,200,000	0	644,933,877	112.9
C16	ARRA	25,876,214	0	639,794,311	112.0	25,876,214	0	670,810,091	117.4

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	571,374,213	0	571,374,213	100.0	571,374,213	0	571,374,213	100.0
C01	Existing Program	53,420,098	0	624,794,311	109.3	83,235,878	0	654,610,091	114.6
C03	Discontinue Program	(25,876,214)	0	598,918,097	104.8	(25,876,214)	0	628,733,877	110.0
C05	Unfunded Appropriation	15,000,000	0	613,918,097	107.4	16,200,000	0	644,933,877	112.9
C16	ARRA	25,876,214	0	639,794,311	112.0	25,876,214	0	670,810,091	117.4

### 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. For example, in a declining economy, the Medicaid eligible population generally increases, resulting in an increase in the number of individuals accessing services without any changes in Medicaid policy. Additionally, because Medicaid is an entitlement program, if 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 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 with the exception of the growth rate of 25% for the Medicaid Expansion Programs (MEP). Growth rates anticipated for the Private Nursing Home program are 4.64% in 2012 and 4.80% in 2013 which are below the 2010/2011 growth factors. FMAP Rate Change - This request results from a change in the Federal Medical Assistance Percentage of 76.28% in SFY 2011 to 70.89% for SFY 2012 and 70.73% for SFY 2013. This decrease in federal matching affects almost all Medicaid programs. Restore Base (Loss of ARRA) - ARRA was put into place in 2008 through December 2010. As a result of its discontinuance, DMS will lose approximately \$175 million in federal funding from base funding for its programs in 2012 and 2013. This request is to replace the amount lost from the discontinuance of ARRA in December 2010 for the Private Nursing Home program of \$25.9 million.
C03	The American Recovery and Reinvestment Act of 2009 (ARRA) was put into place October 2008 through December 2010. This request is to discontinue the appropriation that was exclusively established for the ARRA stimulus expenditures. This funding will not be available for SFY 2012 and 2013.
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.
C16	Request the continued American Recovery and Reinvestment Act (ARRA) funding available to support programs and/or projects.

## Change Level by Appropriation

**Appropriation:** 897 - DHS DMS–Grants Paying Account / Prescription Drugs  
**Funding Sources:** PWD - Grants Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	330,998,852	0	330,998,852	100.0	330,998,852	0	330,998,852	100.0
C01	Existing Program	27,739,294	0	358,738,146	108.4	32,676,890	0	363,675,742	109.9
C03	Discontinue Program	(12,949,459)	0	345,788,687	104.5	(12,949,459)	0	350,726,283	106.0
C05	Unfunded Appropriation	20,000,000	0	365,788,687	110.5	21,600,000	0	372,326,283	112.5
C16	ARRA	12,949,459	0	378,738,146	114.4	12,949,459	0	385,275,742	116.4

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	330,998,852	0	330,998,852	100.0	330,998,852	0	330,998,852	100.0
C01	Existing Program	27,739,294	0	358,738,146	108.4	32,676,890	0	363,675,742	109.9
C03	Discontinue Program	(12,949,459)	0	345,788,687	104.5	(12,949,459)	0	350,726,283	106.0
C05	Unfunded Appropriation	20,000,000	0	365,788,687	110.5	21,600,000	0	372,326,283	112.5
C16	ARRA	12,949,459	0	378,738,146	114.4	12,949,459	0	385,275,742	116.4

### 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. For example, in a declining economy, the Medicaid eligible population generally increases, resulting in an increase in the number of individuals accessing services without any changes in Medicaid policy. Additionally, because Medicaid is an entitlement program, if 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 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 with the exception of the growth rate of 25% for the Medicaid Expansion Programs (MEP). Growth rates anticipated for the Prescription Drug program are 1% excluding the Medicare Part D Clawback payments in 2012 and 2013. FMAP Rate Change - This request results from a change in the Federal Medical Assistance Percentage of 76.28% in SFY 2011 to 70.89% for SFY 2012 and 70.73% for SFY 2013. This decrease in federal matching affects almost all Medicaid programs. Restore Base (Loss of ARRA) - ARRA was put into place in 2008 through December 2010. As a result of its discontinuance, DMS will lose approximately \$175 million in federal funding from base funding for its programs in 2012 and 2013. This request is to replace the amount lost from the discontinuance of ARRA in December 2010 for the Prescription Drug Program of \$12.9 million. Medicare Part D - Clawback Adjustment - Medicare Part D was recalculated for the impact of ARRA in late SFY 2010 which resulted in a credit/decrease in billing of \$24.6 million. Therefore part of SFY 2010 and SFY 2011 had no payment. The base has a remaining credit of approximately \$4.2 million and reduced payments of approximately \$7 million through December 2010. This request for 2012 and 2013 calculates the requirements based on the regular FMAP with no ARRA for the Part D population excluding those that are in the ARSeniors program which are paid from Expansion appropriation.
C03	The American Recovery and Reinvestment Act of 2009 (ARRA) was put into place October 2008 through December 2010. This request is to discontinue the appropriation that was exclusively established for the ARRA stimulus expenditures. This funding will not be available for SFY 2012 and 2013.
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.
C16	Request the continued American Recovery and Reinvestment Act (ARRA) funding available to support programs and/or projects.

## Change Level by Appropriation

**Appropriation:** 897 - DHS DMS–Grants Paying Account / Hospital and Medical Services  
**Funding Sources:** PWD - Grants Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,074,471,484	0	3,074,471,484	100.0	3,074,471,484	0	3,074,471,484	100.0
C01	Existing Program	301,989,077	0	3,376,460,561	109.8	492,031,162	0	3,566,502,646	116.0
C03	Discontinue Program	(146,311,582)	0	3,230,148,979	105.1	(146,311,582)	0	3,420,191,064	111.2
C05	Unfunded Appropriation	150,000,000	0	3,380,148,979	109.9	162,000,000	0	3,582,191,064	116.5
C08	Technology	80,000,000	0	3,460,148,979	112.5	70,000,000	0	3,652,191,064	118.8
C16	ARRA	124,379,652	0	3,584,528,631	116.6	124,379,652	0	3,776,570,716	122.8

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,074,471,484	0	3,074,471,484	100.0	3,074,471,484	0	3,074,471,484	100.0
C01	Existing Program	301,989,077	0	3,376,460,561	109.8	492,031,162	0	3,566,502,646	116.0
C03	Discontinue Program	(146,311,582)	0	3,230,148,979	105.1	(146,311,582)	0	3,420,191,064	111.2
C05	Unfunded Appropriation	150,000,000	0	3,380,148,979	109.9	162,000,000	0	3,582,191,064	116.5
C08	Technology	80,000,000	0	3,460,148,979	112.5	70,000,000	0	3,652,191,064	118.8
C16	ARRA	124,379,652	0	3,584,528,631	116.6	124,379,652	0	3,776,570,716	122.8

### 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. For example, in a declining economy, the Medicaid eligible population generally increases, resulting in an increase in the number of individuals accessing services without any changes in Medicaid policy. Additionally, because Medicaid is an entitlement program, if 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 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 with the exception of the growth rate of 25% for the Medicaid Expansion Programs (MEP). Growth rates anticipated for the Hospital/Medical program are 7% excluding cost settlements and Health Information Technology (HIT) Provider Reimbursement which are anticipated to remain level in 2012 and 2013. FMAP Rate Change - This request results from a change in the Federal Medical Assistance Percentage of 76.28% in SFY 2011 to 70.89% for SFY 2012 and 70.73% for SFY 2013. This decrease in federal matching affects almost all Medicaid programs. Restore Base (Loss of ARRA) - ARRA was put into place in 2008 through December 2010. As a result of its discontinuance, DMS will lose approximately \$175 million in federal funding from base funding for its programs in 2012 and 2013. This request is to replace the amount lost from the discontinuance of ARRA in December 2010 for the Hospital/Medical program of \$124.4 million. Shortfall Other Funding - The Medicaid Trust Fund had accumulated a balance which was used in place of additional general revenue in funding the SFY 2011 and 2012 budgets. The Medicaid Trust Fund balance will be depleted during SFY 2012, therefore the amount from the base is not available for SFY 2013.
C03	Suspend implementation of \$22 million in optional Hospital/Medical expansions and \$11 million in ArKids expansions that were included in the SFY 2011 base. Discontinue AARA (590:00:52) - The American Recovery and Reinvestment Act of 2009 (ARRA) was put into place October 2008 through December 2010. This request is to discontinue the appropriation that was exclusively established for the ARRA stimulus expenditures. This funding will not be available for SFY 2012 and 2013.
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

<b>Justification</b>	
C08	As a result of a required new architecture for Medicaid Management Information System (MMIS) and the expiration of the current system contract, DMS will be required to procure a new MMIS system. Centers for Medicare and Medicaid Services will provide 90% federal funds for development and implementation with some funding at 75% and 50% for maintenance and reimbursable expenses. This request is at an 85% federal match rate. IT Plan: Project Cost tab; Medicaid System Updates & Replacement.
C16	Request the continued American Recovery and Reinvestment Act (ARRA) funding available to support programs and/or projects.

## Change Level by Appropriation

**Appropriation:** 897 - DHS DMS–Grants Paying Account / ARKids B Program  
**Funding Sources:** PWD - Grants Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	109,108,809	0	109,108,809	100.0	109,108,809	0	109,108,809	100.0
C01	Existing Program	2,440,806	0	111,549,615	102.2	4,671,798	0	113,780,607	104.3
C03	Discontinue Program	(11,160,749)	0	100,388,866	92.0	(11,160,749)	0	102,619,858	94.1
C05	Unfunded Appropriation	15,000,000	0	115,388,866	105.8	16,000,000	0	118,619,858	108.7
C16	ARRA	253,559	0	115,642,425	106.0	253,559	0	118,873,417	108.9

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	109,108,809	0	109,108,809	100.0	109,108,809	0	109,108,809	100.0
C01	Existing Program	2,440,806	0	111,549,615	102.2	4,671,798	0	113,780,607	104.3
C03	Discontinue Program	(11,160,749)	0	100,388,866	92.0	(11,160,749)	0	102,619,858	94.1
C05	Unfunded Appropriation	15,000,000	0	115,388,866	105.8	16,000,000	0	118,619,858	108.7
C16	ARRA	253,559	0	115,642,425	106.0	253,559	0	118,873,417	108.9

### 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. For example, in a declining economy, the Medicaid eligible population generally increases, resulting in an increase in the number of individuals accessing services without any changes in Medicaid policy. Additionally, because Medicaid is an entitlement program, if 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 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 with the exception of the growth rate of 25% for the Medicaid Expansion Programs (MEP). Growth rates anticipated for the ARKids B program are 2% in 2012 and 2013. FMAP Rate Change - This request results from a change in the Federal Medical Assistance Percentage of 76.28% in SFY 2011 to 70.89% for SFY 2012 and 70.73% for SFY 2013. This decrease in federal matching affects almost all Medicaid programs. Restore Base (Loss of ARRA) - ARRA was put into place in 2008 through December 2010. As a result of its discontinuance, DMS will lose approximately \$175 million in federal funding from base funding for its programs in 2012 and 2013. This request is to replace the amount lost from the discontinuance of ARRA in December 2010 for the ARKids B program of \$254 thousand.
C03	Suspend implementation of \$22 million in optional Hospital/Medical expansions and \$11 million in ARKids expansions that were included in the SFY 2011 base. Discontinue AARA (590:00:52) - The American Recovery and Reinvestment Act of 2009 (ARRA) was put into place October 2008 through December 2010. This request is to discontinue the appropriation that was exclusively established for the ARRA stimulus expenditures. This funding will not be available for SFY 2012 and 2013.
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.
C16	Request the continued American Recovery and Reinvestment Act (ARRA) funding available to support programs and/or projects.



## **Analysis of Budget Request**

**Appropriation:** 898 - DHS DMS—Grants Paying Account

**Funding Sources:** PWE - Grants Paying

### **Child and Family Life Institute Appropriation referenced on page 522**

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 523**

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 intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, various program support which can include Medicaid match, and the Medicaid Trust Fund.

The agency Base Level request for this appropriation is \$21,716,788 each year of the biennium with general revenue of \$5,398,055.

The agency Change Level request for this appropriation is \$3,672,885 in FY2012 and \$4,383,796 in FY2013 with general revenue request of \$0 in FY2012 and \$1,639,795 in FY2013 which includes adjustments for the FMAP reduction. The following delineates the agency's request:

- \$1,672,885 in FY2012 and \$2,327,796 in FY2013 for growth.
- \$2,000,000 in FY2012 and \$2,056,000 in FY2013 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.
- ARRA appropriation is being discontinued.

The Executive Recommendation provides for the Agency Request.

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

- \$1,413,976 in FY2013 for growth; and
- \$225,819 in FY2013 for the FMAP change.

#### **Public Nursing Home Care Appropriation referenced on page 524**

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 \$185,670,840 each year of the biennium with general revenue of \$4,393,947.

The agency Change Level request for this appropriation is \$25,934,948 in FY2012 and \$36,311,223 in FY2013 with general revenue request of \$0 in FY2012 and \$1,612,763 in FY2013 which includes adjustments for the FMAP reduction. The following delineates the agency's request:

- \$15,934,948 in FY2012 and \$25,511,223 in FY2013 for growth.
- \$10,000,000 in FY2012 and \$10,800,000 in FY2013 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.
- ARRA appropriation is being discontinued.

The Executive Recommendation provides for the Agency Request.

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

- \$1,389,925 in FY2013 for growth; and
- \$222,838 in FY2013 for the FMAP change.

## Appropriation Summary

**Appropriation:** 898 - DHS DMS–Grants Paying Account/Child & Family Life Institute

**Funding Sources:** PWE - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 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
<b>Total</b>	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
<b>Funding Sources</b>									
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
<b>Total Funding</b>	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
<b>Grand Total</b>	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 DMS–Grants Paying Account/Infant Infirmary

**Funding Sources:** PWE - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Infant Infirmary	5100004	19,780,266	21,716,788	28,251,589	21,716,788	25,389,673	25,389,673	21,716,788	26,100,584	26,100,584
Infant Infirmary-ARRA 2009	5900052	1,717,705	1,035,812	4,901,102	0	0	0	0	0	0
<b>Total</b>		<b>21,497,971</b>	<b>22,752,600</b>	<b>33,152,691</b>	<b>21,716,788</b>	<b>25,389,673</b>	<b>25,389,673</b>	<b>21,716,788</b>	<b>26,100,584</b>	<b>26,100,584</b>
<b>Funding Sources</b>										
General Revenue	4000010	4,094,346	5,398,055		5,398,055	5,398,055	5,398,055	5,398,055	7,037,850	7,037,850
Federal Revenue	4000020	15,685,920	16,318,733		16,318,733	16,580,939	16,580,939	16,318,733	17,006,734	17,006,734
Trust Fund	4000050	0	0		0	1,035,812	1,035,812	0	0	0
Federal Funds-ARRA	4000244	1,717,705	1,035,812		0	0	0	0	0	0
ICF/MR Provider Fee	4000282	0	0		0	185,452	185,452	0	0	0
Various Program Support	4000730	0	0		0	189,415	189,415	0	0	0
<b>Total Funding</b>		<b>21,497,971</b>	<b>22,752,600</b>		<b>21,716,788</b>	<b>23,389,673</b>	<b>23,389,673</b>	<b>21,716,788</b>	<b>24,044,584</b>	<b>24,044,584</b>
Excess Appropriation/(Funding)		0	0		0	2,000,000	2,000,000	0	2,056,000	2,056,000
<b>Grand Total</b>		<b>21,497,971</b>	<b>22,752,600</b>		<b>21,716,788</b>	<b>25,389,673</b>	<b>25,389,673</b>	<b>21,716,788</b>	<b>26,100,584</b>	<b>26,100,584</b>

## Appropriation Summary

**Appropriation:** 898 - DHS DMS-Grants Paying Account/Public Nursing Home Care

**Funding Sources:** PWE - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Public Nursing Home Care 5100004	160,516,100	185,670,840	229,940,266	185,670,840	211,605,788	211,605,788	185,670,840	221,982,063	221,982,063
Public Nursing Home Care-ARRA : 5900052	13,931,504	8,760,434	40,875,288	0	0	0	0	0	0
<b>Total</b>	<b>174,447,604</b>	<b>194,431,274</b>	<b>270,815,554</b>	<b>185,670,840</b>	<b>211,605,788</b>	<b>211,605,788</b>	<b>185,670,840</b>	<b>221,982,063</b>	<b>221,982,063</b>
<b>Funding Sources</b>									
General Revenue 4000010	2,845,626	4,393,947		4,393,947	4,393,947	4,393,947	4,393,947	6,006,710	6,006,710
Federal Revenue 4000020	127,291,011	139,443,920		139,443,920	142,918,343	142,918,343	139,443,920	149,369,073	149,369,073
Federal Funds-ARRA 4000244	13,931,504	8,760,434		0	0	0	0	0	0
ICF/MR Provider Fee 4000282	1,412,961	0		0	0	0	0	0	0
Quality Assurance Fee 4000395	898,988	966,810		966,810	966,810	966,810	966,810	966,810	966,810
Various Program Support 4000730	28,067,514	40,866,163		40,866,163	53,326,688	53,326,688	40,866,163	54,839,470	54,839,470
<b>Total Funding</b>	<b>174,447,604</b>	<b>194,431,274</b>		<b>185,670,840</b>	<b>201,605,788</b>	<b>201,605,788</b>	<b>185,670,840</b>	<b>211,182,063</b>	<b>211,182,063</b>
Excess Appropriation/(Funding)	0	0		0	10,000,000	10,000,000	0	10,800,000	10,800,000
<b>Grand Total</b>	<b>174,447,604</b>	<b>194,431,274</b>		<b>185,670,840</b>	<b>211,605,788</b>	<b>211,605,788</b>	<b>185,670,840</b>	<b>221,982,063</b>	<b>221,982,063</b>

