

# SUMMARY BUDGET INFORMATION

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## 2012 AGENCY FUND TRANSFERS

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

<u>Agency</u>	<u>Blanket Surety Bond Premiums ACA §21-2-710</u>	<u>Claims ACA §19-10-204</u>	<u>Workers' Compensation Administrative Cost Reimbursement ACA §11-9-307</u>
Agriculture, Department of	\$1,815	\$0	\$12,365
Claims Commission, Arkansas State	\$29	\$0	\$0
Ethics Commission	\$29	\$0	\$74
DHS - Director's Office/Office of Chief Counsel	\$550	\$0	\$4,976
DHS - Administrative Services Division	\$937	\$0	\$8,044
DHS - Community Srvs/NonProfit Support	\$78	\$0	\$536
DHS - Aging & Adult Services Division	\$459	\$2,749	\$5,398
DHS - Children & Family Services Division	\$3,256	\$29,093	\$24,299
DHS - Child Care/Early Childhood Education Division	\$501	\$0	\$3,619
DHS - Behavioral Health Services Division	\$3,073	\$13,733	\$24,712
DHS - County Operations Division	\$6,017	\$23	\$38,000
DHS - Developmental Disabilities Services Division	\$7,341	\$11,419	\$46,592
DHS - Medical Services Division	\$872	\$0	\$9,420
DHS - Services for the Blind Division	\$202	\$511	\$1,752
DHS - Youth Services Division	\$270	\$450	\$3,402

## AGENCY POSITION USAGE REPORT

Agency	FY2012 - FY2013						3 YEAR AVERAGE(FY11,FY12,FY13)					
	Authorized in Act	Budgeted		Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted		Unbudgeted Total	% of Authorized Unused		
		Filled	Unfilled				Filled	Unfilled				
Agriculture, Department of	579	525	54	579	0	9.33 %	610	538	72	610	0	11.80 %
Claims Commission, Arkansas State	10	10	0	10	0	0.00 %	10	10	0	10	0	0.00 %
Ethics Commission	9	8	1	9	0	11.11 %	9	8	0	8	1	11.11 %
DHS - Director's Office/Office of Chief Counsel	174	169	4	173	1	2.87 %	178	168	6	174	4	5.62 %
DHS - Administrative Services Division	338	276	15	291	47	18.34 %	345	278	53	331	14	19.42 %
DHS - Community Srvs/NonProfit Support	24	17	7	24	0	29.17 %	24	18	5	23	1	25.00 %
DHS - Aging & Adult Services Division	204	188	10	198	6	7.84 %	203	188	5	193	10	7.39 %
DHS - Children & Family Services Division	1,166	929	3	932	234	20.33 %	1,175	948	44	992	183	19.32 %
DHS - Child Care/Early Childhood Education Division	171	177	10	187	-16	-3.51 %	171	171	5	176	-5	0.00 %
DHS - Behavioral Health Services Division	1,158	1,050	14	1,064	94	9.33 %	1,161	1,045	4	1,049	112	9.99 %
DHS - County Operations Division	1,942	1,849	29	1,878	64	4.79 %	1,944	1,846	34	1,880	64	5.04 %
DHS - Developmental Disabilities Services Division	2,725	2,438	17	2,455	270	10.53 %	2,725	2,429	54	2,483	242	10.86 %
DHS - Medical Services Division	335	300	47	347	-12	10.45 %	332	299	24	323	9	9.94 %
DHS - Services for the Blind Division	74	64	12	76	-2	13.51 %	74	65	13	78	-4	12.16 %
DHS - Youth Services Division	88	81	7	88	0	7.95 %	112	79	6	85	27	29.46 %

0710 DHS - All Divisions - Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 157 of 2012 section 16(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).

# AR AGRICULTURE DEPARTMENT

## Enabling Laws

Act 252 of 2012

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.