## Change Level by Appropriation

**Appropriation:** 898 - DHS DMS–Grants Paying Account / Child & Family Life Institute  
**Funding Sources:** PWE - Grants Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	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		2011-2012	Pos	Cumulative	% of BL	2012-2013	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 DMS–Grants Paying Account / Infant Infirmary  
**Funding Sources:** PWE - Grants Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	21,716,788	0	21,716,788	100.0	21,716,788	0	21,716,788	100.0
C01	Existing Program	1,672,885	0	23,389,673	107.7	2,327,796	0	24,044,584	110.7
C03	Discontinue Program	(1,035,812)	0	22,353,861	102.9	(1,035,812)	0	23,008,772	105.9
C05	Unfunded Appropriation	2,000,000	0	24,353,861	112.1	2,056,000	0	25,064,772	115.4
C16	ARRA	1,035,812	0	25,389,673	116.9	1,035,812	0	26,100,584	120.2

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	21,716,788	0	21,716,788	100.0	21,716,788	0	21,716,788	100.0
C01	Existing Program	1,672,885	0	23,389,673	107.7	2,327,796	0	24,044,584	110.7
C03	Discontinue Program	(1,035,812)	0	22,353,861	102.9	(1,035,812)	0	23,008,772	105.9
C05	Unfunded Appropriation	2,000,000	0	24,353,861	112.1	2,056,000	0	25,064,772	115.4
C16	ARRA	1,035,812	0	25,389,673	116.9	1,035,812	0	26,100,584	120.2

### 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. For example, in a declining economy, the Medicaid eligible population generally increases, resulting in an increase in the number of individuals accessing services without any changes in Medicaid policy. Additionally, because Medicaid is an entitlement program, if 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 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 with the exception of the growth rate of 25% for the Medicaid Expansion Programs (MEP). Growth rates anticipated for the Infant Infirmary program are 2.8% in 2012 and 2013. FMAP Rate Change - This request results from a change in the Federal Medical Assistance Percentage of 76.28% in SFY 2011 to 70.89% for SFY 2012 and 70.73% for SFY 2013. This decrease in federal matching affects almost all Medicaid programs. Restore Base (Loss of ARRA) - ARRA was put into place in 2008 through December 2010. As a result of its discontinuance, DMS will lose approximately \$175 million in federal funding from base funding for its programs in 2012 and 2013. This request is to replace the amount lost from the discontinuance of ARRA in December 2010 for the Infant Infirmary program of \$1million.
C03	The American Recovery and Reinvestment Act of 2009 (ARRA) was put into place October 2008 through December 2010. This request is to discontinue the appropriation that was exclusively established for the ARRA stimulus expenditures. This funding will not be available for SFY 2012 and 2013.
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.
C16	Request the continued American Recovery and Reinvestment Act (ARRA) funding available to support programs and/or projects.



## Change Level by Appropriation

**Appropriation:** 898 - DHS DMS–Grants Paying Account / Public Nursing Home Care  
**Funding Sources:** PWE - Grants Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	185,670,840	0	185,670,840	100.0	185,670,840	0	185,670,840	100.0
C01	Existing Program	15,934,948	0	201,605,788	108.6	25,511,223	0	211,182,063	113.7
C03	Discontinue Program	(8,760,434)	0	192,845,354	103.9	(8,760,434)	0	202,421,629	109.0
C05	Unfunded Appropriation	10,000,000	0	202,845,354	109.2	10,800,000	0	213,221,629	114.8
C16	ARRA	8,760,434	0	211,605,788	114.0	8,760,434	0	221,982,063	119.6

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	185,670,840	0	185,670,840	100.0	185,670,840	0	185,670,840	100.0
C01	Existing Program	15,934,948	0	201,605,788	108.6	25,511,223	0	211,182,063	113.7
C03	Discontinue Program	(8,760,434)	0	192,845,354	103.9	(8,760,434)	0	202,421,629	109.0
C05	Unfunded Appropriation	10,000,000	0	202,845,354	109.2	10,800,000	0	213,221,629	114.8
C16	ARRA	8,760,434	0	211,605,788	114.0	8,760,434	0	221,982,063	119.6

### 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. For example, in a declining economy, the Medicaid eligible population generally increases, resulting in an increase in the number of individuals accessing services without any changes in Medicaid policy. Additionally, because Medicaid is an entitlement program, if 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 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 with the exception of the growth rate of 25% for the Medicaid Expansion Programs (MEP). Growth rates anticipated for the Public Nursing Home program are 3.69% in 2012 and 4.75% in 2013. FMAP Rate Change - This request results from a change in the Federal Medical Assistance Percentage of 76.28% in SFY 2011 to 70.89% for SFY 2012 and 70.73% for SFY 2013. This decrease in federal matching affects almost all Medicaid programs. Restore Base (Loss of ARRA) - ARRA was put into place in 2008 through December 2010. As a result of its discontinuance, DMS will lose approximately \$175 million in federal funding from base funding for its programs in 2012 and 2013. This request is to replace the amount lost from the discontinuance of ARRA in December 2010 for the Public Nursing Home program of \$8.8 million.
C03	The American Recovery and Reinvestment Act of 2009 (ARRA) was put into place October 2008 through December 2010. This request is to discontinue the appropriation that was exclusively established for the ARRA stimulus expenditures. This funding will not be available for SFY 2012 and 2013.
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.
C16	Request the continued American Recovery and Reinvestment Act (ARRA) funding available to support programs and/or projects.

# DHS - Services For The Blind

## Enabling Laws

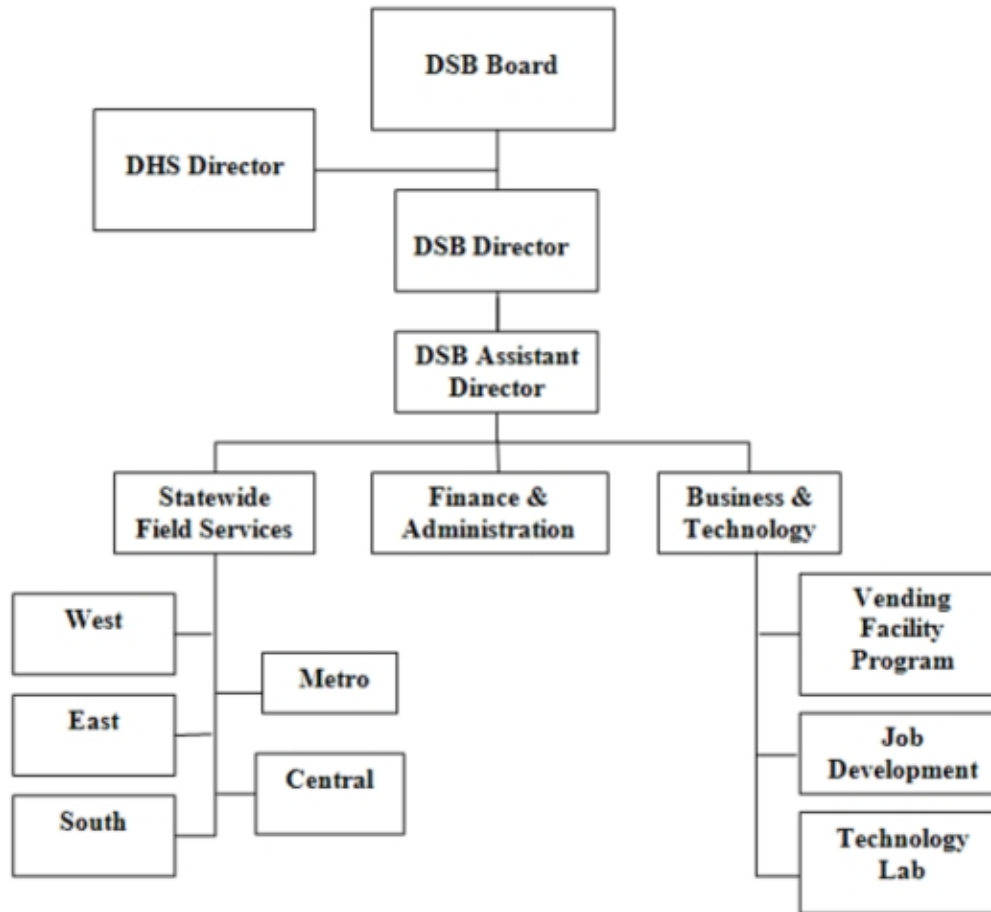
Act 125 of 2010  
A.C.A. §25-10-201 et seq.

## 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.



## Agency Commentary

The DHS Division of Services for the Blind (DSB) is responsible for the provision of rehabilitation services to blind and severely visually impaired persons in Arkansas, age 14 and older. Such services are provided through the Vocational Rehabilitation (VR) Program focused on employment, and the Older Individuals who are Blind Program (OIB), focused on independent living skills training. Specially trained itinerant counselors travel the state to arrange for, purchase or personally deliver services necessary to the rehabilitation goals of eligible individuals. 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 Division is required to maintain matching funds (Maintenance of Effort) in the VR program at a dollar amount equal to that it expended two years previously. In so doing, the division qualifies for additional federal funds re-allotted from other states in the event those states are unable to meet the required match. The matching rate for the OIB program is 10%.

For the 2011-2013 biennium, DSB seeks approval of four federally funded initiatives above base level to enable the division to expand its partnerships with local service providers and other stakeholders in the field of rehabilitation. No additional general revenue is required.

#### LOCAL CONTRACTS FOR JOB DEVELOPMENT

DSB requests appropriation to utilize available federal funding in operating Fund Center 896 to contract with local service providers experienced in developing job settings for employment of individuals with vision impairment. Contracting entities will work with interested employers to identify existing jobs and restructure other jobs within business, industry and government, that can be done successfully by DSB consumers. This is part of a nationwide initiative within state rehabilitation agencies to involve business, industry and government employers in the development stage of skills training for potential future employees and to educate employers on the cost-effectiveness and tax advantages of employing individuals with limited vision and other disabling conditions. No additional general revenue is required.

#### NET-BASED CONSUMER STATISTICAL SYSTEM

DSB requests appropriation to utilize available federal funding in operating Fund Center 896 to support the conversion of the Blind Services Information System (consumer service statistics and their costs) to a web based program to improve service efficiency, in keeping with the long-range plan approved by the Rehabilitation Services Administration. No additional general revenue is involved.

#### AUDIO/VIDEO CONFERENCING EQUIPMENT

DSB requests appropriation to utilize available federal funding in operating Fund Center 896 to purchase an enhanced audio/visual conferencing system to support communication and training for staff statewide, particularly those with hearing and vision impairment, and control meeting costs. Additionally, the request seeks to provide for Capital Outlay (Commitment Item 11), in the event the cost of an item, normally purchased under Maintenance and Operation (Commitment Item 02), exceeds the allowable "02" cost ceiling. No additional general revenue is required.

#### PURCHASED SERVICES FOR CONSUMERS

DSB requests appropriation to utilize available federal funding in operating Fund Center 898 to purchase equipment, supplies and services for blind or severely visually impaired persons in support of individual plans for employment. Purchased Services may include surgery, technological equipment, devices and supplies for alternatives to print, on-the-job and other training costs, tuition, books, fees, etc. No additional general revenue is required for this request.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

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

## 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	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	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	4,920,576	81	6,263,624	85	5,866,311	75	4,927,540	75	6,120,678	74	6,120,678	74	4,927,540	75	5,928,680	74	5,928,680	74
898 Purchase of Services	2,819,376	0	3,631,409	0	2,770,628	0	2,573,558	0	3,393,558	0	3,393,558	0	2,573,558	0	3,784,558	0	3,784,558	0
<b>Total</b>	<b>7,739,952</b>	<b>81</b>	<b>9,895,033</b>	<b>85</b>	<b>8,636,939</b>	<b>75</b>	<b>7,501,098</b>	<b>75</b>	<b>9,514,236</b>	<b>74</b>	<b>9,514,236</b>	<b>74</b>	<b>7,501,098</b>	<b>75</b>	<b>9,713,238</b>	<b>74</b>	<b>9,713,238</b>	<b>74</b>

Funding Sources		%		%		%		%		%		%		%		%
General Revenue 4000010	1,794,376	23.2	1,884,897	19.0			1,880,943	25.1	1,880,943	19.8	1,880,943	19.8	1,880,943	25.1	1,880,943	19.4
Federal Revenue 4000020	5,256,899	67.9	7,629,206	77.1			5,620,155	74.9	7,633,293	80.2	7,633,293	80.2	5,620,155	74.9	7,832,295	80.6
Federal Funds-ARRA 4000244	689,534	8.9	380,930	3.8			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources 4000410	(857)	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Funds</b>	<b>7,739,952</b>	<b>100.0</b>	<b>9,895,033</b>	<b>100.0</b>			<b>7,501,098</b>	<b>100.0</b>	<b>9,514,236</b>	<b>100.0</b>	<b>9,514,236</b>	<b>100.0</b>	<b>7,501,098</b>	<b>100.0</b>	<b>9,713,238</b>	<b>100.0</b>
Excess Appropriation/(Funding)	0		0				0		0		0		0		0	
<b>Grand Total</b>	<b>7,739,952</b>		<b>9,895,033</b>				<b>7,501,098</b>		<b>9,514,236</b>		<b>9,514,236</b>		<b>7,501,098</b>		<b>9,713,238</b>	

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
69	65	8	73	-4	5.80 %	75	76	0	76	-1	-1.33 %	75	77	8	85	-10	-2.67 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 242 of 2010 section 17(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 DSB–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. 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. Federal funding sources include revenues derived from the federal Department of Education - Rehabilitation Services Administration, Social Security Administration; as well as, federal grant funding such as the Social Services Block Grant.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

### 896 DHS - Administrative Paying Account

The agency Base Level request for the Operations appropriation is \$4,927,540 for each year of the biennium with 75 budgeted Base Level positions.

### 898 DHS - Grants Paying Account

The agency Base Level request for the Purchase of Services line item is \$2,573,558 each year of the biennium.

The agency Change Level requests for the Operations appropriation total \$1,193,138 in FY2012 and \$1,001,140 in FY2013, with no request for additional general revenue in the 2011-2013 biennium. The following delineates the agency's request:



- Transfer 1 position to the Division of Medical Services with appropriation to be responsible for and provide oversight of the Medicaid coding structure and rate files for non-institutional reimbursement.
- Reclassification on five (5) positions due to the duties and responsibilities changing since the pay plan study.
- \$91,900 in FY2012 and \$99,902 in FY2013 is requested for the Operating Expenses line item for telecommunications, rent, travel expenses, vehicle insurance, association & membership dues, tuition & course material, fuel purchases, office supplies, data processing supplies and software & licenses. This includes continuation of FY2011 Miscellaneous Federal Grant Appropriation.
- \$20,000 each year of the biennium is requested for the Conference & Travel Expenses line item for continuation of FY2011 Miscellaneous Federal Grant Appropriation to support the comprehensive system of personnel development as specified in the state plan for vocational rehabilitation.
- \$1,100,000 in FY2012 and \$900,000 in FY2013 is requested for the Professional Fees line item to support contracts to serve blind and severely visually impaired consumers and for a conversion of the Blind Services Information System to a web based program. This includes continuation of FY2011 Miscellaneous Federal Grant Appropriation.
- \$25,000 each year of the biennium is requested for the Capital Outlay line item to purchase equipment such as an enhanced audio/visual conferencing system to support communication and training for staff statewide.
- ARRA appropriation is being discontinued.

The agency Change Level requests for the Purchase of Services line items total \$820,000 in FY2012 and \$1,211,000 in FY2013, with no request for additional general revenue in the 2011-2013 biennium. The following delineates the agency's request:

- \$760,000 in FY2012 and \$1,211,000 in FY2013 is requested for the grants line item for continuation of FY2011 Miscellaneous Federal Grant Appropriation for the vocational rehabilitation program services. Also, additional appropriation is requested to purchase equipment and services for the blind and visually impaired consumers.
- \$60,000 in FY2012 is requested for the Purchases of Services - ARRA 2009 line item to purchase equipment and services for blind and severely visually impaired consumers. No appropriation is requested for this line item in FY2013.

The Executive Recommendation provides for the Agency Request in the Operations appropriation except for the reclassifications.

The Executive Recommendation provides for the Agency Request in the Purchase of Services line item.

# Appropriation Summary

**Appropriation:** 896 - DHS DSB-Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,750,662	2,998,817	3,059,740	2,976,637	2,944,388	2,944,388	2,976,637	2,944,388	2,944,388
<b>#Positions</b>	<b>81</b>	<b>85</b>	<b>75</b>	<b>75</b>	<b>74</b>	<b>74</b>	<b>75</b>	<b>74</b>	<b>74</b>
Extra Help 5010001	7,923	190,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
<b>#Extra Help</b>	<b>10</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
Personal Services Matching 5010003	813,224	899,960	977,289	985,253	973,740	973,740	985,253	973,740	973,740
Operating Expenses 5020002	554,903	764,159	642,150	642,150	734,050	734,050	642,150	742,052	742,052
Conference & Travel Expenses 5050009	23,732	40,000	20,000	20,000	40,000	40,000	20,000	40,000	40,000
Professional Fees 5060010	144,986	1,123,793	263,500	263,500	1,363,500	1,363,500	263,500	1,163,500	1,163,500
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Purchase of Services 5100004	2,751,039	3,472,374	2,573,558	2,573,558	3,333,558	3,333,558	2,573,558	3,784,558	3,784,558
Capital Outlay 5120011	3,949	25,000	25,000	0	25,000	25,000	0	25,000	25,000
Purchase of Svs-ARRA 2009 5900052	68,337	159,035	197,070	0	60,000	60,000	0	0	0
ARRA of 2009 5900052	621,197	221,895	838,632	0	0	0	0	0	0
<b>Total</b>	<b>7,739,952</b>	<b>9,895,033</b>	<b>8,636,939</b>	<b>7,501,098</b>	<b>9,514,236</b>	<b>9,514,236</b>	<b>7,501,098</b>	<b>9,713,238</b>	<b>9,713,238</b>

Funding Sources									
General Revenue 4000010	1,794,376	1,884,897		1,880,943	1,880,943	1,880,943	1,880,943	1,880,943	1,880,943
Federal Revenue 4000020	5,256,899	7,629,206		5,620,155	7,633,293	7,633,293	5,620,155	7,832,295	7,832,295
Federal Funds-ARRA 4000244	689,534	380,930		0	0	0	0	0	0
Reallocation of Resources 4000410	(857)	0		0	0	0	0	0	0
<b>Total Funding</b>	<b>7,739,952</b>	<b>9,895,033</b>		<b>7,501,098</b>	<b>9,514,236</b>	<b>9,514,236</b>	<b>7,501,098</b>	<b>9,713,238</b>	<b>9,713,238</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>7,739,952</b>	<b>9,895,033</b>		<b>7,501,098</b>	<b>9,514,236</b>	<b>9,514,236</b>	<b>7,501,098</b>	<b>9,713,238</b>	<b>9,713,238</b>

Budgeted positions exceeds Authorized due to positions established through the authority of the Miscellaneous Federal Program Act.  
 Budget exceeds Authorized Appropriation due to Appropriation established through the authority of the Miscellaneous Federal Program Act.  
 The FY10 funding includes a General Revenue fund transfer to the DHS - Division of County Operations by Authority of Reallocation of Resources.

## Change Level by Appropriation

**Appropriation:** 896 - DHS DSB--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,927,540</b>	<b>75</b>	<b>4,927,540</b>	<b>100.0</b>	<b>4,927,540</b>	<b>75</b>	<b>4,927,540</b>	<b>100.0</b>
C01	Existing Program	25,000	0	4,952,540	100.5	25,000	0	4,952,540	100.5
C03	Discontinue Program	(465,109)	(10)	4,487,431	91.1	(465,109)	(10)	4,487,431	91.1
C06	Restore Position/Approp	766,900	0	5,254,331	106.6	668,902	0	5,156,333	104.6
C07	Agency Transfer	(43,762)	(1)	5,210,569	105.7	(43,762)	(1)	5,112,571	103.8
C08	Technology	445,000	0	5,655,569	114.8	351,000	0	5,463,571	110.9
C10	Reclass	0	0	5,655,569	114.8	0	0	5,463,571	110.9
C16	ARRA	465,109	10	6,120,678	124.2	465,109	10	5,928,680	120.3

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,927,540</b>	<b>75</b>	<b>4,927,540</b>	<b>100.0</b>	<b>4,927,540</b>	<b>75</b>	<b>4,927,540</b>	<b>100.0</b>
C01	Existing Program	25,000	0	4,952,540	100.5	25,000	0	4,952,540	100.5
C03	Discontinue Program	(465,109)	(10)	4,487,431	91.1	(465,109)	(10)	4,487,431	91.1
C06	Restore Position/Approp	766,900	0	5,254,331	106.6	668,902	0	5,156,333	104.6
C07	Agency Transfer	(43,762)	(1)	5,210,569	105.7	(43,762)	(1)	5,112,571	103.8
C08	Technology	445,000	0	5,655,569	114.8	351,000	0	5,463,571	110.9
C10	Reclass	0	0	5,655,569	114.8	0	0	5,463,571	110.9
C16	ARRA	465,109	10	6,120,678	124.2	465,109	10	5,928,680	120.3

### Justification

C01	DSB requests appropriation to utilize available federal funding in operating Fund Center 896 to purchase an enhanced audio/visual conferencing system to support communication and training for staff statewide, particularly those with hearing and vision impairment. Such equipment is intended to enhance access to teleconferencing and to minimize the need for meeting-related travel. Additionally, the request seeks to provide for Capital Outlay (Commitment Item 11) appropriation, in the event the cost of an item, normally purchased under Maintenance and Operation (Commitment Item 02), exceeds the allowable "02" cost ceiling. No additional general revenue is required.
C03	DSB requests discontinuation of American Recovery and Reinvestment Act appropriation in Fund Center 896 to adjust authorized budget to anticipated remaining fund balance for this fund source.

## Change Level by Appropriation

<b>Justification</b>	
C06	DSB requests appropriation for continuation of miscellaneous federal grant in operating Fund Center 896 to contract with local service providers experienced in developing job settings for employment of individuals with vision impairment. Contracting entities will work with interested employers to identify existing jobs and restructure other jobs within business, industry and government, that can be performed successfully by persons who are blind or severely visually impaired. Further, contracting sources will work directly with DSB consumers to promote their success on the job site and follow up to ensure employer satisfaction. This is part of a nationwide initiative within state rehabilitation agencies to involve business, industry and government employers in the development stage of skills-training curricula for potential future employees. The contractors would also educate employers on the cost-effectiveness and tax advantages of employing individuals with limited vision and other disabling conditions. Such employees bring to the job setting, not only their own pre-assessed excellent skills and work ethic, but the on-going technical support of DSB that historically has proven to be a cost-effective investment for employers. No additional general revenue is required. DSB requests appropriation for continuation of miscellaneous federal grant authorization in operating Fund Center 896 to provide for necessary training to mid-level managers and other staff to strengthen organizational structure and skills and to follow up on any corrective action that may come about as a result of pending federal review. This training is part of the long-range plan for succession planning under the state plan, in partnership with the Technical Assistance and Continuing Education (TACE) center, sponsored by federal Rehabilitation Services Administration. No additional general revenue is required. DSB requests appropriation for continuation of miscellaneous federal grant in operating Fund Center 896 to provide for maintenance & operating costs for anticipated increase in expenses connected with web-based support for itinerant service delivery, office supplies and maintenance, rent, non-conference training and education required under federal law for the high number of new staff due to retirement and other turnover, support of local stakeholder activities such as participation in support groups, mentoring in public schools, transition from school to employment or post-secondary education, etc., for services to individuals who are blind or severely visually impaired. No additional general revenue is required.
C07	DSB is transferring position 22101973 to the Division of Medical Services at their request. This position is needed by Medical Services because it has sole responsibility and oversight of the Medicaid coding structure and rate files for non-institutional reimbursement. Critical responsibilities include managing the yearly conversion process to ensure compliance with ever changing state and federal regulations. Position works closely with other Medicaid program managers to ensure that the structure accurately reflects the intent of the program using industry coding standards.
C08	DSB requests appropriation to utilize available federal revenue in operating Fund Center 896 to support the conversion of the Blind Services Information System (consumer service statistics and their costs) to a web based program to improve service efficiency, in keeping with the long-range plan approved by the Rehabilitation Services Administration. The Blind Services Information System upgrade project is under projects in the DSB 2012-2013 IT Plan. No additional general revenue is involved.
C10	In 2009 federally mandated corrective action progress in organizational structure was impeded by the results of the pay plan study which upgraded certain DSB area supervisors to L037C (C120) Rehabilitation Area Manager, but left the statewide administrators classified as C121C Rehab Program Manager (also C120). One such C120 statewide Rehab Program Manager (position 22101136) directly supervises all five C120 area managers. This negated the incentive for area supervisors to aspire to take on statewide responsibility and weakened DSB's ability to give the mandatory assurance required in the state plan that the division is authorized sufficient staff at the right levels to carry out the mandates of the state plan. It also weakens the ability for DSB to demonstrate that it has the administrative capacity to "recruit and retain qualified staff". Progressively more responsible experience in the field of rehabilitation is a key part of the succession planning guidelines of the Comprehensive System of Personnel Development required in 34 CFR 361.18. DSB is certain that this flaw in the organizational chart will definitely be questioned when RSA officials return again in FFY 2011 for full-scale federal review. The division seeks to be proactive in correcting this problem. RSA Guidelines implementing 34 CFR 361.18 require all five DSB area supervisors to be certified as vocational rehabilitation counselors in order for them to supervise other certified vocational rehabilitation counselors who serve blind and severely visually impaired consumers at the local level. In the highly specialized field of rehabilitation of blind individuals, DSB may not always be able to recruit individuals who meet the minimum qualifications including certification, however, under the state plan, it needs to demonstrate the legislatively authorized capacity to recruit certified staff. If unable to recruit certified candidates, DSB would downgrade to the non-certified level and mandate new hires to acquire certification within a limited timeframe as required in the RSA guidelines.
C16	Continued American Recovery and Reinvestment Act (ARRA) funding available to support programs and/or projects.

## Change Level by Appropriation

**Appropriation:** 898 - DHS DSB–Grants Paying Account  
**Funding Sources:** PWE - Grants Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,573,558</b>	<b>0</b>	<b>2,573,558</b>	<b>100.0</b>	<b>2,573,558</b>	<b>0</b>	<b>2,573,558</b>	<b>100.0</b>
C01	Existing Program	0	0	2,573,558	100.0	312,184	0	2,885,742	112.1
C03	Discontinue Program	(99,035)	0	2,474,523	96.2	(159,035)	0	2,726,707	106.0
C06	Restore Position/Approp	760,000	0	3,234,523	125.7	898,816	0	3,625,523	140.9
C16	ARRA	159,035	0	3,393,558	131.9	159,035	0	3,784,558	147.1

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,573,558</b>	<b>0</b>	<b>2,573,558</b>	<b>100.0</b>	<b>2,573,558</b>	<b>0</b>	<b>2,573,558</b>	<b>100.0</b>
C01	Existing Program	0	0	2,573,558	100.0	312,184	0	2,885,742	112.1
C03	Discontinue Program	(99,035)	0	2,474,523	96.2	(159,035)	0	2,726,707	106.0
C06	Restore Position/Approp	760,000	0	3,234,523	125.7	898,816	0	3,625,523	140.9
C16	ARRA	159,035	0	3,393,558	131.9	159,035	0	3,784,558	147.1

### Justification

C01	DSB requests appropriation in Funds Center 898 to allow counselors to purchase technological equipment, training, college or Vo-tech tuition, books, fees, surgical procedures, and other specialized services to enable persons who are blind or severely visually impaired to gain independence and secure appropriate employment. In addition, appropriation will assist DSB to contract with local service providers to secure on the job training opportunities for consumers. The services purchased must comply with federal Rehabilitation Services Administration (RSA) guidelines and the approved vocational rehabilitation state plan. No additional general revenue is required for this request.
C03	DSB requests discontinuation of American Recovery and Reinvestment Act appropriation in Fund Center 896 to adjust authorized budget to anticipated remaining fund balance for this fund source.
C06	DSB requests continuation of miscellaneous federal grant appropriation in Funds Center 898 to allow counselors to purchase technological equipment, training, college or Vo-tech tuition, books, fees, surgical procedures, and other specialized services to enable persons who are blind or severely visually impaired to gain independence and secure appropriate employment. In addition, appropriation will assist DSB to contract with local service providers to secure on the job training opportunities for consumers. The services purchased must comply with federal Rehabilitation Services Administration (RSA) guidelines and the approved vocational rehabilitation state plan. No additional general revenue is required for this request.
C16	DSB requests continuation of American Recovery and Reinvestment Act (ARRA) authorization in Funds Center 898 to enable counselors to purchase additional equipment, training, surgery, supplies or other case services for blind or severely visually impaired consumers age 55 and older to enhance their independence. No additional general revenue is required for this request.

# DHS - Youth Services

## **Enabling Laws**

Act 228 of 2010

Act 298 of 2010

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

A.C.A. §9-28-205

## **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.D.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 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 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.

Act 972 of 2009 established a System of Education within the Division of Youth Services. This act established a partnership between the Division of Youth Services and the Arkansas Department of Education to implement a system of education in residential facilities operated by DYS that conform to the guidelines established by the Department of Education as set for in A.C.A. §9-28-205.

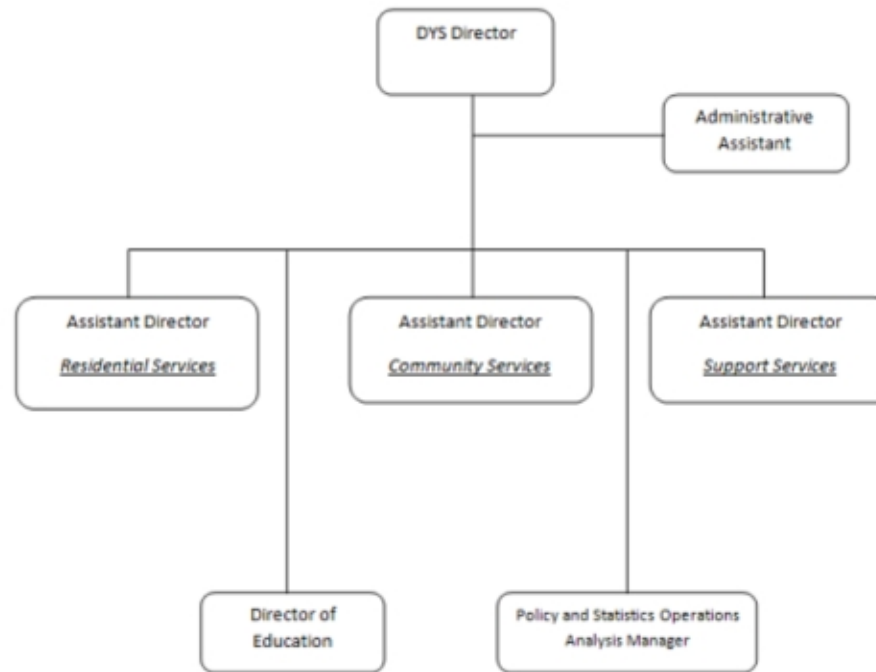
### **PRIMARY ACTIVITIES PROVIDED BY DYS**

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.

During FY 2009 and 2010, DYS' Executive Staff worked to re-establish and reinforce working relationships with juvenile courts throughout Arkansas. The goal of this effort was to make sure all partners involved within the juvenile justice system were fully aware of the various programs, other than residential placement, that are available to Arkansas youth. DYS accredits a reduction of commitments of 636 from FY 2009 to commitments of 533 in FY 2010 to the meetings and the effort of the Juvenile System Partners. DYS continues to be committed to the youth of Arkansas by continuing to put in place evidence-based and promising practice programs that are proven effective to reduce commitments and future involvement with the juvenile justice system.

### **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) 2011 - 2013 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:

- Enhanced community based services
- Community based intervention projects
- Evidenced-based prevention services
- Medical risk fund

The Division of Youth Services' 2011 - 2013 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 \$60,000 for both years of the biennium to provide adequate funding to support the medical needs of youth while housed in Juvenile Detention Centers pending placement.

The Division is requesting a change level for appropriation and general revenue funding in the amount of \$50,000 for both years of the biennium for conversion of the electronic surveillance systems at Arkansas Juvenile Assessment and Treatment Center and the Dermott Juvenile Treatment Program facilities. This conversion will align DYS' security plan with that of the Department. In addition, other DYS' facilities can be added to enhance the Division's security system.

The Division is requesting a change level for general revenue funds and appropriation for both years of the biennium in the amount of \$55,000 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 73 unbudgeted positions with appropriation only.

The Division is requesting a change level for the transfer of one budgeted position to the Division of Behavioral Health.

The Division is requesting a change level for the transfer of one budgeted position to the Division of Child Care and Early Childhood Education.

The Division is requesting a change level for the transfer of one budgeted position from the Division of Child Care and Early Childhood Education.

The Division is requesting a change level for the transfer of one budgeted position and unfunded appropriation to the Division of Medical Services.

The Division is requesting a change level for the transfer of three unbudgeted position from the Division of Administrative Support.

The Division is requesting a change level for appropriation only in the amount of \$27,508 for both years of the biennium for unfunded extra help appropriation and associated fringe in the event an emergency situation arises at a Residential Facility and staff would be needed immediately.

The Division is requesting a change level for appropriation only in the amount of \$8,004 for both years of the biennium for unfunded overtime appropriation and associated fringe in the event an emergency situation arises and an existing non-exempt DYS staff member would be required to work overtime.

The Division is requesting a change level for appropriation only in the amount of \$107,232 for both years of the biennium for based upon needs of medical services required or additional funding received to support mission critical objectives.

The Division is requesting a change level for appropriation only in the amount of \$62,064 for both years of the biennium for the surveillance systems located at DYS' Residential Facilities. This conversion will align DYS' security plan with that of the Department.