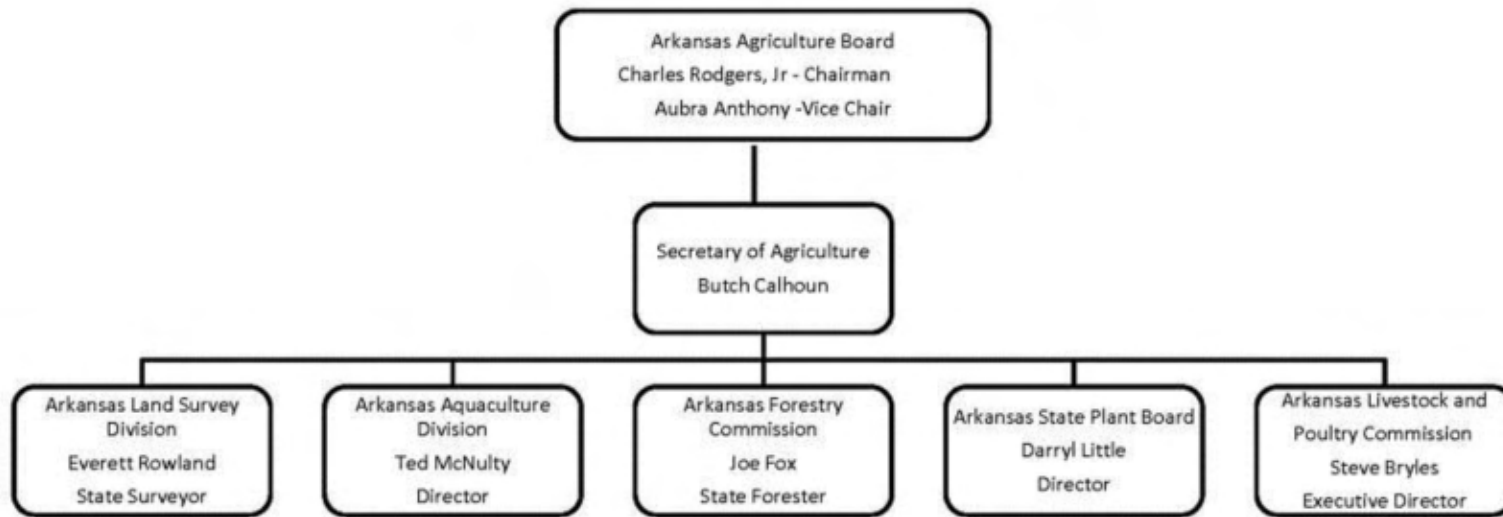
### **ARKANSAS STATE PLANT BOARD**

**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 28 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.

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 OF AGRICULTURE**

The office of the Secretary of the Arkansas Agriculture Department requests Operating travel and Conference and Travel increases above base level. This increase is needed to attend additional trade shows and conferences to aid in marketing Arkansas' agricultural and forest products. The special revenue Alternative Fuels appropriation is not being requested for the biennium.

### **DIVISION OF LAND SURVEY**

The Division of Land Survey requests General Revenue appropriations and funding above base level in Operating Expenses, Conference and Travel Fees and Professional Fees. The increases in Operating Expenses and Conference and Travel Fees seek to restore these line items to FY12 appropriation levels. The increase in Professional Fees is related to setting and refurbishing monuments Statewide. Funding has been insufficient each of the last four years to complete all work needed in any of those years.

### **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. To provide for these mandated services, the Commission makes the following requests above base level:

- 20 positions are requested from General Revenue funding to provide for minimum and safe fire readiness and firefighting ability, staff training for fire fighters and training for volunteer fire departments, dissemination of critical fire information during wildfire outbreaks, and critical maintenance of fire fighting equipment and revolving loan fund volunteer fire department equipment.

- Additional General Revenue funding and appropriation for Overtime Salaries, Uniform Allowances and Operating Expenses is requested to provide for the needed levels of manpower, maintenance, fuel and aviation coverage in times of high wildfire activity. Increases in aviation maintenance and shop & industrial supplies line items are especially needed to maintain proper fire readiness.
- Additional General Revenue funding and appropriation for Professional Fees to provide Single Engine Air Tankers needed to maintain the level of Statewide wildfire protections that Arkansans expect.
- Additional General Revenue funding and appropriation in Grants and Aid to fund the highly successful Fire Boat School. The Fire Boat School is a cooperative effort between the Forestry Commission, the Arkansas Game and Fish Commission, the Arkansas Fire Boat School Committee and the U.S. Coast Guard. This training prepares volunteer fire departments from around the State in the latest and best techniques in marine fire fighting and rescue. The Forestry Commission provides fire boats to volunteer fire departments through the Federal Excess Personal Property program.
- Additional Special Revenue appropriation to provide for increased operating costs of the revenue producing Baucum Nursery and the Poison Springs State Forest.
- Additional Federal appropriation for the various grant programs operated by the Commission. Both operating and capital appropriation is requested.
- Additional appropriation for the Forestry Trust Fund to provide for operational spending during times of extreme wildfire outbreaks and to provide needed cash flow reserves during periods of low severance and fire protection tax collections.

### **ARKANSAS LIVESTOCK & POULTRY COMMISSION**

Livestock and Poultry Commission programs are supported by general revenue, special revenue and federal revenue. The Agency's Change Level requests for the 2013-2015 biennium include the following:

#### State Operations (General Revenue)

The agency requests salaries and matching appropriation for general revenue funding in FY14 and FY15. This request is for positions that was moved to the federally funded Animal Health appropriation from general revenue funded appropriation. We are anticipating a reduction in federal grants and will need appropriation to pay salaries for the positions that were moved. The agency also request funds for extra help, operating expenses, conference and travel expenses, and the Buffalo Gnat program that was not funded in FY12 to be restored in FY14 and FY15.

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

The agency requests each year for FY 14 and FY 15 Capital Outlay appropriation to replace necessary office equipment and grading equipment.

#### Animal Disease Control and Eradication Program (Special Revenue) \*(Title change from "Brucellosis" to "Animal Disease".)

The agency requests salaries and matching be restored back to FY12 appropriation in FY14 and FY15 for positions moved from Animal Disease Control and Eradication Programs to federal appropriation. Anticipating federal grants being reduced. The agency requests each year for Capital Outlay appropriation to replace necessary testing equipment.

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

The agency is requesting 1 new position (Agency Fiscal Manager) and the agency also, requests that salaries and matching be restored back to FY12 appropriation for FY14 and FY15. For positions that were moved to federally funded Animal Health appropriation from special revenue funded appropriation. Agency is anticipating federal grants being reduced. The agency requests each year for Capital Outlay appropriation to replace necessary laboratory testing equipment in the AL&PC Diagnostic Laboratory.