#### 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 \$1,000,000 for both years of the biennium to fund community based services for additional youth in existing community based programs as a result of programs focused on reduced commitments. In FY 09, DYS' had commitments of 636. This number reduced to 533 commitments in FY 10 and the number of CBP program units provided to youth during FY 2010 increased by 35,400. A unit represents services such as casework, therapy, emergency shelter, prevention, targeted case management, etc.

Fund Center 2RB: The Division is requesting a change level for appropriation and general revenue funding in the amount of \$2,000,000 for both years of the biennium to fund community based intervention projects. These projects are evidence based or provide effective programs that are designed to 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 additional appropriation in the amount of \$2,000,000 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 \$700,000 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.

#### 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 \$778,000 both years of the biennium to provide adequate funding in the areas of medical expenditures within residential facilities, specialty care contracts, and juvenile detention center contracts.

The Division is requesting a change level for appropriation only in the amount of \$2,200,000 for both years of the biennium to align with fund in the event adjustments are needed for residential contracts.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

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

## 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
Division of Youth Services System of Education	Act 972 of the Regular Session 87th General Assemb	N	Y	1	This report is to be provided annually on March 1 to the House Committee on Aging, Children and Youth, Legislative and Military Affairs and to the Senate Committee on Children and Youth. The report is to contain information regarding the state of the Division of Youth services System of Education.
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	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2QZ Community Based Sanctions	2,382,741	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	614,719	0	1,470,215	0	2,188,456	0	1,470,215	0	1,970,215	0	1,970,215	0	1,470,215	0	1,970,215	0	1,970,215	0
2RB Community Services	11,278,981	0	12,502,140	0	21,083,708	0	12,502,140	0	17,502,140	0	17,502,140	0	12,502,140	0	17,502,140	0	17,502,140	0
2RC Federal Child & Youth Service Grants	4,975,977	0	4,923,293	0	6,260,348	0	4,923,293	0	5,623,293	0	5,623,293	0	4,923,293	0	5,623,293	0	5,623,293	0
2YH Residential Services	27,435,821	0	27,348,648	0	35,402,401	0	27,348,648	0	30,326,648	0	30,326,648	0	27,348,648	0	30,326,648	0	30,326,648	0
896 Division of Youth Services	6,531,929	84	8,758,874	88	11,722,062	161	8,502,452	88	11,397,014	161	11,397,014	161	8,502,452	88	11,397,014	161	11,397,014	161
<b>Total</b>	<b>53,220,168</b>	<b>84</b>	<b>57,503,170</b>	<b>88</b>	<b>79,156,975</b>	<b>161</b>	<b>57,246,748</b>	<b>88</b>	<b>69,319,310</b>	<b>161</b>	<b>69,319,310</b>	<b>161</b>	<b>57,246,748</b>	<b>88</b>	<b>69,319,310</b>	<b>161</b>	<b>69,319,310</b>	<b>161</b>

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	44,833,641	84.2	48,352,886	84.1	48,255,346	84.3	52,198,346	85.3	50,255,346	84.8	48,255,346	84.3	52,198,346	85.3	50,255,346	84.8	
Federal Revenue	4000020	5,397,021	10.1	5,526,272	9.6	5,368,272	9.4	5,368,272	8.8	5,368,272	9.1	5,368,272	9.4	5,368,272	8.8	5,368,272	9.1	
Trust Fund	4000050	614,719	1.2	1,470,215	2.6	1,470,215	2.6	1,470,215	2.4	1,470,215	2.5	1,470,215	2.6	1,470,215	2.4	1,470,215	2.5	
Transfer to Ar Pub Defender	4000603	(95,965)	(0.2)	(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)	(0.8)	(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)	
Various Program Support	4000730	2,870,752	5.4	2,793,797	4.9	2,792,915	4.9	2,792,915	4.6	2,792,915	4.7	2,792,915	4.9	2,792,915	4.6	2,792,915	4.7	
<b>Total Funds</b>		<b>53,220,168</b>	<b>100.0</b>	<b>57,503,170</b>	<b>100.0</b>	<b>57,246,748</b>	<b>100.0</b>	<b>61,189,748</b>	<b>100.0</b>	<b>59,246,748</b>	<b>100.0</b>	<b>57,246,748</b>	<b>100.0</b>	<b>61,189,748</b>	<b>100.0</b>	<b>59,246,748</b>	<b>100.0</b>	
Excess Appropriation/(Funding)		0		0		0		8,129,562		10,072,562		0		8,129,562		10,072,562		
<b>Grand Total</b>		<b>53,220,168</b>		<b>57,503,170</b>		<b>57,246,748</b>		<b>69,319,310</b>		<b>69,319,310</b>		<b>57,246,748</b>		<b>69,319,310</b>		<b>69,319,310</b>		



## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
161	77	16	93	68	52.17 %	161	75	13	88	73	53.42 %	161	75	13	88	73	53.42 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 242 of 2010 section 17(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 and total 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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	2,382,741	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		2,382,741	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
<b>Funding Sources</b>										
General Revenue	4000010	2,382,741	2,500,000		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Funding		2,382,741	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		2,382,741	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 \$1,470,215 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	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	614,719	1,470,215	2,188,456	1,470,215	1,970,215	1,970,215	1,470,215	1,970,215	1,970,215
<b>Total</b>	<b>614,719</b>	<b>1,470,215</b>	<b>2,188,456</b>	<b>1,470,215</b>	<b>1,970,215</b>	<b>1,970,215</b>	<b>1,470,215</b>	<b>1,970,215</b>	<b>1,970,215</b>
<b>Funding Sources</b>									
Trust Fund 4000050	614,719	1,470,215		1,470,215	1,470,215	1,470,215	1,470,215	1,470,215	1,470,215
<b>Total Funding</b>	<b>614,719</b>	<b>1,470,215</b>		<b>1,470,215</b>	<b>1,470,215</b>	<b>1,470,215</b>	<b>1,470,215</b>	<b>1,470,215</b>	<b>1,470,215</b>
Excess Appropriation/(Funding)	0	0		0	500,000	500,000	0	500,000	500,000
<b>Grand Total</b>	<b>614,719</b>	<b>1,470,215</b>		<b>1,470,215</b>	<b>1,970,215</b>	<b>1,970,215</b>	<b>1,470,215</b>	<b>1,970,215</b>	<b>1,970,215</b>

## 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		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,470,215</b>	<b>0</b>	<b>1,470,215</b>	<b>100.0</b>	<b>1,470,215</b>	<b>0</b>	<b>1,470,215</b>	<b>100.0</b>
C05	Unfunded Appropriation	500,000	0	1,970,215	134.0	500,000	0	1,970,215	134.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,470,215</b>	<b>0</b>	<b>1,470,215</b>	<b>100.0</b>	<b>1,470,215</b>	<b>0</b>	<b>1,470,215</b>	<b>100.0</b>
C05	Unfunded Appropriation	500,000	0	1,970,215	134.0	500,000	0	1,970,215	134.0

### 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, nonprofit 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 \$12,502,140 each year of the biennium.

The Agency Change Level request for this appropriation is \$5,000,000 each year of the biennium of which \$3,000,000 each year is requested in new general revenue funding and \$2,000,000 is requested each year as unfunded appropriation. The increase in general revenue funded appropriation will be used to support DYS' objective to reduce commitments to Residential Facilities and extend community based services for additional youth in community based programs. Additionally, it will provide funding 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 anticipated increases in grant awards.

The Executive Recommendation provides for the Agency Request for appropriation with new general revenue funding of \$1,500,000 in each year of the biennium.

## 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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	11,278,981	12,502,140	21,083,708	12,502,140	17,502,140	17,502,140	12,502,140	17,502,140	17,502,140
<b>Total</b>		<b>11,278,981</b>	<b>12,502,140</b>	<b>21,083,708</b>	<b>12,502,140</b>	<b>17,502,140</b>	<b>17,502,140</b>	<b>12,502,140</b>	<b>17,502,140</b>	<b>17,502,140</b>
<b>Funding Sources</b>										
General Revenue	4000010	10,919,559	12,115,540		12,115,540	15,115,540	13,615,540	12,115,540	15,115,540	13,615,540
Various Program Support	4000730	359,422	386,600		386,600	386,600	386,600	386,600	386,600	386,600
<b>Total Funding</b>		<b>11,278,981</b>	<b>12,502,140</b>		<b>12,502,140</b>	<b>15,502,140</b>	<b>14,002,140</b>	<b>12,502,140</b>	<b>15,502,140</b>	<b>14,002,140</b>
Excess Appropriation/(Funding)		0	0		0	2,000,000	3,500,000	0	2,000,000	3,500,000
<b>Grand Total</b>		<b>11,278,981</b>	<b>12,502,140</b>		<b>12,502,140</b>	<b>17,502,140</b>	<b>17,502,140</b>	<b>12,502,140</b>	<b>17,502,140</b>	<b>17,502,140</b>



## Change Level by Appropriation

**Appropriation:** 2RB - Community Services  
**Funding Sources:** DYS - Youth Services Fund Account

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>12,502,140</b>	<b>0</b>	<b>12,502,140</b>	<b>100.0</b>	<b>12,502,140</b>	<b>0</b>	<b>12,502,140</b>	<b>100.0</b>
C01	Existing Program	3,000,000	0	15,502,140	124.0	3,000,000	0	15,502,140	124.0
C05	Unfunded Appropriation	2,000,000	0	17,502,140	140.0	2,000,000	0	17,502,140	140.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>12,502,140</b>	<b>0</b>	<b>12,502,140</b>	<b>100.0</b>	<b>12,502,140</b>	<b>0</b>	<b>12,502,140</b>	<b>100.0</b>
C01	Existing Program	3,000,000	0	15,502,140	124.0	3,000,000	0	15,502,140	124.0
C05	Unfunded Appropriation	2,000,000	0	17,502,140	140.0	2,000,000	0	17,502,140	140.0

### Justification

C01	1.) To provide funding for support DYS' objective to reduce commitments to Residential Facility and extended community based services for additional youth in CBP programs. 2.) To provide funding to address community based interventions to reduce commitments to DYS and from further involvement in the juvenile justice system.
C05	To request appropriation only for anticipated grant 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 \$4,923,293 each year of the biennium.

The Agency Change Level request for this appropriation is \$700,000 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	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	4,975,977	4,923,293	6,260,348	4,923,293	5,623,293	5,623,293	4,923,293	5,623,293	5,623,293
<b>Total</b>	<b>4,975,977</b>	<b>4,923,293</b>	<b>6,260,348</b>	<b>4,923,293</b>	<b>5,623,293</b>	<b>5,623,293</b>	<b>4,923,293</b>	<b>5,623,293</b>	<b>5,623,293</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	4,975,977	4,923,293		4,923,293	4,923,293	4,923,293	4,923,293	4,923,293	4,923,293
<b>Total Funding</b>	<b>4,975,977</b>	<b>4,923,293</b>		<b>4,923,293</b>	<b>4,923,293</b>	<b>4,923,293</b>	<b>4,923,293</b>	<b>4,923,293</b>	<b>4,923,293</b>
Excess Appropriation/(Funding)	0	0		0	700,000	700,000	0	700,000	700,000
<b>Grand Total</b>	<b>4,975,977</b>	<b>4,923,293</b>		<b>4,923,293</b>	<b>5,623,293</b>	<b>5,623,293</b>	<b>4,923,293</b>	<b>5,623,293</b>	<b>5,623,293</b>

## Change Level by Appropriation

**Appropriation:** 2RC - Federal Child & Youth Service Grants  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,923,293</b>	<b>0</b>	<b>4,923,293</b>	<b>100.0</b>	<b>4,923,293</b>	<b>0</b>	<b>4,923,293</b>	<b>100.0</b>
C05	Unfunded Appropriation	700,000	0	5,623,293	114.2	700,000	0	5,623,293	114.2

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,923,293</b>	<b>0</b>	<b>4,923,293</b>	<b>100.0</b>	<b>4,923,293</b>	<b>0</b>	<b>4,923,293</b>	<b>100.0</b>
C05	Unfunded Appropriation	700,000	0	5,623,293	114.2	700,000	0	5,623,293	114.2

### Justification

C05	Appropriation only for anticipated federal funding provided through the Juvenile Justice Delinquency Prevention program.
-----	--

## **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 \$27,348,648 each year of the biennium.

The Agency Change Level request for this appropriation is \$2,978,000 each year of the biennium of which \$778,000 each year is requested in new general revenue funding and \$2,200,000 is requested each year in unfunded appropriation to provide additional appropriation for contracts when funds are needed for contract adjustments. The general revenue portion of the request is requested to be used to cover increases in medical bills, specialty contracts and Juvenile Detention Center billing.

The Executive Recommendation provides for the Agency Request for appropriation with \$500,000 in new general revenue funding for each year of the biennium.

## 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			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	27,435,821	27,348,648	35,402,401	27,348,648	30,326,648	30,326,648	27,348,648	30,326,648	30,326,648
<b>Total</b>		<b>27,435,821</b>	<b>27,348,648</b>	<b>35,402,401</b>	<b>27,348,648</b>	<b>30,326,648</b>	<b>30,326,648</b>	<b>27,348,648</b>	<b>30,326,648</b>	<b>30,326,648</b>
<b>Funding Sources</b>										
General Revenue	4000010	24,967,295	25,014,548		25,014,548	25,792,548	25,514,548	25,014,548	25,792,548	25,514,548
Various Program Support	4000730	2,468,526	2,334,100		2,334,100	2,334,100	2,334,100	2,334,100	2,334,100	2,334,100
<b>Total Funding</b>		<b>27,435,821</b>	<b>27,348,648</b>		<b>27,348,648</b>	<b>28,126,648</b>	<b>27,848,648</b>	<b>27,348,648</b>	<b>28,126,648</b>	<b>27,848,648</b>
Excess Appropriation/(Funding)		0	0		0	2,200,000	2,478,000	0	2,200,000	2,478,000
<b>Grand Total</b>		<b>27,435,821</b>	<b>27,348,648</b>		<b>27,348,648</b>	<b>30,326,648</b>	<b>30,326,648</b>	<b>27,348,648</b>	<b>30,326,648</b>	<b>30,326,648</b>

## Change Level by Appropriation

**Appropriation:** 2YH - Residential Services  
**Funding Sources:** DYS - Youth Services Fund Account

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>27,348,648</b>	<b>0</b>	<b>27,348,648</b>	<b>100.0</b>	<b>27,348,648</b>	<b>0</b>	<b>27,348,648</b>	<b>100.0</b>
C01	Existing Program	778,000	0	28,126,648	102.8	778,000	0	28,126,648	102.8
C05	Unfunded Appropriation	2,200,000	0	30,326,648	110.9	2,200,000	0	30,326,648	110.9

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>27,348,648</b>	<b>0</b>	<b>27,348,648</b>	<b>100.0</b>	<b>27,348,648</b>	<b>0</b>	<b>27,348,648</b>	<b>100.0</b>
C01	Existing Program	778,000	0	28,126,648	102.8	778,000	0	28,126,648	102.8
C05	Unfunded Appropriation	2,200,000	0	30,326,648	110.9	2,200,000	0	30,326,648	110.9

### Justification

C01	DYS has experienced increased expenditures for medical bills, Specialty Contracts and Juvenile Detention Center billing in the past 5 fiscal years. This request would provide funding to support these needs. This includes an increase to ASAP evaluation and UAMS Mobile assessment contracts.
C05	To request appropriation only for anticipated grant 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 DYS–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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Base Level request for this appropriation is \$8,502,452 each year of the biennium with 88 positions each year.

The Agency Change Level request for this appropriation is \$2,894,562 each year of the biennium of which requested general revenue is \$165,000 each year. The general revenue request consists of the following components:

- \$20,000 each year of the biennium in new general revenue to provide adequate funding to support the medical needs of youth while housed in Juvenile Detention Centers pending placement.
- \$40,000 each year of the biennium in new general revenue to allow for contract adjustments based upon needs of medical services required or additional funding received to support Division objectives.
- \$105,000 each year of the biennium in new general revenue to replace aging air conditioning units, stoves, refrigerators and for the conversion of the surveillance systems located at DYS Residential Facilities.

The following delineates the agency's request:

- Restoration of seventy-three (73) that are authorized but not budgeted with salary and matching appropriation. 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 contracting with a provider.
- Transfer three (3) positions from the Division of Administrative Services (DAS) with salary and matching appropriation to have available in the event the division is required to take over the operations of a state facility.



- Transfer one (1) position from the Division of Childcare and Early Childhood Education (DCCECE) with salary and matching appropriation to support the operations of the Division.
- Transfer one (1) position to DCCECE with salary and matching appropriation that will be responsible for managing child health issues and concerns within DCCECE.
- Transfer one (1) position to the Division of Behavioral Health Services (DBHS) with salary and matching appropriation.
- Transfer one (1) position to the Division of Medical Services (DMS) with salary and matching appropriation.
- \$27,508 each year of the biennium in Extra Help appropriation only in the event an emergency situation arises at a Residential Facility and staff would be needed immediately.
- \$8,004 each year of the biennium in Overtime appropriation only in the event an emergency situation arises and an existing DYS employee would be required to work overtime.
- \$20,000 each year of the biennium in Operating Expenses in appropriation that will be used to provide adequate funding to support the medical needs of youth while housed in Juvenile Detention Centers pending placement.
- \$147,232 each year of the biennium in Professional Fees and Services appropriation. The increase will be used to allow for contract adjustments based upon needs of medical services required or additional funding received to support Division objectives.
- \$167,064 each year of the biennium in appropriation in Capital Outlay to replace aging air conditioning units, stoves and refrigerators at residential facilities. The request is also to provide additional appropriation for the conversion of the surveillance systems located at DYS Residential Facilities.