#### Small Animal Testing Program (Special Revenue)

The agency requests each year for FY14 and FY15 Capital Outlay appropriation to replace laboratory testing equipment in the AL&PC Diagnostic Laboratory.

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

The agency requests each year for FY14 and FY15 Capital Outlay appropriation to replace office machines and equipment.

#### Swamp Fever Testing Program (Special Revenue)

The agency requests each year for FY14 and FY15 Capital Outlay appropriation to replace laboratory testing equipment in the AL&PC Diagnostic Laboratory.

### **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 28 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 that one position not be recommended. The agency requests one new position with a new title of Metrology Laboratory Manager. This position is needed to provide the technical skills needed to obtain and maintain recognition by the National Institute for Standards and Technology. The agency also requests grade changes for two positions. These two grade changes are needed to correct inequity in the grades of these two members of senior management at the agency. These two changes in grade are also needed in order to accurately reflect the chain of command at the agency. Capital Outlay of \$604,000 in FY14 and \$585,000 in FY15 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. *Request is for appropriation at Base Level.*

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 2014-2015 Biennium.*



## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS AGRICULTURE DEPARTMENT  
FOR THE YEAR ENDED JUNE 30, 2010

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Findings

State Financial Management Guide. The deficiencies noted all relate to one of the Agency's divisions - the Arkansas State Plant Board. Not all of the current and prior year retirements were recorded in AASIS in a timely manner and not all items could be located. It was noted that three items which had been disposed of, totaling \$29,124, had not been removed. In addition, the Agency could not locate eight items, totaling \$2,190. Accurate accounting records are essential for proper financial reporting and to prevent the misappropriation or misuse of capital assets. We also noted the Plant Board had not properly attached equipment inventory tags on 20 weather stations acquired in 2010 and valued in AASIS at a total \$181,825.

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Recommendations

management oversight of capital assets to ensure proper accountability of these items. In addition, because of the repeated exceptions noted in the Agency's previous assessment relating to the Plant Board's equipment management, we also recommend the Plant Board conduct a 100% review of its asset listing.

## **Performance Audit Findings**

*Arkansas Forestry Commission (AFC) - Review of Selected Transactions  
Arkansas Agriculture Department and Arkansas Department of Finance and  
Administration (DFA)  
(July 1, 2006 – December 31, 2011)*

### Findings and Conclusions:

- Based on AFC records, we noted 59 instances totaling \$6.4 million improperly transferred from federal grants throughout the review period, with \$1,567,926 remaining outstanding.
- The Arkansas Agriculture Secretary signed AFC certification of income documents on behalf of the AFC director without fully understanding the implications of the forms and the financial situation at AFC.
- DFA operations are not designed or expected to detect the type of inappropriate activity subsequently discovered at AFC; and staffing levels at the Office of Budget would not allow each budget analyst to know the intricate details of each federal grant administered by each state agency.

### Recommendations:

- AFC reexamine its federal grant award, draw, and oversight procedures to ensure all federal grant monies are properly recorded, expended, and reported.

- AFC certification of income documents be reviewed and signed by the AFC director and fiscal officer.
- DFA consider implementing additional procedures for agencies with declining trust fund or special revenue accounts that are critical to an agency's operations to ensure frequent or significant fund transfers are appropriate.

## **State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012**

None

### **Employment Summary**

	Male	Female	Total	%
White Employees	370	111	481	93 %
Black Employees	14	10	24	5 %
Other Racial Minorities	6	7	13	2 %
	Total Minorities		37	7 %
	Total Employees		518	100 %

### **Cash Fund Balance Description as of June 30, 2012**

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.

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Fund Account	Balance	Type	Location
1640001	\$20,555	Checking/CD	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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
22R Agri Dept - Operations	15,945,054	235	15,766,022	246	16,329,219	253	15,817,180	246	18,151,659	267	17,086,943	256	15,822,463	246	18,156,942	267	17,092,226	256
33R Agri Dept - Federal	1,908,102	0	1,873,000	0	7,061,635	0	1,873,000	0	1,873,000	0	1,873,000	0	1,873,000	0	1,873,000	0	1,873,000	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 Animal Disease Control & Eradication Prgm	916,369	14	1,586,601	19	1,734,471	19	1,570,010	19	1,590,010	19	1,590,010	19	1,570,098	19	1,590,098	19	1,590,098	19
36K L&P Egg Grading Program	3,274,543	42	3,932,308	47	3,962,442	47	3,893,588	47	3,943,588	47	3,943,588	47	3,894,695	47	3,944,695	47	3,944,695	47
36M L&P Small Animal Testing Program	318,911	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	861,301	3	1,438,393	3	1,459,195	3	1,319,133	3	1,492,217	4	1,439,133	3	1,319,133	3	1,492,217	4	1,439,133	3
36P L&P Brand Registry	670	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	5,000	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	736,430	0	736,780	0	736,780	0	736,780	0	736,780	0	736,780	0	736,780	0	736,780	0	736,780	0
36S L&P Swamp Fever Testing Program	162,731	0	323,251	0	323,132	0	265,751	0	323,251	0	323,251	0	265,751	0	323,251	0	323,251	0
36T L&P Swine Testing Program	963	0	1,955	0	30,000	0	1,955	0	1,955	0	1,955	0	1,955	0	1,955	0	1,955	0
36U L&P Equine Infect Anemia	211,067	4	470,255	4	479,117	4	371,952	4	471,952	4	471,952	4	371,952	4	471,952	4	471,952	4
36V L&P Animal Health	649,930	8	678,112	8	1,886,942	8	678,663	8	678,663	8	678,663	8	678,670	8	678,670	8	678,670	8
36W Agri Dept - Div of Land Survey	437,645	4	430,752	4	436,689	4	431,835	4	448,835	4	448,835	4	431,835	4	448,835	4	448,835	4
37A PB Admn/Pest Control	6,303,173	82	8,368,566	93	8,532,619	93	7,930,686	93	8,505,084	92	8,505,084	92	7,932,525	93	8,487,923	92	8,487,923	92
37C PB Public Grain Warehouse	264,857	4	269,411	4	296,068	4	270,371	4	270,371	4	270,371	4	271,108	4	271,108	4	271,108	4
37D PB Pest Surveillance	273,139	4	263,701	4	295,668	4	264,661	4	264,661	4	264,661	4	266,135	4	266,135	4	266,135	4
37E PB Apiary	215,374	3	211,033	3	216,312	3	211,753	3	211,753	3	211,753	3	211,876	3	211,876	3	211,876	3
37F PB Product Marketing Program	126,381	0	625,059	0	694,654	0	600,059	0	600,059	0	600,059	0	600,059	0	600,059	0	600,059	0
37G PB Pest/Plant Reg Program	118,105	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	9,739,863	150	8,385,825	136	9,036,160	136	8,399,089	136	10,133,558	136	11,130,660	147	8,403,142	136	10,137,611	136	11,134,713	147
37P Forestry-Rural Comm Fire Protection-Fed	1,075,938	2	1,074,026	2	2,157,926	2	944,506	2	1,094,506	2	1,094,506	2	945,242	2	1,095,242	2	1,095,242	2
37Q Forestry-Urban Forestry Services-Federal	89,692	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
37R Forestry-Rural Fire Protection Service Loans	736,933	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	1,000,000	0	1,600,000	0	1,000,000	0	1,300,000	0	1,300,000	0	1,000,000	0	1,500,000	0	1,500,000	0
37T Forestry-Southern Pine Beetle Prevention	309,543	0	1,129,125	0	1,740,000	0	1,129,125	0	1,129,125	0	1,129,125	0	1,129,125	0	1,129,125	0	1,129,125	0
37V Forestry-Wild Land Fire Assistance	18,686	0	178,800	0	178,800	0	61,631	0	178,800	0	178,800	0	61,631	0	178,800	0	178,800	0
37W Forestry-Forest Health Program	207,375	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

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
37X Forestry-Forest Legacy	1,891	0	4,050,000	0	4,242,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
37Y Forestry-Silvctrl Non-Point Program	7,048	0	79,675	0	120,000	0	59,675	0	131,800	0	131,800	0	59,675	0	131,800	0	131,800	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	0	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>																		
37U Forestry-Forest Land Enhancement Program	0	0	0	0	275,000	0	0	0	0	0	0	0	0	0	0	0	0	0
38A Agri Dept-Alt Fuels Dev Grants-(SR)	659,716	0	0	0	877,045	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>45,596,430</b>	<b>555</b>	<b>62,515,902</b>	<b>572</b>	<b>74,345,126</b>	<b>579</b>	<b>57,474,655</b>	<b>572</b>	<b>63,224,879</b>	<b>593</b>	<b>63,104,181</b>	<b>592</b>	<b>57,490,102</b>	<b>572</b>	<b>63,421,326</b>	<b>593</b>	<b>63,300,628</b>	<b>592</b>