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

# Appropriation Summary

**Appropriation:** 896 - DHS DYS--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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,606,535	4,103,923	6,102,635	3,953,023	5,751,031	5,751,031	3,953,023	5,751,031	5,751,031
<b>#Positions</b>		<b>84</b>	<b>88</b>	<b>161</b>	<b>88</b>	<b>161</b>	<b>161</b>	<b>88</b>	<b>161</b>	<b>161</b>
Extra Help	5010001	1,960	12,500	40,008	12,500	40,008	40,008	12,500	40,008	40,008
<b>#Extra Help</b>		<b>1</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>
Personal Services Matching	5010003	1,038,291	1,250,850	2,010,518	1,250,589	1,977,335	1,977,335	1,250,589	1,977,335	1,977,335
Overtime	5010006	0	0	8,004	0	8,004	8,004	0	8,004	8,004
Operating Expenses	5020002	1,709,797	2,992,380	2,992,380	2,992,380	3,012,380	3,012,380	2,992,380	3,012,380	3,012,380
Conference & Travel Expenses	5050009	40,870	89,000	89,000	89,000	89,000	89,000	89,000	89,000	89,000
Professional Fees	5060010	78,796	204,960	312,192	204,960	352,192	352,192	204,960	352,192	352,192
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	55,680	105,261	167,325	0	167,064	167,064	0	167,064	167,064
<b>Total</b>		<b>6,531,929</b>	<b>8,758,874</b>	<b>11,722,062</b>	<b>8,502,452</b>	<b>11,397,014</b>	<b>11,397,014</b>	<b>8,502,452</b>	<b>11,397,014</b>	<b>11,397,014</b>

Funding Sources										
General Revenue	4000010	6,564,046	8,722,798		8,625,258	8,790,258	8,625,258	8,625,258	8,790,258	8,625,258
Federal Revenue	4000020	421,044	602,979		444,979	444,979	444,979	444,979	444,979	444,979
Transfer to Ar Pub Defender	4000603	(95,965)	(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)
Various Program Support	4000730	42,804	73,097		72,215	72,215	72,215	72,215	72,215	72,215
<b>Total Funding</b>		<b>6,531,929</b>	<b>8,758,874</b>		<b>8,502,452</b>	<b>8,667,452</b>	<b>8,502,452</b>	<b>8,502,452</b>	<b>8,667,452</b>	<b>8,502,452</b>
Excess Appropriation/(Funding)		0	0		0	2,729,562	2,894,562	0	2,729,562	2,894,562
<b>Grand Total</b>		<b>6,531,929</b>	<b>8,758,874</b>		<b>8,502,452</b>	<b>11,397,014</b>	<b>11,397,014</b>	<b>8,502,452</b>	<b>11,397,014</b>	<b>11,397,014</b>

## Change Level by Appropriation

**Appropriation:** 896 - DHS DYS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	8,502,452	88	8,502,452	100.0	8,502,452	88	8,502,452	100.0
C01	Existing Program	115,000	0	8,617,452	101.4	115,000	0	8,617,452	101.4
C05	Unfunded Appropriation	2,838,998	73	11,456,450	134.7	2,838,998	73	11,456,450	134.7
C07	Agency Transfer	(109,436)	0	11,347,014	133.5	(109,436)	0	11,347,014	133.5
C08	Technology	50,000	0	11,397,014	134.0	50,000	0	11,397,014	134.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	8,502,452	88	8,502,452	100.0	8,502,452	88	8,502,452	100.0
C01	Existing Program	115,000	0	8,617,452	101.4	115,000	0	8,617,452	101.4
C05	Unfunded Appropriation	2,838,998	73	11,456,450	134.7	2,838,998	73	11,456,450	134.7
C07	Agency Transfer	(109,436)	0	11,347,014	133.5	(109,436)	0	11,347,014	133.5
C08	Technology	50,000	0	11,397,014	134.0	50,000	0	11,397,014	134.0

### Justification

C01	1.) DYS has experienced increased expenditures for medical bills in the last 2 fiscal years. This request would provide adequate funding to support the medical needs of youth while housed in JDCs pending placement. 2.) DYS is responsible for all major repairs and equipment at each Residential Facility. This request would allow DYS to replace aging equipment such as refrigerators, stoves, and air conditioning units.
C05	1.) We are requesting restoration of unbudgeted positions to have available in the event the agency decides it would be more advantageous or critical for the state to operate a DYS facility (rather than a contracted provider). 2.) We are requesting restoration of fringe to go along with unbudgeted positions to have available in the event the agency decides it would be more advantageous or critical for the state to operate a DYS facility (rather than a contracted provider). 3.) We are requesting restoration of extra help appropriation in the event an emergency situation arises at a Residential Facility and staff would be needed immediately. 4.) We are requesting restoration of overtime salary appropriation in the event an emergency situation arises and an existing non-exempt DYS staff would be required to work overtime. 5.) We are requesting restoration of fringe appropriation in the event an emergency situation arises and a existing non-exempt DYS staff would be required to work overtime. 6.) We are requesting restoration of Professional Fees to allow for contract adjustments based upon needs of medical services required or additional funding received to support mission critical objectives. 7.) To provide additional appropriation for the conversion of the surveillance systems located at DYS' Residential Facilities. This conversion will align DYS' security plan with that of DHS.
C07	1) Three positions from DAS to DYS to support the operations of the Division. 22098555 MAIL SERVICES ASSISTAN, 22099901 FISCAL SUPPORT TECHNICIAN, 22112034 FISCAL SUPPORT TECHNICIAN 2.) One position from DCCECE to DYS to support the operations of the Division 22097700 ADMINISTRATIVE SPECIALIST I 3.) One position from DYS to DCCECE to support the operations of the Division 22102964 DHS Program Admin 4.) One position from DYS to DBHS to support the operations of the Division 22098608 Administrative Specialist 5.) Two positions and Fringe from DYS to DMS to support the operations of the Division 22100196 Youth Serv Adv and 22102091 Skilled Tradesman.
C08	To provide funding for the conversion of the surveillance systems located at DYS' Residential Facilities. This conversion will align DYS' security plan with that of DHS. This is located in the Division's IT Plan under the Major Application Tab - Electronic Surveillance System and the Projects Tab - Electronic Surveillance System Additional Sites.

# DEPARTMENT OF EMERGENCY MANAGEMENT

## Enabling Laws

Act 247 of 2010  
Act 805 of 2007  
A.C.A. §12-75-101 et al.

## History and Organization

The Arkansas Department of Emergency Management ("ADEM") initially established as the State Civil Defense Agency by Act 321 of 1953, was first located at Camp Robinson and attached to the Arkansas National Guard for administrative support. In 1957, the Agency relocated from the high-risk war targets of Little Rock and Little Rock AFB to the Conway City Hospital.

Act 156 of 1959 changed the Agency's title to Executive Office of Civil Defense and Disaster Relief. This began an evolutionary process of changing the Agency's function from nuclear war preparedness to preparing local governments and state agencies for an all hazard approach to emergencies and disasters.

In 1965, the Agency moved into an underground facility in Conway. This center provided nearly 100% protection from nuclear fallout and would sustain up to 100 persons for a period of two weeks without any outside sources of power, water, food or other necessities. It is here the Governor and his key staff would come in the event of a nuclear or terrorist attack. The facility was manned 24 hours per day, 7 days a week.

Act 38 of 1971 reorganized all state government agencies into thirteen major departments. This Agency was placed in the Department of Planning. Legislative research revealed a vague relationship with the Department in addition to a poor definition of the Agency's mission and goals.

Act 511 of 1973 changed the Executive Office of Civil Defense and Disaster Relief to the Office of Emergency Services, placed the Agency in the Department of Public Safety and clarified the Agency's mission and responsibilities.

Act 45 of 1981 abolished the Department of Public Safety. Since then, the Office of Emergency Services has been a separate agency reporting directly to the Governor. Act 646 of 1999 changed the Agency's title to Arkansas Department of Emergency Management (ADEM).

Following the September 11, 2001, terrorist attack on the nation, the Governor designated the ADEM Director as the Homeland Security Adviser for Arkansas, and ADEM as the state administrative agency for Homeland Security.

In June 2007 the Agency moved from the Conway location to the newly built State Emergency Operations Center located on Camp Robinson. The 39,180 sq. ft. building is designed to withstand an F4 tornado, contains water supply; emergency power; un-interruptible power supply; chemical filtration for HVAC; bunk capacity; showers; full kitchen facility; and secure communications capability. Additional communications include; Arkansas Wireless Information Network System, land-line telephone, Critical Infrastructure Warning Information Network, Arkansas Crime Information Center, National Warning System, Chemical Stockpile Emergency Preparedness Program hot-line, Arkansas Nuclear One Headline and Radio Amateur Civil Emergency Services.

Beginning in 2008 and continuing into 2010 the State's Emergency Operations Center stood up on multiple occasions to assist the citizens of Arkansas cope with 11 federally declared and several state declared disasters including flooding, ice storms, and tornados. The Governor held several press conferences from the facility while representatives from the Emergency Support Functions worked together to provide the necessary resources to our local jurisdictions.

**STATUTORY RESPONSIBILITY:** The Arkansas Department of Emergency Management is mandated by Act 511 of 1973 (A.C.A. §12-75-101 et al.) to establish and maintain a management system that, to the extent possible, effectively provides mitigation of and recovery from the effects of natural and man-made (including war) disasters.

**PRIMARY ACTIVITIES:** The above mandate is accomplished through programs (briefly described below) designed to incorporate an all hazards approach to risks within Arkansas; assist volunteers and other organizations to participate in an all hazards approach to risks within local areas; develop systems and procedures to rapidly deploy mitigation and recovery resources; continually exercise all plans and systems, evaluate results and make modifications; and coordinate the efforts of all organizations to insure an effective response to disasters. The Agency's employees, in addition to taking care of their daily activities as program managers, planners, accountants, administrative assistants, etc., must respond to disasters anywhere in the state with very little notice. They work under minimum supervision to provide direct support for response and recovery activities.

**HOMELAND SECURITY -** The Governor has designated the Agency Director as Arkansas' Homeland Security Adviser. Administration of the State's Homeland Security Program as well as management and administrative responsibilities for all grants received from the Department of Homeland Security/FEMA have been assigned to the Arkansas Department of Emergency Management.

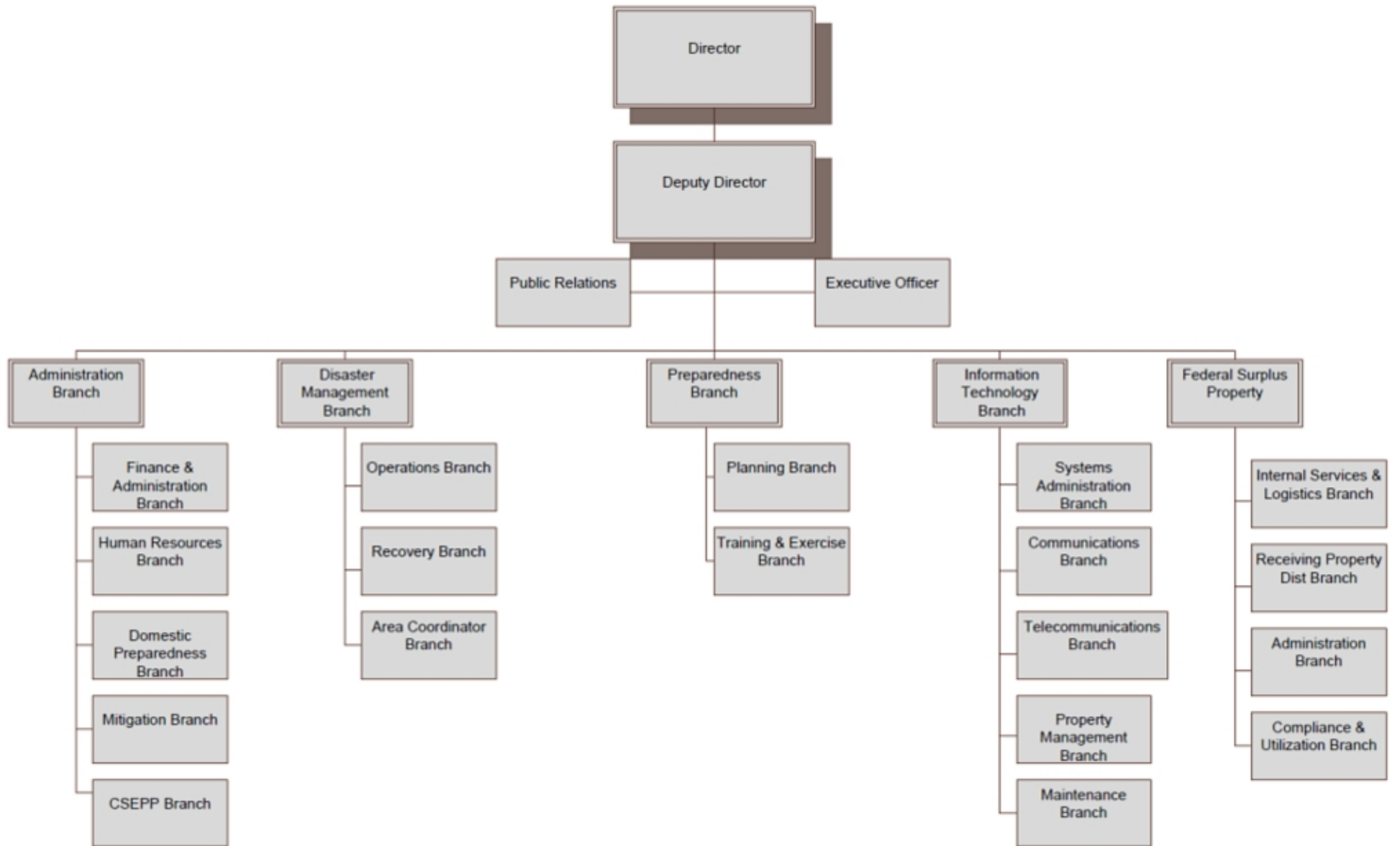
**EMERGENCY OPERATIONS -** Maintains a 24/7 watch to receive emergency warnings, reports of occurrences, requests for assistance, and other information; coordinates activities of all forces responding to requests for assistance from local governments; dispatches disaster response teams to make damage surveys and assist local officials in coordination of relief activities; operates a 24-hour a day statewide warning and communications system for alerting state agencies and local governments to the threat or occurrence of natural or man-made

disasters. The Agency is the state warning point for the National Warning System (NAWAS). This system is also used to coordinate disaster response activities.

**DISASTER ASSISTANCE** - Provides state and federal financial assistance to state agencies and local governments for the repair or replacement of public facilities damaged or destroyed by disasters. Provides advice to the Governor, and upon his request, collects the necessary data and prepares his letter to the President requesting federal assistance. Develops and processes local government and nonprofit organization applications to receive federal financial assistance for public damages, hazard mitigation projects as well as residents covered under the Individual and Family Assistance programs.

**PREPAREDNESS** - Maintains currency of State Emergency Operations Plan. Provides day to day guidance and assistance to local governments and other state agencies in developing and maintaining annexes to support the State in developing and updating emergency operations plans. Provides emergency management training to local and state emergency management personnel through seminars, workshops, conferences, etc. The program also provides emergency preparedness information to schools, industry and other non-governmental organizations. This program includes exercising all emergency plans and procedures.

**INFORMATION TECHNOLOGY** - Oversees all of our radio, cellular communications, and automatic data processing equipment. Provides guidance and technical assistance in purchasing, training, and operations of all Automatic Data Processing (ADP), cellular, and radio equipment for this agency and local government emergency management organizations; assists local governments and other state agencies in obtaining federal funds to purchase and maintain radios, ADP and other emergency equipment.



## **Agency Commentary**

The Arkansas Department of Emergency Management (ADEM) maintains a 24-hour/7-day watch to receive emergency warnings, reports of occurrences, requests for assistance and other information. ADEM's responsibilities include the following: coordinate activities of all forces responding to requests for assistance from local governments, ensure resource coordination for all areas requiring assistance, dispatch preliminary damage assessment teams to affected areas, provide state and federal assistance to state agencies and local governments for the repair or replacement of public facilities damaged or destroyed by natural or man-caused disasters. The Agency also provides advise to the Governor and upon his request, collects the necessary data and prepares his letter for the President requesting federal assistance, provides day-to-day guidance and assistance to local governments of Arkansas in developing and maintaining annexes to support the EOP's (Emergency Operation Plans) and assists local governments in developing and updating local EOPs.

ADEM provides emergency management training to local and state emergency management personnel through seminars, workshops and conferences. ADEM provides emergency information to schools, industry and other non-governmental organizations, maintains numerous information and telecommunications systems necessary to coordinate disaster response and recovery efforts, provides funding, guidance and technical assistance and in some cases full support to outside organizations related to these systems. At this time ADEM is approximately 85% federally funded, so grant management and administration is vital to the programs provided by ADEM.

ADEM has responded to 11 federally declared and numerous state declared disasters in the past 2 years. The state has seen destruction from ice storms, tornados and flooding that continue to disrupt the lives of our citizens. The receipt of a Federal declaration brings additional federal dollars into the state for assistance in the form of Individual Assistance, Public Assistance and Mitigation Grants whereas state declared disasters utilize the Governor's Disaster Fund to aid the survivors of the disaster.

ADEM employees in addition to being planners, accountants, administrative assistants, etc. taking care of the daily duties, must respond to disasters anywhere in the state with little notice. They work under minimum supervision to provide direct support for recovery activities.

Following the September 11, 2001, terrorist attack on the Nation, the Governor designated the ADEM Director as Arkansas' Homeland Security Adviser. Administrative responsibilities for Homeland Security and the grants provided from the Department of Homeland Security/FEMA have also been assigned to the Arkansas Department of Emergency Management.

In order for this Agency to move forward in catastrophic planning, increase the level of preparedness for all training statewide and meet the increased demands of Homeland Security we request the following:

Homeland Security (1EM) reflects a decrease of \$55,213 each year based upon anticipated federal grants.



ADEM Federal Surplus Property Program (59K) reflects a total increase in appropriation of \$491,717 each year of the biennium. Four (4) new positions have been requested in this area and will show an additional increase in appropriation for both years. The growth of this program since they joined ADEM in July 2009 has been great. Reports from the General Services Administration (GSA) shows Arkansas' program to be one of the best in the nation. We are receiving additional requests for equipment on a continuing basis. In order to secure the facility and replace the over the road trucks, Capital Outlay appropriation has been requested. Our increase also covers additional operational costs that have been realized due to the increasing effectiveness of the program.

State Operations (219) reflects a total increase from base level of \$852,050 for 2012 and \$480,050 for 2013. The costs will be matched 50% federal, 50% general revenue. In the past this appropriation has not correctly reflected the 50/50 requirement of the federal grant for which this appropriation is used. This biennial budget request accurately shows the 50/50 match requirement. For every federal dollar that is utilized the state must match that dollar. This request is due to an increase in federal funding that will require a 50% state match therefore a request for additional general revenue is also requested. In addition, prior to 2007 this agency was housed in a very small facility in Conway. Our budget, since our move to North Little Rock in June 2007 into a building 3 times bigger than the Conway facility, has remained the same. An increase in our general day-to-day operational expenses, maintenance, and automation upkeep has greatly increased although our budget has not. In order to maintain this facility and ensure that our citizens received the disaster response and recovery that they and our Governor expect will require an increase in our budget. Finally there is also an increase due to the closing of the Chemical Stockpile Emergency Preparedness Program (CSEPP). CSEPP has been in place in Arkansas for almost 20 years and over the course of that time has been able to assume many of the operational costs associated with the State Emergency Operations Center to include most of the data processing purchases/upgrades, installation/monthly costs of our connectivity through T-1 and other data lines, as well as much of the daily operational costs. With the close of this program this agency must rely on other eligible funding which will be the Emergency Management Performance Grant. However, the use of the grant does require a 50% state match and will therefore require an increase in general revenue. In addition to operational costs there will be an increase in the Conference and Travel line item to cover the costs associated with the annual meeting of the State's emergency managers as defined in the EMPG narrative. Capital Outlay will also show an increase due to needed upgrades for the Mobile Emergency Operations Center.

Federal Operations (220) reflects an increase of \$2,034,000 in FY2012 and \$2,024,000 for FY2013. These increases are due to the need for Capital Outlay and increased training to be conducted per the federal grant programs, all of these to be funded at 100% with anticipated federal funds.

Disaster Relief Grants (221) reflects an increase of \$395,502 for FY2012 which reflects a request for Capital Outlay as well as Professional Fees for projects that will be conducted to assist with the management of the disaster relief grants. The increase in FY2013 of \$247,002 will cover the required update of the State's Mitigation Plan. These increases are necessary to provide additional assistance and maintain an adequate level of readiness to respond to disasters. This appropriation is federally funded.

Emergency Operations Center (38V) - Cash reflects no change to the base level budget amount.

Hazardous Materials (613) reflects an increase of \$55,208 in FY2012 and \$15,208 in FY2013. Each year the increases will cover training classes associated with Hazardous Materials as well as Capital Outlay for the program during FY2012. This appropriation is 50% special and 50% federal revenue. The special revenue is a recording fee collected for chemical storage.

Disaster Relief Trust (740) reflects no change to the base level budget amount. The appropriation provides assistance to victims of state or federally declared disasters. Funds are collected through donations and the Arkansas Income Tax Check Off Program established by Act 1181 of 1997.

Radiological Emergency Response Grants (950) reflects an increase of \$25,000 in Capital Outlay each year to use in replacing outdated equipment. Funding is received from the Entergy Corporation.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF EMERGENCY MANAGEMENT  
FOR THE YEAR ENDED JUNE 30, 2008

Findings

None

Recommendations

None

## Employment Summary

	Male	Female	Total	%
White Employees	40	40	80	90 %
Black Employees	5	2	7	8 %
Other Racial Minorities	1	1	2	2 %
	Total Minorities		9	10 %
	Total Employees		89	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	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1EM Homeland Security	2,004	0	140,213	0	200,988	0	115,213	0	60,000	0	60,000	0	115,213	0	60,000	0	60,000	0
219 State Operations	3,177,170	58	3,722,320	62	3,437,949	62	3,705,529	62	4,557,579	62	3,705,529	62	3,705,529	62	4,385,579	62	3,705,529	62
220 Federal Operations	15,817,314	15	36,823,746	13	36,925,241	13	34,587,974	13	36,621,974	13	36,621,974	13	34,587,974	13	36,611,974	13	36,611,974	13
221 Disaster Relief Grants	101,995,641	5	103,681,273	6	103,525,669	6	103,656,038	6	104,051,540	6	104,051,540	6	103,656,038	6	103,903,040	6	103,903,040	6
38V Emergency Operations Center - Cash	350	0	342,043	0	367,906	0	342,043	0	342,043	0	342,043	0	342,043	0	342,043	0	342,043	0
59K ADEM Federal Surplus Property Prgm	1,561,344	16	1,877,878	16	1,897,938	16	1,876,307	16	2,368,024	20	1,876,307	16	1,876,307	16	2,368,024	20	1,876,307	16
613 Hazardous Materials	313,626	3	455,480	3	451,780	3	454,557	3	509,765	3	494,557	3	454,557	3	469,765	3	454,557	3
740 Disaster Relief Trust	0	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0
950 Radiological Emergency Response Grants	6,597	0	40,000	0	40,000	0	15,000	0	40,000	0	40,000	0	15,000	0	40,000	0	40,000	0
<b>Total</b>	<b>122,874,046</b>	<b>97</b>	<b>147,432,953</b>	<b>100</b>	<b>147,197,471</b>	<b>100</b>	<b>145,102,661</b>	<b>100</b>	<b>148,900,925</b>	<b>104</b>	<b>147,541,950</b>	<b>100</b>	<b>145,102,661</b>	<b>100</b>	<b>148,530,425</b>	<b>104</b>	<b>147,343,450</b>	<b>100</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	2,942,908	2.3	2,780,483	1.9		1,642,588	1.1	1,642,588	1.1	1,642,588	1.1	1,681,724	1.1	1,109,799	0.7	1,616,724	1.1
General Revenue	4000010	1,464,186	1.2	1,570,951	1.1		1,867,765	1.3	2,293,790	1.5	1,867,765	1.3	1,867,765	1.3	2,107,790	1.4	1,867,765	1.3
Federal Revenue	4000020	119,713,601	95.3	142,942,854	95.9		140,306,776	95.8	143,162,303	95.7	142,736,278	95.9	140,306,776	95.8	142,817,803	96.1	142,577,778	95.9
Special Revenue	4000030	1,303,384	1.0	1,746,253	1.2		2,205,000	1.5	2,205,000	1.5	2,205,000	1.5	2,205,000	1.5	2,205,000	1.5	2,205,000	1.5
Cash Fund	4000045	192,815	0.2	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Trust Fund	4000050	18,490	0.0	20,000	0.0		350,000	0.2	350,000	0.2	350,000	0.2	350,000	0.2	350,000	0.2	350,000	0.2
M & R Sales	4000340	4,145	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from DHS-Div of Hlth	4000511	15,000	0.0	15,000	0.0		15,000	0.0	15,000	0.0	15,000	0.0	15,000	0.0	15,000	0.0	15,000	0.0
Total Funds		125,654,529	100.0	149,075,541	100.0		146,387,129	100.0	149,668,681	100.0	148,816,631	100.0	146,426,265	100.0	148,605,392	100.0	148,632,267	100.0
Excess Appropriation/(Funding)		(2,780,483)		(1,642,588)			(1,284,468)		(767,756)		(1,274,681)		(1,323,604)		(74,967)		(1,288,817)	
Grand Total		122,874,046		147,432,953			145,102,661		148,900,925		147,541,950		145,102,661		148,530,425		147,343,450	

Variances in fund balances due to unfunded appropriation.

State Operations (219), Disaster Relief Grants (221) and Hazardous Materials (613) - The FY11 Budget amount exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
82	78	4	82	0	4.88 %	100	89	11	100	0	11.00 %	100	88	12	100	0	12.00 %

## **Analysis of Budget Request**

**Appropriation:** 1EM - Homeland Security

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The Department of Emergency Management has been designated by the federal government to be the administrative agency for the state's share of funding under the Homeland Security Act. The Department of Emergency Management is responsible for informing the general public and individuals involved in emergency response activities and implementing the provisions of the Act for Arkansas. This appropriation provides for the program of emergency preparedness services to state agencies and local governments. The program is funded with 75% federal funds and 25% state funds.

The Agency's Change Level requests total a (\$55,213) decrease each year and reflect the following:

- Regular Salaries and Personal Services Matching increase in the amount of \$30,000 each year based upon anticipated federal grant funding. Although the Agency has no positions budgeted for this appropriation, it is requesting to maintain a level of appropriation in Regular Salaries and Personal Services Matching in the event that it receives federal funding for positions. The Agency has one salary section in its appropriation act.
- Operating Expenses decrease of (\$55,213) each year.
- Elimination of Conference and Travel (\$10,000 each year) and Professional Fees (\$20,000 each year) based upon anticipated Federal grant funding.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 1EM - Homeland Security

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	46,844	0	22,225	22,225	0	22,225	22,225
<b>#Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching 5010003	0	0	13,931	0	7,775	7,775	0	7,775	7,775
Operating Expenses 5020002	2,004	85,213	85,213	85,213	30,000	30,000	85,213	30,000	30,000
Conference & Travel Expenses 5050009	0	10,000	10,000	10,000	0	0	10,000	0	0
Professional Fees 5060010	0	20,000	20,000	20,000	0	0	20,000	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	25,000	25,000	0	0	0	0	0	0
<b>Total</b>	<b>2,004</b>	<b>140,213</b>	<b>200,988</b>	<b>115,213</b>	<b>60,000</b>	<b>60,000</b>	<b>115,213</b>	<b>60,000</b>	<b>60,000</b>
<b>Funding Sources</b>									
General Revenue 4000010	186	35,054		15,000	15,000	15,000	15,000	15,000	15,000
Federal Revenue 4000020	1,818	105,159		45,000	45,000	45,000	45,000	45,000	45,000
<b>Total Funding</b>	<b>2,004</b>	<b>140,213</b>		<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>
Excess Appropriation/(Funding)	0	0		55,213	0	0	55,213	0	0
<b>Grand Total</b>	<b>2,004</b>	<b>140,213</b>		<b>115,213</b>	<b>60,000</b>	<b>60,000</b>	<b>115,213</b>	<b>60,000</b>	<b>60,000</b>

Although the Agency has no positions budgeted for this appropriation, it is requesting to maintain a level of appropriation in Regular Salaries and Personal Services matching in the event that it receives federal funding for positions. The Agency has one salary section in its appropriation act.

## Change Level by Appropriation

**Appropriation:** 1EM - Homeland Security  
**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>115,213</b>	<b>0</b>	<b>115,213</b>	<b>100.0</b>	<b>115,213</b>	<b>0</b>	<b>115,213</b>	<b>100.0</b>
C01	Existing Program	30,000	0	145,213	126.0	30,000	0	145,213	126.0
C03	Discontinue Program	(85,213)	0	60,000	52.1	(85,213)	0	60,000	52.1

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>115,213</b>	<b>0</b>	<b>115,213</b>	<b>100.0</b>	<b>115,213</b>	<b>0</b>	<b>115,213</b>	<b>100.0</b>
C01	Existing Program	30,000	0	145,213	126.0	30,000	0	145,213	126.0
C03	Discontinue Program	(85,213)	0	60,000	52.1	(85,213)	0	60,000	52.1

### Justification

C01	Agency is requesting Regular Salary and Personal Services Matching appropriation to match anticipated federal grant.
C03	Agency is reducing appropriation request to match anticipated federal grant.



## **Analysis of Budget Request**

**Appropriation:** 219 - State Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

This appropriation represents the State Operations portion of the Department of Emergency Management. The federal government provides matching funds for day-to-day (non-disaster) operation of the Agency.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum.

For almost twenty (20) years the federal Chemical Stockpile Emergency Preparedness Program ("CSEPP") has paid for data processing purchases/upgrades, installation/monthly costs of connectivity lines, as well as much of the daily operational costs. CSEPP is being closed and this source of federal funding will no longer be available.

Additionally, operating costs have increased substantially due to the Agency's move to a new state of the art facility in 2007; a facility three (3) times the size of its previous location in Conway.

Going forward, federal Emergency Management Performance Grant ("EMPG") funding will be the Agency's only source of federal funding to cover daily operational costs. The Agency is allocated EMPG funding sufficient to cover the cost of operations, but the EMPG funding carries a fifty percent (50%) state match requirement.

Therefore, the Agency's Change Level requests total \$852,050 in FY12, funded with \$426,025 in additional general revenue and \$480,050 in FY13, funded with \$240,025 in additional general revenue, and reflect the following:

- Operating Expenses increase in the amount of \$580,150 in FY12 and \$408,150 in FY13 for increased facility operating costs and data processing supplies formerly provided through CSEPP .
- Conference and Travel Expenses increase in the amount of \$46,900 each year for the state's emergency managers to attend the annual meeting required in the EMPG narrative.
- Capital Outlay in the amount of \$225,000 in FY12 and \$25,000 in FY13 for equipment purchases for the Mobile Emergency Operations Center in FY12 and computer replacement in FY12 and FY13.
- Reallocation of \$84,650 in Operating Expenses between GL codes to more accurately reflect anticipated expenses.

The Executive Recommendation provides for Base Level.

## Appropriation Summary

**Appropriation:** 219 - State Operations  
**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,182,318	2,371,363	2,138,111	2,357,713	2,357,713	2,357,713	2,357,713	2,357,713	2,357,713
<b>#Positions</b>		<b>58</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>
Personal Services Matching	5010003	706,397	756,426	705,307	765,785	765,785	765,785	765,785	765,785	765,785
Operating Expenses	5020002	279,871	515,269	515,269	515,269	1,095,419	515,269	515,269	923,419	515,269
Conference & Travel Expenses	5050009	8,584	11,262	11,262	11,262	58,162	11,262	11,262	58,162	11,262
Professional Fees	5060010	0	55,500	55,500	55,500	55,500	55,500	55,500	55,500	55,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	12,500	12,500	0	225,000	0	0	225,000	0
<b>Total</b>		<b>3,177,170</b>	<b>3,722,320</b>	<b>3,437,949</b>	<b>3,705,529</b>	<b>4,557,579</b>	<b>3,705,529</b>	<b>3,705,529</b>	<b>4,385,579</b>	<b>3,705,529</b>
<b>Funding Sources</b>										
General Revenue	4000010	1,464,000	1,535,897		1,852,765	2,278,790	1,852,765	1,852,765	2,092,790	1,852,765
Federal Revenue	4000020	1,709,025	2,186,423		1,852,764	2,278,789	1,852,764	1,852,764	2,092,789	1,852,764
M & R Sales	4000340	4,145	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>3,177,170</b>	<b>3,722,320</b>		<b>3,705,529</b>	<b>4,557,579</b>	<b>3,705,529</b>	<b>3,705,529</b>	<b>4,185,579</b>	<b>3,705,529</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	200,000	0
<b>Grand Total</b>		<b>3,177,170</b>	<b>3,722,320</b>		<b>3,705,529</b>	<b>4,557,579</b>	<b>3,705,529</b>	<b>3,705,529</b>	<b>4,385,579</b>	<b>3,705,529</b>

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.