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	14,723,849	23.0	18,552,933	24.9	11,882,439	18.7	11,882,439	17.8	11,882,439	18.1	7,891,785	13.2	5,984,232	9.8	5,040,214	8.5		
General Revenue	4000010	17,119,129	26.7	16,933,554	22.8	16,985,795	26.8	19,337,274	28.9	18,099,654	27.6	16,991,078	28.5	19,342,557	31.6	18,104,937	30.7		
Federal Revenue	4000020	7,104,480	11.1	12,459,601	16.7	8,168,463	12.9	8,507,757	12.7	8,507,757	13.0	8,169,206	13.7	8,508,500	13.9	8,508,500	14.4		
Special Revenue	4000030	20,860,250	32.5	18,771,653	25.2	18,748,965	29.5	19,480,863	29.1	19,480,863	29.7	18,977,352	31.8	19,690,250	32.2	19,690,250	33.4		
Non-Revenue Receipts	4000040	725,001	1.1	860,000	1.2	860,000	1.4	860,000	1.3	860,000	1.3	860,000	1.4	860,000	1.4	860,000	1.5		
Cash Fund	4000045	1,843,825	2.9	6,775,600	9.1	6,775,600	10.7	6,775,600	10.1	6,775,600	10.3	6,775,600	11.3	6,775,600	11.1	6,775,600	11.5		
Trust Fund	4000050	514,480	0.8	500,000	0.7	300,000	0.5	300,000	0.4	300,000	0.5	500,000	0.8	500,000	0.8	500,000	0.8		
DFA Motor Vehicle Acquisition	4000184	359,279	0.6	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
General Improvement Fund	4000265	2,666,324	4.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
Inter-agency Fund Transfer	4000316	(1,866,462)	(2.9)	0	0.0	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	(500,000)	(0.7)	(300,000)	(0.5)	(300,000)	(0.4)	(300,000)	(0.5)	(500,000)	(0.8)	(500,000)	(0.8)	(500,000)	(0.8)		
M & R Sales	4000340	94,208	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
Miscellaneous Revolving	4000350	5,000	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		
<b>Total Funds</b>		<b>64,149,363</b>	<b>100.0</b>	<b>74,398,341</b>	<b>100.0</b>	<b>63,466,262</b>	<b>100.0</b>	<b>66,888,933</b>	<b>100.0</b>	<b>65,651,313</b>	<b>100.0</b>	<b>59,710,021</b>	<b>100.0</b>	<b>61,206,139</b>	<b>100.0</b>	<b>59,024,501</b>	<b>100.0</b>		
Excess Appropriation/(Funding)		(18,552,933)		(11,882,439)		(5,991,607)		(3,664,054)		(2,547,132)		(2,219,919)		2,215,187		4,276,127			
<b>Grand Total</b>		<b>45,596,430</b>		<b>62,515,902</b>		<b>57,474,655</b>		<b>63,224,879</b>		<b>63,104,181</b>		<b>57,490,102</b>		<b>63,421,326</b>		<b>63,300,628</b>			

FY13 Budget amount exceeds the Authorized amount in appropriation (36S) L&P Swamp Fever Testing Program due to Regular Salaries and Personal Services Matching rate adjustments during the 2011-2013 Biennium.

Variance in fund balance is due to unfunded appropriation in appropriations (2ZR) Agri Dept - Operations, (36J) L&P Animal Disease Control & Eradication Prgm, (36T) L&P Swine Testing Program, (36U) L&P Equine Infect Anemia, (37R) Forestry-Rural Fire Protection Service Loans and (37S) Forestry-St Forestry Trust Program.

Appropriations (37U) Forestry-Forest Land Enhancement Program and (38A) Agri Dept-Alt Fuels Dev Grants-(SR) NOT REQUESTED FOR THE 2013-2015 BIENNIUM.

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
627	558	69	627	0	11.00 %	624	531	93	624	0	14.90 %	579	525	54	579	0	9.33 %

## **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 \$15,817,180 in FY14 and \$15,822,463 in FY15 of the biennium with 246 Regular positions and 23 Extra Help positions.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

### **OFFICE OF THE SECRETARY**

Base Level for the Office of the Secretary includes appropriation and general revenue funding of \$704,512 in FY14 and \$705,248 in FY15 of the biennium with 6 Regular positions and 2 Extra Help positions.

The Agency Change Level Request includes increases of \$8,000 in Operating Expenses for increased costs in meals and lodging and \$4,000 in Conference & Travel Expenses for increased costs in meals and lodging. These increases will be used to provide for travel to trade shows and conferences to aid in marketing Arkansas's agricultural and forest products.

The Executive Recommendation provides for Base Level with \$8,000 in Operating Expenses and \$4,000 in Conference & Travel Expenses to be paid out of a newly created cash fund appropriation to be funded by indirect cost assessments for administering federal grants for the Department.

### **FORESTRY COMMISSION**

Base Level for the Forestry Commission includes appropriation and general revenue funding of \$8,783,780 in FY14 and \$8,787,219 in FY15 of the biennium along with 141 Regular positions.

The Agency Change Level Request includes an increase of \$1,933,668 each year of the biennium for the following:

- Regular Salaries and Personal Services Matching of \$803,937 to restore 20 positions needed to provide for minimum and safe fire readiness and firefighting ability, staff training for fire fighters and training for volunteer fire departments, dissemination of critical fire information during wildfire outbreaks.



- Overtime of \$21,009 to provide for manpower and aviation coverage.
- Uniform Allowance of \$14,800 to provide for required uniforms for Forest Rangers, Foresters and other eligible positions.
- Operating Expenses of \$428,922 to provide for equipment maintenance, electricity, rent, tires and fuel purchases.
- Professional Fees of \$650,000 to provide Single Engine Air Tankers needed to maintain Statewide wildfire protection.
- Grants and Aid of \$15,000 to fund the Fire Boat School.

The Executive Recommendation provides for the Base Level with the addition of \$880,952 in appropriation and general revenue funding , which includes the following:

- Regular Salaries and Personal Services Matching of \$341,491 to restore 9 positions.
- Transfer of 11 positions with accompanying Regular Salaries and Personal Services Matching appropriation to (37N) Forestry Operations - Special.
- Operating Expenses of \$214,461.
- Professional Fees of \$325,000.

### **PLANT BOARD**

Base Level for the Plant Board includes appropriation and general revenue funding of \$2,564,386 in FY14 and \$2,565,741 in FY15 of the biennium along with 41 Regular positions.