## Change Level by Appropriation

**Appropriation:** 219 - State Operations  
**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,705,529</b>	<b>62</b>	<b>3,705,529</b>	<b>100.0</b>	<b>3,705,529</b>	<b>62</b>	<b>3,705,529</b>	<b>100.0</b>
C01	Existing Program	827,050	0	4,532,579	122.3	655,050	0	4,360,579	117.7
C04	Reallocation	0	0	4,532,579	122.3	0	0	4,360,579	117.7
C08	Technology	25,000	0	4,557,579	123.0	25,000	0	4,385,579	118.4

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,705,529</b>	<b>62</b>	<b>3,705,529</b>	<b>100.0</b>	<b>3,705,529</b>	<b>62</b>	<b>3,705,529</b>	<b>100.0</b>
C01	Existing Program	0	0	3,705,529	100.0	0	0	3,705,529	100.0
C04	Reallocation	0	0	3,705,529	100.0	0	0	3,705,529	100.0
C08	Technology	0	0	3,705,529	100.0	0	0	3,705,529	100.0

### Justification

C01	Additional operational costs for the State Emergency Operations Center have been identified due to the fact that our budget from 2007 to date has been based on expenses from our Conway facility. The move to North Little Rock into a facility 3 times bigger with more automation has caused an increase in day to day operational and replacement costs in order to continue to provide the level of customer service to disaster survivors expected by our citizens and Governor. We must now utilize our Emergency Management Performance Grant to cover all of these costs in addition to additional Conference Fees and Travel and Capital Outlay expenses. ADEM receives more than enough federal funds to cover all of these costs but since the grant is a 50% federal, 50% state cost match we will need additional general revenue in order to expend the federal grant and cover these expenses for the State.
C04	Agency has reallocated \$84,650 of Operating Expense appropriation between GL codes to more accurately reflect anticipated expenses.
C08	Agency is requesting \$25,000 in Capital Outlay each year for routine scheduled replacement of computers. IT Plan - Operations - Hardware

## **Analysis of Budget Request**

**Appropriation:** 220 - Federal Operations

**Funding Sources:** FKA - ADEM Federal

This appropriation represents the Federal Operations portion of the Emergency Services Program. This appropriation is fully funded with federal funds made available by the Federal Emergency Management Agency (FEMA).

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency's Change Level Request is a \$2,034,000 increase in FY12 and a \$2,024,000 increase in FY13 and reflects the following:

- Conference and Travel Expenses increase of \$34,000 in FY12 and \$24,000 in FY13 for grant mandated training of first responders.
- Capital Outlay of \$2,000,000 each year for the purchase/replacement of equipment for the Emergency Operations Center including additional capacity equipment for AWIN and a refrigerated truck for temporary mortuary needs during disasters.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 220 - Federal Operations

**Funding Sources:** FKA - ADEM Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	513,891	486,851	745,701	483,651	483,651	483,651	483,651	483,651	483,651
<b>#Positions</b>		<b>15</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
Extra Help	5010001	0	156,438	156,438	156,438	156,438	156,438	156,438	156,438	156,438
<b>#Extra Help</b>		<b>0</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
Personal Services Matching	5010003	154,438	165,756	245,801	170,584	170,584	170,584	170,584	170,584	170,584
Operating Expenses	5020002	809,258	788,417	751,017	751,017	751,017	751,017	751,017	751,017	751,017
Conference & Travel Expenses	5050009	175,538	185,780	185,780	185,780	219,780	219,780	185,780	209,780	209,780
Professional Fees	5060010	985,591	1,280,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	13,069,390	31,760,504	31,760,504	31,760,504	31,760,504	31,760,504	31,760,504	31,760,504	31,760,504
Capital Outlay	5120011	109,208	2,000,000	2,000,000	0	2,000,000	2,000,000	0	2,000,000	2,000,000
<b>Total</b>		<b>15,817,314</b>	<b>36,823,746</b>	<b>36,925,241</b>	<b>34,587,974</b>	<b>36,621,974</b>	<b>36,621,974</b>	<b>34,587,974</b>	<b>36,611,974</b>	<b>36,611,974</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	15,817,314	36,823,746		34,587,974	36,621,974	36,621,974	34,587,974	36,611,974	36,611,974
<b>Total Funding</b>		<b>15,817,314</b>	<b>36,823,746</b>		<b>34,587,974</b>	<b>36,621,974</b>	<b>36,621,974</b>	<b>34,587,974</b>	<b>36,611,974</b>	<b>36,611,974</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>15,817,314</b>	<b>36,823,746</b>		<b>34,587,974</b>	<b>36,621,974</b>	<b>36,621,974</b>	<b>34,587,974</b>	<b>36,611,974</b>	<b>36,611,974</b>

FY11 Budget exceeds Authorized appropriation in Operating Expenses and Professional Fees due to a transfer from the Miscellaneous Federal Grant Holding Account.

## Change Level by Appropriation

**Appropriation:** 220 - Federal Operations  
**Funding Sources:** FKA - ADEM Federal

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>34,587,974</b>	<b>13</b>	<b>34,587,974</b>	<b>100.0</b>	<b>34,587,974</b>	<b>13</b>	<b>34,587,974</b>	<b>100.0</b>
C01	Existing Program	2,034,000	0	36,621,974	105.9	2,024,000	0	36,611,974	105.9

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>34,587,974</b>	<b>13</b>	<b>34,587,974</b>	<b>100.0</b>	<b>34,587,974</b>	<b>13</b>	<b>34,587,974</b>	<b>100.0</b>
C01	Existing Program	2,034,000	0	36,621,974	105.9	2,024,000	0	36,611,974	105.9

### Justification

C01	The Agency is requesting an increase of \$34,000 in FY12 and \$24,000 in FY13 in Conference Fees and Travel Expenses to cover the costs of additional training that will be conducted for first responders in the state per federal grant guidelines. The Agency is requesting \$2,000,000 each year in Capital Outlay for the purchase of equipment per federal grant guidelines.
-----	--

## **Analysis of Budget Request**

**Appropriation:** 221 - Disaster Relief Grants

**Funding Sources:** FMD - ADEM - Disaster Relief Fund

The Federal Disaster Relief Grants program is funded with 100% federal funds. Funding is made available to the State when the President declares a disaster due to natural or man-made causes. This appropriation is for assistance granted to state and local governments and nonprofit organizations in their efforts to restore public facilities after a disaster has occurred.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency's Change Level Request is \$395,502 in FY12 and \$247,002 in FY13 and reflects the following:

- Operating Expenses of \$65,502 in FY12 and \$57,002 in FY13 for additional costs incurred with the increased number of natural disasters.
- Conference and Travel Expenses of \$30,000 each year for participation in meetings mandated by the grants awards.
- Professional Fees of \$260,000 in FY12 and \$160,000 in FY13 for database and assistance in updating the State's Mitigation Plan.
- Capital Outlay of \$40,000 in FY12 for the purchase/replacement of equipment for the Emergency Operations Center.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 221 - Disaster Relief Grants  
**Funding Sources:** FMD - ADEM - Disaster Relief Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	182,563	216,005	98,918	215,555	215,555	215,555	215,555	215,555	215,555
<b>#Positions</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Extra Help 5010001	84,949	625,751	625,751	625,751	625,751	625,751	625,751	625,751	625,751
<b>#Extra Help</b>	<b>7</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
Personal Services Matching 5010003	64,880	153,924	115,407	154,139	154,139	154,139	154,139	154,139	154,139
Overtime 5010006	3,962	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Operating Expenses 5020002	63,667	63,848	63,848	63,848	129,350	129,350	63,848	120,850	120,850
Conference & Travel Expenses 5050009	10,454	34,500	34,500	34,500	64,500	64,500	34,500	64,500	64,500
Professional Fees 5060010	105,600	40,000	40,000	40,000	300,000	300,000	40,000	200,000	200,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	101,458,806	102,347,245	102,347,245	102,347,245	102,347,245	102,347,245	102,347,245	102,347,245	102,347,245
Capital Outlay 5120011	20,760	25,000	25,000	0	40,000	40,000	0	0	0
<b>Total</b>	<b>101,995,641</b>	<b>103,681,273</b>	<b>103,525,669</b>	<b>103,656,038</b>	<b>104,051,540</b>	<b>104,051,540</b>	<b>103,656,038</b>	<b>103,903,040</b>	<b>103,903,040</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	101,995,641	103,681,273		103,656,038	104,051,540	104,051,540	103,656,038	103,903,040	103,903,040
Total Funding	101,995,641	103,681,273		103,656,038	104,051,540	104,051,540	103,656,038	103,903,040	103,903,040
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	101,995,641	103,681,273		103,656,038	104,051,540	104,051,540	103,656,038	103,903,040	103,903,040

FY11 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.



## Change Level by Appropriation

**Appropriation:** 221 - Disaster Relief Grants  
**Funding Sources:** FMD - ADEM - Disaster Relief Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>103,656,038</b>	<b>6</b>	<b>103,656,038</b>	<b>100.0</b>	<b>103,656,038</b>	<b>6</b>	<b>103,656,038</b>	<b>100.0</b>
C01	Existing Program	395,502	0	104,051,540	100.4	247,002	0	103,903,040	100.2

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>103,656,038</b>	<b>6</b>	<b>103,656,038</b>	<b>100.0</b>	<b>103,656,038</b>	<b>6</b>	<b>103,656,038</b>	<b>100.0</b>
C01	Existing Program	395,502	0	104,051,540	100.4	247,002	0	103,903,040	100.2

### Justification

C01	Increase is requested due to anticipated contracts required for the federal programs as well as additional operational costs and equipment that will be needed for staff.								
-----	---	--	--	--	--	--	--	--	--

## **Analysis of Budget Request**

**Appropriation:** 38V - Emergency Operations Center - Cash

**Funding Sources:** NEM - Sale of Conway EOC - Cash in Treasury

This Cash in Treasury funded appropriation is used to supplement operations and equipment expenses for the new Emergency Operations Center located at Camp Robinson. Funding came from installment payments from the sale of the old Emergency Operations Center in Conway.

The Agency is requesting Base Level for each year of the biennium. Use of appropriation is contingent upon the availability of funding.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 38V - Emergency Operations Center - Cash

**Funding Sources:** NEM - Sale of Conway EOC - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
EOC Expenses 5900046	350	342,043	367,906	342,043	342,043	342,043	342,043	342,043	342,043
Total	350	342,043	367,906	342,043	342,043	342,043	342,043	342,043	342,043
<b>Funding Sources</b>									
Fund Balance 4000005	152,114	342,043		0	0	0	0	0	0
Cash Fund 4000045	190,279	0		0	0	0	0	0	0
Total Funding	342,393	342,043		0	0	0	0	0	0
Excess Appropriation/(Funding)	(342,043)	0		342,043	342,043	342,043	342,043	342,043	342,043
Grand Total	350	342,043		342,043	342,043	342,043	342,043	342,043	342,043

## **Analysis of Budget Request**

**Appropriation:** 59K - ADEM Federal Surplus Property Prgm

**Funding Sources:** MHW - Federal Surplus Property

The Federal Surplus Property program acts as a broker in securing excess property from the federal government. This property is then made available to state and local governmental units as well as certain eligible schools and hospitals. Operating funds are derived from fees charged for services, which consist of the actual transportation fees and handling charges.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency's Change Level Request totals \$491,717 each year and reflect the following:

- Regular Salaries and Personal Services Matching increase of \$141,717 each year four (4) new positions needed to assist with the anticipated increase in property procured and distributed by the program.
- Professional Fees increase of \$200,000 in FY13 for planning costs associated with the construction of a new facility for the program.
- Capital Outlay of \$350,000 in FY12 and \$150,000 in FY13 for renovation of warehouse security systems, fencing and the purchase of an Over the Road tractor-trailer each year.

The Executive Recommendation provides for Base Level.

## Appropriation Summary

**Appropriation:** 59K - ADEM Federal Surplus Property Prgm

**Funding Sources:** MHW - Federal Surplus Property

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	506,964	564,068	558,933	562,607	664,942	562,607	562,607	664,942	562,607
<b>#Positions</b>		<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>20</b>	<b>16</b>	<b>16</b>	<b>20</b>	<b>16</b>
Extra Help	5010001	9,420	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
<b>#Extra Help</b>		<b>3</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Personal Services Matching	5010003	175,844	199,146	224,341	199,036	238,418	199,036	199,036	238,418	199,036
Overtime	5010006	16,013	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Operating Expenses	5020002	665,476	1,032,401	1,032,401	1,032,401	1,032,401	1,032,401	1,032,401	1,032,401	1,032,401
Conference & Travel Expenses	5050009	8,356	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Professional Fees	5060010	4,500	15,263	15,263	15,263	15,263	15,263	15,263	215,263	15,263
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	174,771	0	0	0	350,000	0	0	150,000	0
<b>Total</b>		<b>1,561,344</b>	<b>1,877,878</b>	<b>1,897,938</b>	<b>1,876,307</b>	<b>2,368,024</b>	<b>1,876,307</b>	<b>1,876,307</b>	<b>2,368,024</b>	<b>1,876,307</b>

Funding Sources										
Fund Balance	4000005	1,844,907	1,435,793		1,157,915	1,157,915	1,157,915	1,321,608	829,891	1,321,608
Special Revenue	4000030	1,152,230	1,600,000		2,040,000	2,040,000	2,040,000	2,040,000	2,040,000	2,040,000
<b>Total Funding</b>		<b>2,997,137</b>	<b>3,035,793</b>		<b>3,197,915</b>	<b>3,197,915</b>	<b>3,197,915</b>	<b>3,361,608</b>	<b>2,869,891</b>	<b>3,361,608</b>
Excess Appropriation/(Funding)		(1,435,793)	(1,157,915)		(1,321,608)	(829,891)	(1,321,608)	(1,485,301)	(501,867)	(1,485,301)
<b>Grand Total</b>		<b>1,561,344</b>	<b>1,877,878</b>		<b>1,876,307</b>	<b>2,368,024</b>	<b>1,876,307</b>	<b>1,876,307</b>	<b>2,368,024</b>	<b>1,876,307</b>

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.

## Change Level by Appropriation

**Appropriation:** 59K - ADEM Federal Surplus Property Prgm  
**Funding Sources:** MHW - Federal Surplus Property

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,876,307</b>	<b>16</b>	<b>1,876,307</b>	<b>100.0</b>	<b>1,876,307</b>	<b>16</b>	<b>1,876,307</b>	<b>100.0</b>
C01	Existing Program	491,717	4	2,368,024	126.2	491,717	4	2,368,024	126.2

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,876,307</b>	<b>16</b>	<b>1,876,307</b>	<b>100.0</b>	<b>1,876,307</b>	<b>16</b>	<b>1,876,307</b>	<b>100.0</b>
C01	Existing Program	0	0	1,876,307	100.0	0	0	1,876,307	100.0

### Justification

C01	Regular Salaries and Personal Services Matching increase of \$141,717 of each year in association with the Agency's request for four (4) new positions for the anticipated increase in property procured and distributed by the program, Professional Fees increase of \$200,000 in FY13 for planning costs associated with the construction of a new facility for the program, and Capital Outlay of \$350,000 in FY12 and \$150,000 in FY13 for renovation of warehouse security systems and fencing and the purchase of an Over the Road tractor-trailer each year.
-----	--

## **Analysis of Budget Request**

**Appropriation:** 613 - Hazardous Materials

**Funding Sources:** SMH - Hazardous Materials Emerg Mgmt

The State Office of Hazardous Materials Emergency Management, established by Act 634 of 1995, implements and enacts emergency planning and supports local emergency planning committees in response and recovery actions related to hazardous/toxic accidents occurring within the State. This appropriation is 50% funded from special revenues collected through annual fees levied on owners of hazardous storage facilities throughout the state and 50% federal matching funds. The Agency is using information obtained from inventory reports to compile a database of hazardous material storage which is made available to local authorities.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency's Change Level Request totals \$55,208 in FY12 and \$15,208 in FY13 and reflect the following:

- Conference and Travel Expenses increase of \$15,208 each year for additional grant training requirements.
- Capital Outlay of \$40,000 in FY12 to replace a vehicle, with federal funds, in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

The Executive Recommendation provides for Base Level plus Capital Outlay of \$40,000 in FY12.

## Appropriation Summary

**Appropriation:** 613 - Hazardous Materials  
**Funding Sources:** SMH - Hazardous Materials Emerg Mgmt

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	102,430	102,826	99,750	102,026	102,026	102,026	102,026	102,026	102,026
<b>#Positions</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Extra Help 5010001	0	32,176	32,176	32,176	32,176	32,176	32,176	32,176	32,176
<b>#Extra Help</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching 5010003	34,055	37,248	36,624	37,125	37,125	37,125	37,125	37,125	37,125
Operating Expenses 5020002	152,213	172,630	172,630	172,630	172,630	172,630	172,630	172,630	172,630
Conference & Travel Expenses 5050009	24,803	60,792	60,792	60,792	76,000	60,792	60,792	76,000	60,792
Professional Fees 5060010	0	39,808	39,808	39,808	39,808	39,808	39,808	39,808	39,808
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	125	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Capital Outlay 5120011	0	0	0	0	40,000	40,000	0	0	0
<b>Total</b>	<b>313,626</b>	<b>455,480</b>	<b>451,780</b>	<b>454,557</b>	<b>509,765</b>	<b>494,557</b>	<b>454,557</b>	<b>469,765</b>	<b>454,557</b>
<b>Funding Sources</b>									
Fund Balance 4000005	470,841	498,172		335,198	335,198	335,198	210,641	155,433	170,641
Federal Revenue 4000020	189,803	146,253		165,000	165,000	165,000	165,000	165,000	165,000
Special Revenue 4000030	151,154	146,253		165,000	165,000	165,000	165,000	165,000	165,000
<b>Total Funding</b>	<b>811,798</b>	<b>790,678</b>		<b>665,198</b>	<b>665,198</b>	<b>665,198</b>	<b>540,641</b>	<b>485,433</b>	<b>500,641</b>
Excess Appropriation/(Funding)	(498,172)	(335,198)		(210,641)	(155,433)	(170,641)	(86,084)	(15,668)	(46,084)
<b>Grand Total</b>	<b>313,626</b>	<b>455,480</b>		<b>454,557</b>	<b>509,765</b>	<b>494,557</b>	<b>454,557</b>	<b>469,765</b>	<b>454,557</b>

FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.



## Change Level by Appropriation

**Appropriation:** 613 - Hazardous Materials  
**Funding Sources:** SMH - Hazardous Materials Emerg Mgmt

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>454,557</b>	<b>3</b>	<b>454,557</b>	<b>100.0</b>	<b>454,557</b>	<b>3</b>	<b>454,557</b>	<b>100.0</b>
C01	Existing Program	55,208	0	509,765	112.1	15,208	0	469,765	103.3

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>454,557</b>	<b>3</b>	<b>454,557</b>	<b>100.0</b>	<b>454,557</b>	<b>3</b>	<b>454,557</b>	<b>100.0</b>
C01	Existing Program	40,000	0	494,557	108.8	0	0	454,557	100.0

### Justification

C01	The Agency is requesting Conference and Travel Expense increase of \$15,208 each year for additional grant training requirements and Capital Outlay of \$40,000 in FY12 for the purchase of a vehicle for the program with federal funds.
-----	---

## **Analysis of Budget Request**

**Appropriation:** 740 - Disaster Relief Trust

**Funding Sources:** TDR - Disaster Relief Program Trust

The Arkansas Disaster Relief Program provides assistance to victims of state and/or federally declared disasters. These are funds collected through donations and the Arkansas Income Tax Check Off Program established by Act 1181 of 1997.

The Agency is requesting Base Level for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 740 - Disaster Relief Trust

**Funding Sources:** TDR - Disaster Relief Program Trust

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Total	0	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
<b>Funding Sources</b>									
Fund Balance 4000005	345,688	364,178		34,178	34,178	34,178	34,178	34,178	34,178
Trust Fund 4000050	18,490	20,000		350,000	350,000	350,000	350,000	350,000	350,000
Total Funding	364,178	384,178		384,178	384,178	384,178	384,178	384,178	384,178
Excess Appropriation/(Funding)	(364,178)	(34,178)		(34,178)	(34,178)	(34,178)	(34,178)	(34,178)	(34,178)
Grand Total	0	350,000		350,000	350,000	350,000	350,000	350,000	350,000

## **Analysis of Budget Request**

**Appropriation:** 950 - Radiological Emergency Response Grants

**Funding Sources:** NEM - ADEM Radiological Emergency - Cash in Treasury

This appropriation represents the cash fund of the Department of Emergency Management. Funds deposited into this account are received from the Entergy Corporation to provide for program costs to protect Arkansas citizens from accidental releases of radioactive elements from the nuclear power plant near Russellville.

The Agency's Change Level Request is for Capital Outlay in the amount of \$25,000 each year for replacement/purchase of laptops for those employees required to respond to Arkansas Nuclear One during an event or exercise.

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

## Appropriation Summary

**Appropriation:** 950 - Radiological Emergency Response Grants

**Funding Sources:** NEM - ADEM Radiological Emergency - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,836	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Conference & Travel Expenses	5050009	2,761	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
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	25,000	25,000	0	25,000	25,000	0	25,000	25,000
<b>Total</b>		<b>6,597</b>	<b>40,000</b>	<b>40,000</b>	<b>15,000</b>	<b>40,000</b>	<b>40,000</b>	<b>15,000</b>	<b>40,000</b>	<b>40,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	129,358	140,297		115,297	115,297	115,297	115,297	90,297	90,297
Cash Fund	4000045	2,536	0		0	0	0	0	0	0
Transfer from DHS-Div of Hlth	4000511	15,000	15,000		15,000	15,000	15,000	15,000	15,000	15,000
<b>Total Funding</b>		<b>146,894</b>	<b>155,297</b>		<b>130,297</b>	<b>130,297</b>	<b>130,297</b>	<b>130,297</b>	<b>105,297</b>	<b>105,297</b>
Excess Appropriation/(Funding)		(140,297)	(115,297)		(115,297)	(90,297)	(90,297)	(115,297)	(65,297)	(65,297)
<b>Grand Total</b>		<b>6,597</b>	<b>40,000</b>		<b>15,000</b>	<b>40,000</b>	<b>40,000</b>	<b>15,000</b>	<b>40,000</b>	<b>40,000</b>

## Change Level by Appropriation

**Appropriation:** 950 - Radiological Emergency Response Grants  
**Funding Sources:** NEM - ADEM Radiological Emergency - Cash in Treasury

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>100.0</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>100.0</b>
C08	Technology	25,000	0	40,000	266.7	25,000	0	40,000	266.7

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>100.0</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>100.0</b>
C08	Technology	25,000	0	40,000	266.7	25,000	0	40,000	266.7

### Justification

C08	Agency is requesting \$25,000 in Capital Outlay each year for the purchase/replacement of laptops for employees required to respond to Nuclear One during an event or exercise. IT Plan - Operations - Hardware.
-----	--

# ARKANSAS ETHICS COMMISSION

## Enabling Laws

Act 152 of 2010  
Initiated Act 1 of 1990, as amended.  
A.C.A. §7-6-217

## History and Organization

The Arkansas Ethics Commission was created as a result of the passage of Initiated Act 1 of 1990. Its purpose is to serve as the compliance and enforcement agency with respect to various ethics and public disclosure laws applicable to candidates for public office, state and local public officials, public servants, lobbyists, political parties, political committees, and persons involved with initiatives, referenda, and other matters referred to voters within the State of Arkansas.

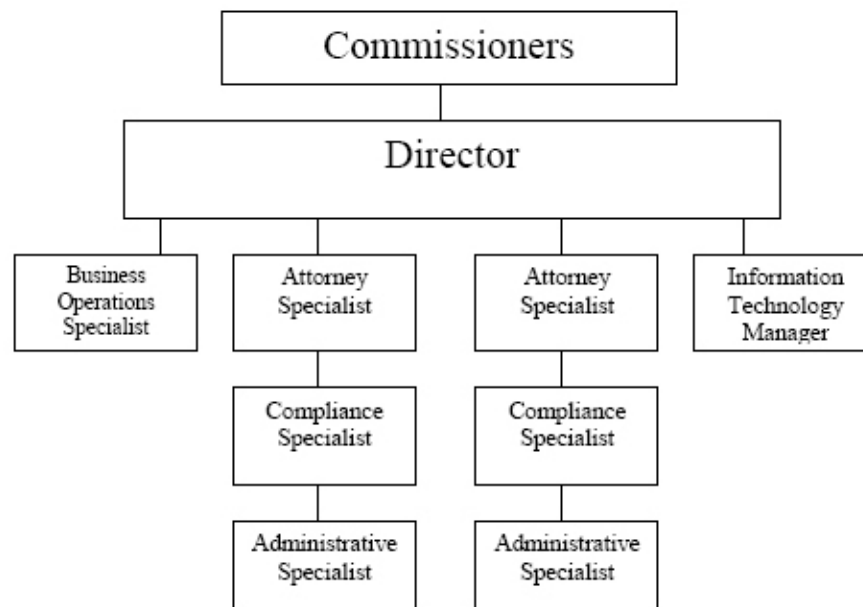
Initiated Act 1 of 1990, popularly known as "The Standards of Conduct and Disclosure Act for Candidates and Political Campaigns," charged the Commission with the responsibility of governing the campaign finance activities of candidates for public office, candidate committees, and political action committees. It also set new limits on the amount individual citizens could contribute to parties, candidates, and political action committees. In addition to its authority to administer the laws governing campaign finance, the Commission was given authority to administer Initiated Act No. 1 of 1988 and Act No. 34 of 1999. The first Act, popularly known as "The Disclosure Act for Lobbyists and State and Local Officials," governs the relationship between elected and appointed state, county, and municipal public officials and possible non-government or otherwise conflicting financial interests. In addition, this Act governs the registration and activities of lobbyists. The second Act, which concerns "Constitutional Officers and Their Spouses," places certain restrictions on the entering into of employment, lease agreements, contracts or grants with any state agency. Each of these Acts requires significant disclosure by the persons within its scope.

The Commission itself is composed of five (5) members appointed to five-year staggered terms by the Governor, the Lieutenant Governor, the Attorney General, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives, respectively. Members of the Commission serve without compensation, but may receive reimbursement for expenses incurred in the performance of their official duties. The Commission has a nine (9) member staff comprised of a Director, two (2) Attorney Specialists, two (2) Compliance Specialists, an Information Technology Manager, a Business Operations Specialist, and two (2) Administrative Specialists.

The Commission, with the assistance of its staff, performs the following specific duties and responsibilities in accordance with the requirements of the law: (1) investigates alleged violations of ethics and public disclosure laws and determines whether a violation has

occurred; (2) issues sanctions for violations of ethics and public disclosure laws and/or makes referrals for criminal prosecution; (3) conducts review exercises to determine whether required disclosure documents are being filed; (4) prepares and distributes educational materials and conducts training sessions for candidates, elected and appointed officials, lobbyists, political committees, and ballot and legislative question committees; (5) issues advisory opinions concerning ethics and public disclosure laws; (6) promulgates rules to implement and administer ethics and public disclosure laws; (7) holds a monthly public meeting and conducts public hearings; (8) answers questions regarding ethics and public disclosure laws and rules on a daily, informal basis; (9) prepares and updates disclosure forms, instructions, and calendars used by public officials, lobbyists, political parties, political committees, candidates for public office, and ballot and legislative question committees; (10) administers a reminder notice program for candidates for public office, public officials, lobbyists, political parties, and political committees; (11) maintains report files on all ballot and legislative question committees registered in accordance with the Disclosure Act for Public Initiatives, Referenda, and Measures Referred to Voters; (12) makes information publicly accessible in an electronic form via the internet; (13) responds to requests for public records under the Freedom of Information Act; and (14) brings civil actions in circuit court to enforce orders entered in proceedings before the Commission.

The Commission promotes openness and accountability in government through a balanced approach of (i) interpreting, investigating compliance with, and issuing sanctions for proven violations of the laws under its jurisdiction, and (ii) providing assistance in the form of education, training, and reminder notices to persons required to comply with those laws.





## **Agency Commentary**

The Arkansas Ethics Commission (AEC) serves as the compliance and enforcement agency with respect to a wide variety of ethics and public disclosure laws applicable to candidates for public office, state and local public officials, public servants, lobbyists, political parties, political committees, and persons involved with initiatives, referenda, and other matters referred to voters within the State of Arkansas. The AEC consists of a five (5) member board and a nine (9) member staff which serve the citizens of the State of Arkansas.

Like other agencies of state government, the AEC has tightened its budget significantly over the past three biennia in order to work within the State's funding constraints. For the 2012-2013 biennial budget period, the AEC is seeking a \$2,000 increase in appropriation level for Conference and Travel Expenses, for a total authorized amount of \$5,000.

The total requested appropriation of \$5,000 for Conference and Travel Expenses is the minimum amount necessary to provide sufficient education and training for the AEC's staff. Examples of expenditures the AEC makes for education and training of staff include:

**-Continuing Legal Education** for four (4) licensed attorneys

**-Administrative Training** for support staff

**-Agency-Specific Training** provided by Council on Governmental Ethics Laws (COGEL) for staff. With regard to COGEL, the annual conference is an invaluable opportunity for staff members working in government ethics, elections, disclosure, enforcement, and other types of regulatory agencies to interact with professional peers and learn first-hand about their challenges and successes. Fields of study specifically tailored to meet the AEC's needs include public disclosure, conflict of interest, Freedom of Information, and campaign finance. The COGEL Annual Conference offers a valuable opportunity for AEC staff to interact with their professional peers and learn first-hand about advances in technology and ongoing government reform. Recent COGEL Annual Conferences offered the following sessions:

- Addressing Voter Turnout
- Agency IT Systems Development
- Campaign Finance Update
- Dealing with the Difficult Requester
- Early Voting and Voting Technologies
- Ethical Issues for the Government Attorney
- Elections Update: Current Trends and Litigation
- Electronic Filing Workshops

- Freedom of Information - Enforcement and Penalties
- Lobby Update
- Managing Electronic Records
- Pay to Play: Contractors and Contributions
- Public Financing: The Good, the Bad and the Ugly
- Public Financing Under Fire
- Training - Developing and Maintaining Public Education Programs
- Trusting Your Gut: Drop, Settle, or Prosecute?

In summary, the AEC is a small agency working on an extremely tight budget. Currently, the AEC's \$3,000 appropriation for Conference and Travel Expenses falls well short of the amount necessary to provide essential education and training for its entire staff. Accordingly, the AEC seeks Conference and Travel Expenses in the amount of \$5,000. This amount is both reasonable and necessary to ensure the AEC's objective to promote openness and accountability in government by providing adequate training for its entire staff.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 ARKANSAS ETHICS COMMISSION  
 FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

None

None

## Employment Summary

	Male	Female	Total	%
White Employees	3	3	6	67 %
Black Employees	0	2	2	22 %
Other Racial Minorities	1	0	1	11 %
Total Minorities			3	33 %
Total Employees			9	100 %

## Publications

### A.C.A. 25-1-204

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

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010					FY2010 - 2011						
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
9	9	0	9	0	0.00 %	9	9	0	9	0	0.00 %	9	9	0	9	0	0.00 %

## **Analysis of Budget Request**

**Appropriation:** 192 - Ethics Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The Arkansas Ethics Commission enforces Arkansas' standards of conduct and disclosure laws concerning candidates for public office, state and local public officials, lobbyists and committees, individuals involved with initiatives, referendums and other matters referred to the voters. The Commission is composed of a five (5) member board and a nine (9) member staff.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum.

Base Level includes appropriation and general revenue funding of \$679,404 in each year of the biennium with nine (9) Regular positions and two (2) Extra Help positions as well as supporting operating costs.

The Agency requests additional appropriation and general revenue funding in the amount of \$2,000 each year of the biennium for the Conference and Travel Expenses line item. Currently only two (2) staff members are able to attend the annual conference conducted by the Council on Governmental Ethics Laws (COGEL), which provides essential education and training for the agency's licensed attorneys and compliance staff. The requested increase would enable one (1) additional staff member to attend the annual conference.

The Executive Recommendation provides for Base Level.

# Appropriation Summary

**Appropriation:** 192 - Ethics Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	450,178	451,976	455,979	452,501	452,501	452,501	452,501	452,501	452,501
<b>#Positions</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
Extra Help 5010001	0	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<b>#Extra Help</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching 5010003	126,242	133,127	131,374	133,505	133,505	133,505	133,505	133,505	133,505
Operating Expenses 5020002	88,551	88,898	88,898	88,898	88,898	88,898	88,898	88,898	88,898
Conference & Travel Expenses 5050009	3,000	3,000	3,000	3,000	5,000	3,000	3,000	5,000	3,000
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
<b>Total</b>	<b>667,971</b>	<b>678,501</b>	<b>680,751</b>	<b>679,404</b>	<b>681,404</b>	<b>679,404</b>	<b>679,404</b>	<b>681,404</b>	<b>679,404</b>
<b>Funding Sources</b>									
General Revenue 4000010	667,968	678,501		679,404	681,404	679,404	679,404	681,404	679,404
M & R Sales 4000340	3	0		0	0	0	0	0	0
<b>Total Funding</b>	<b>667,971</b>	<b>678,501</b>		<b>679,404</b>	<b>681,404</b>	<b>679,404</b>	<b>679,404</b>	<b>681,404</b>	<b>679,404</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>667,971</b>	<b>678,501</b>		<b>679,404</b>	<b>681,404</b>	<b>679,404</b>	<b>679,404</b>	<b>681,404</b>	<b>679,404</b>

The FY11 Budget in Personal Services Matching exceeds the Authorized due to matching rate adjustments during the 2009-2011 biennium.

## Change Level by Appropriation

**Appropriation:** 192 - Ethics Operations  
**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>679,404</b>	<b>9</b>	<b>679,404</b>	<b>100.0</b>	<b>679,404</b>	<b>9</b>	<b>679,404</b>	<b>100.0</b>
C01	Existing Program	2,000	0	681,404	100.3	2,000	0	681,404	100.3

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>679,404</b>	<b>9</b>	<b>679,404</b>	<b>100.0</b>	<b>679,404</b>	<b>9</b>	<b>679,404</b>	<b>100.0</b>
C01	Existing Program	0	0	679,404	100.0	0	0	679,404	100.0

### Justification

C01	The Arkansas Ethics Commission ("AEC") requests an additional \$2,000 for Conference and Travel Expenses in order to provide mission-specific training for the five (5) members of its staff responsible for (i) ensuring compliance and enforcement of the statutes under its jurisdiction, and (ii) conducting education and training for persons subject to the AEC's jurisdiction. The additional appropriation will enable the AEC to send its licensed attorneys and compliance staff to educational programs conducted by the Council on Governmental Ethics Laws (COGEL). With regard to COGEL, its annual conference is an invaluable opportunity for staff members working in government ethics, elections, disclosure, enforcement, and other types of regulatory agencies to interact with professional peers and learn first-hand about their challenges and successes. Fields of study specifically tailored to meet the AEC's needs include public disclosure, conflicts of interest, Freedom of Information, and campaign finance. Without the requested appropriation, the AEC's goal to provide essential education and training for its licensed attorneys and compliance staff will not be met.
-----	---