The Agency Change Level Request totaling \$58,020 reflects the following:

- Regular Salaries and Personal Services Matching of \$58,020 in each year of the biennium for one (1) C123 - Metrology Laboratory Manager. This position is needed to provide the technical skills needed to obtain and maintain recognition by the National Institute for Standards and Technology.
- Downgrade one (1) position: N095N Arkansas Bureau of Standards Director from grade N906 to grade N904 to correct inequity in grades of two members of senior management and to accurately reflect the chain of command at the agency. This request has no budgetary impact.

The Executive Recommendation provides for the Agency Request.

## **LIVESTOCK AND POULTRY COMMISSION**

Base Level for the Livestock and Poultry Commission includes appropriation and general revenue funding of \$3,764,502 in FY14 and \$3,764,255 in FY15 of the biennium with 58 Regular positions and 21 Extra Help positions.

The Agency Change Level Request includes an increase of \$330,791 each year of the biennium for the following:

- Regular Salaries and Personal Services Matching of \$113,689. This request is for positions that were moved to the federally funded Animal Health appropriation from general revenue funded appropriation. The agency anticipates a reduction in federal grants.
- Extra Help of \$25,231 to provide for sufficient manpower for laboratory testing and inspection demands.
- Operating Expenses of \$172,904 to provide for rent expenses.
- Conference & Travel Expenses of \$10,967 to provide for continuing education of technical staff.
- Buffalo Gnat Program of \$8,000 to provide for increased costs for Buffalo Gnat eradication.

The Executive Recommendation provides for Base Level, with the addition of Operating Expenses appropriation only of \$172,904.

**The total Agency Change Level Request is \$2,334,479 in appropriation and general revenue funding.**

**The total Executive Recommendation is \$1,269,763 in appropriation and \$1,096,859 in general revenue funding.**

# Appropriation Summary

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

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	9,845,067	9,758,914	10,063,663	9,747,651	10,451,926	10,145,488	9,751,572	10,455,847	10,149,409
<b>#Positions</b>		<b>235</b>	<b>246</b>	<b>253</b>	<b>246</b>	<b>267</b>	<b>256</b>	<b>246</b>	<b>267</b>	<b>256</b>
Extra Help	5010001	32,309	48,900	161,868	48,900	74,131	74,131	48,900	74,131	74,131
<b>#Extra Help</b>		<b>4</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>
Personal Services Matching	5010003	3,195,499	3,387,956	3,157,186	3,450,377	3,721,748	3,592,740	3,451,739	3,723,110	3,594,102
Overtime	5010006	35,729	16,571	37,600	16,571	37,580	16,571	16,571	37,580	16,571
Uniform Allowance	5010016	20,000	5,200	20,000	5,200	20,000	5,200	5,200	20,000	5,200
Operating Expenses	5020002	2,592,604	2,463,687	2,626,656	2,463,687	3,073,513	2,824,052	2,463,687	3,073,513	2,824,052
Conference & Travel Expenses	5050009	33,451	45,146	56,113	45,146	60,113	56,113	45,146	60,113	56,113
Professional Fees	5060010	97,498	3,500	3,500	3,500	653,500	328,500	3,500	653,500	328,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	15,000	0	15,000	0	15,000	0	0	15,000	0
Refunds/Reimbursements	5110014	6,418	6,148	6,148	6,148	6,148	6,148	6,148	6,148	6,148
Capital Outlay	5120011	40,185	0	0	0	0	0	0	0	0
Boll Weevil Program	5900046	23,294	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Buffalo Gnat Control Program	5900047	8,000	0	8,000	0	8,000	8,000	0	8,000	8,000
Fire Fighting Equipment	5900048	0	0	143,485	0	0	0	0	0	0
<b>Total</b>		<b>15,945,054</b>	<b>15,766,022</b>	<b>16,329,219</b>	<b>15,817,180</b>	<b>18,151,659</b>	<b>17,086,943</b>	<b>15,822,463</b>	<b>18,156,942</b>	<b>17,092,226</b>
<b>Funding Sources</b>										
General Revenue	4000010	15,945,054	15,766,022		15,817,180	18,151,659	16,914,039	15,822,463	18,156,942	16,919,322
<b>Total Funding</b>		<b>15,945,054</b>	<b>15,766,022</b>		<b>15,817,180</b>	<b>18,151,659</b>	<b>16,914,039</b>	<b>15,822,463</b>	<b>18,156,942</b>	<b>16,919,322</b>
Excess Appropriation/(Funding)		0	0		0	0	172,904	0	0	172,904
<b>Grand Total</b>		<b>15,945,054</b>	<b>15,766,022</b>		<b>15,817,180</b>	<b>18,151,659</b>	<b>17,086,943</b>	<b>15,822,463</b>	<b>18,156,942</b>	<b>17,092,226</b>

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 biennium.

## Change Level by Appropriation

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

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>15,817,180</b>	<b>246</b>	<b>15,817,180</b>	<b>100.0</b>	<b>15,822,463</b>	<b>246</b>	<b>15,822,463</b>	<b>100.0</b>
C01	Existing Program	2,388,479	21	18,205,659	115.1	2,388,479	21	18,210,942	115.1
C03	Discontinue Program	(54,000)	0	18,151,659	114.8	(54,000)	0	18,156,942	114.8
C11	Upgrade/Downgrade	0	0	18,151,659	114.8	0	0	18,156,942	114.8

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>15,817,180</b>	<b>246</b>	<b>15,817,180</b>	<b>100.0</b>	<b>15,822,463</b>	<b>246</b>	<b>15,822,463</b>	<b>100.0</b>
C01	Existing Program	1,754,404	21	17,571,584	111.1	1,754,404	21	17,576,867	111.1
C03	Discontinue Program	(54,000)	0	17,517,584	110.8	(54,000)	0	17,522,867	110.7
C07	Agency Transfer	(430,641)	(11)	17,086,943	108.0	(430,641)	(11)	17,092,226	108.0
C11	Upgrade/Downgrade	0	0	17,086,943	108.0	0	0	17,092,226	108.0
C14	Title Change	0	0	17,086,943	108.0	0	0	17,092,226	108.0

### Justification

C01	Livestock & Poultry requests salaries and matching appropriation to cover positions moved to the Federal Animal Health appropriation in FY13 due to lack of general revenue funding. Federal funding reductions are anticipated so this increase will enable the agency to maintain required levels of laboratory and inspection staff. The agency also requests extra help to maintain sufficient manpower for lab testing and inspection demands, operating expenses to cover rental costs, conference and travel expenses to provide continuing education and training for technical staff and to provide for Buffalo Gnat eradication programs. Forestry Commission requests additional appropriation to restore positions and operations to provide minimum Statewide fire protection and to fund the highly successful Fire Boat School. Aviation Equipment Maintenance and Shop & Industrial Supplies are examples of maintenance items that were seriously underfunded and budgeted in previous bienniums. Plant Board requests salary and matching appropriation for 1 additional position in the biennium. Secretary's Office requests additional operating travel and conference travel appropriation to increase marketing efforts for Arkansas' products.
C03	To adjust individual cost element items for various Forestry operating unit budgets to more accurately reflect the actual needs of these units for continued fire readiness and operating efficiency.
C07	The Executive recommended Transfer of 11 restored positions with accompanying Regular Salaries and Personal Services Matching appropriation to (37N) Forestry Operations - Special.
C11	Downgrade requested to correct inequity in grades of two members of senior management and to accurately reflect the chain of command at the agency.
C14	The Executive Recommendation includes a Title Change for 1 position from (C120) Public Information Coordinator to (C118) Executive Assistant to the Director. This change does not affect appropriation.

## **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 \$1,873,000 million each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

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

**Funding Sources:** FAD - Federal Funds

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	1,795,797	1,783,000	4,000,000	1,783,000	1,783,000	1,783,000	1,783,000	1,783,000	1,783,000
Aquaculture Administrative Costs: 5900048	112,305	90,000	153,082	90,000	90,000	90,000	90,000	90,000	90,000
Aquaculture Grants 5900049	0	0	2,908,553	0	0	0	0	0	0
<b>Total</b>	<b>1,908,102</b>	<b>1,873,000</b>	<b>7,061,635</b>	<b>1,873,000</b>	<b>1,873,000</b>	<b>1,873,000</b>	<b>1,873,000</b>	<b>1,873,000</b>	<b>1,873,000</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	1,908,102	1,873,000		1,873,000	1,873,000	1,873,000	1,873,000	1,873,000	1,873,000
<b>Total Funding</b>	<b>1,908,102</b>	<b>1,873,000</b>		<b>1,873,000</b>	<b>1,873,000</b>	<b>1,873,000</b>	<b>1,873,000</b>	<b>1,873,000</b>	<b>1,873,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>1,908,102</b>	<b>1,873,000</b>		<b>1,873,000</b>	<b>1,873,000</b>	<b>1,873,000</b>	<b>1,873,000</b>	<b>1,873,000</b>	<b>1,873,000</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 Base Level Request includes appropriation of \$77,131 each year of the biennium.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	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 Animal Disease Control & Eradication Prgm

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

The Arkansas Livestock & Poultry Commission's Animal Disease 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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation of \$1,570,010 in FY14 and \$1,570,098 in FY15 with 19 Regular positions and 21 Extra Help positions.

The Agency Change Level Request includes Capital Outlay appropriation of \$20,000 each year for the replacement of equipment and a title change for this appropriation to more accurately reflect its purpose.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

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

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	460,746	581,377	705,672	580,326	580,326	580,326	580,396	580,396	580,396
<b>#Positions</b>		<b>14</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>
Extra Help	5010001	0	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
<b>#Extra Help</b>		<b>0</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	196,902	224,632	248,207	229,092	229,092	229,092	229,110	229,110	229,110
Operating Expenses	5020002	208,520	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	47,555	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Capital Outlay	5120011	2,646	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>916,369</b>	<b>1,586,601</b>	<b>1,734,471</b>	<b>1,570,010</b>	<b>1,590,010</b>	<b>1,590,010</b>	<b>1,570,098</b>	<b>1,590,098</b>	<b>1,590,098</b>
<b>Funding Sources</b>										
Fund Balance	4000005	1,260,978	1,086,129		149,528	149,528	149,528	0	0	0
Special Revenue	4000030	741,520	650,000		650,000	650,000	650,000	650,000	650,000	650,000
<b>Total Funding</b>		<b>2,002,498</b>	<b>1,736,129</b>		<b>799,528</b>	<b>799,528</b>	<b>799,528</b>	<b>650,000</b>	<b>650,000</b>	<b>650,000</b>
Excess Appropriation/(Funding)		(1,086,129)	(149,528)		770,482	790,482	790,482	920,098	940,098	940,098
<b>Grand Total</b>		<b>916,369</b>	<b>1,586,601</b>		<b>1,570,010</b>	<b>1,590,010</b>	<b>1,590,010</b>	<b>1,570,098</b>	<b>1,590,098</b>	<b>1,590,098</b>

\*Agency requests to change the title of this appropriation from "L&P Brucellosis Control & Eradication Program."

## Change Level by Appropriation

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

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

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,570,010</b>	<b>19</b>	<b>1,570,010</b>	<b>100.0</b>	<b>1,570,098</b>	<b>19</b>	<b>1,570,098</b>	<b>100.0</b>
C01	Existing Program	20,000	0	1,590,010	101.3	20,000	0	1,590,098	101.3

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,570,010</b>	<b>19</b>	<b>1,570,010</b>	<b>100.0</b>	<b>1,570,098</b>	<b>19</b>	<b>1,570,098</b>	<b>100.0</b>
C01	Existing Program	20,000	0	1,590,010	101.3	20,000	0	1,590,098	101.3

### Justification

C01	The agency requested each year FY 14 and FY 15 for Capital Outlay appropriation to replace necessary testing equipment.								
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## **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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation of \$3,893,588 in FY14 and \$3,894,695 in FY15 with 47 Regular positions and 5 Extra Help positions.

The Agency Change Level Request includes Capital Outlay appropriation of \$50,000 each year to purchase new and replacement equipment for the Egg and Poultry Division.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,495,460	1,642,951	1,713,063	1,642,951	1,642,951	1,642,951	1,643,851	1,643,851	1,643,851
<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	0	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500
<b>#Extra Help</b>		<b>0</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	568,736	670,137	630,159	681,417	681,417	681,417	681,624	681,624	681,624
Overtime	5010006	254,007	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Operating Expenses	5020002	196,985	230,902	230,902	230,902	230,902	230,902	230,902	230,902	230,902
Conference & Travel Expenses	5050009	7,827	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	641,009	887,968	887,968	887,968	887,968	887,968	887,968	887,968	887,968
Capital Outlay	5120011	103,100	50,000	50,000	0	50,000	50,000	0	50,000	50,000
Egg Promotion Expense	5900046	7,419	64,500	64,500	64,500	64,500	64,500	64,500	64,500	64,500
<b>Total</b>		<b>3,274,543</b>	<b>3,932,308</b>	<b>3,962,442</b>	<b>3,893,588</b>	<b>3,943,588</b>	<b>3,943,588</b>	<b>3,894,695</b>	<b>3,944,695</b>	<b>3,944,695</b>
<b>Funding Sources</b>										
Fund Balance	4000005	3,561,232	3,951,385		2,882,688	2,882,688	2,882,688	1,802,711	1,802,711	1,802,711
Special Revenue	4000030	3,664,696	2,863,611		2,813,611	2,863,611	2,863,611	2,813,611	2,863,611	2,863,611
Total Funding		7,225,928	6,814,996		5,696,299	5,746,299	5,746,299	4,616,322	4,666,322	4,666,322
Excess Appropriation/(Funding)		(3,951,385)	(2,882,688)		(1,802,711)	(1,802,711)	(1,802,711)	(721,627)	(721,627)	(721,627)
<b>Grand Total</b>		<b>3,274,543</b>	<b>3,932,308</b>		<b>3,893,588</b>	<b>3,943,588</b>	<b>3,943,588</b>	<b>3,894,695</b>	<b>3,944,695</b>	<b>3,944,695</b>

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

## Change Level by Appropriation

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

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,893,588</b>	<b>47</b>	<b>3,893,588</b>	<b>100.0</b>	<b>3,894,695</b>	<b>47</b>	<b>3,894,695</b>	<b>100.0</b>
C01	Existing Program	50,000	0	3,943,588	101.3	50,000	0	3,944,695	101.3

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,893,588</b>	<b>47</b>	<b>3,893,588</b>	<b>100.0</b>	<b>3,894,695</b>	<b>47</b>	<b>3,894,695</b>	<b>100.0</b>
C01	Existing Program	50,000	0	3,943,588	101.3	50,000	0	3,944,695	101.3

### Justification

C01	The Agency requests each year for FY14 and FY15 Capital Outlay appropriation to be restored to replace necessary office and grading equipment.
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## **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 Change Level Request includes appropriation of \$50,000 each year in Capital Outlay to replace and maintain small animal testing equipment in the Agency's diagnostic laboratory.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	275,114	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	43,797	50,000	50,000	0	50,000	50,000	0	50,000	50,000
<b>Total</b>	<b>318,911</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	318,911	350,000		300,000	350,000	350,000	300,000	350,000	350,000
Total Funding	318,911	350,000		300,000	350,000	350,000	300,000	350,000	350,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>318,911</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		2013-2014	Pos	Cumulative	% of BL	2014-2015	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		2013-2014	Pos	Cumulative	% of BL	2014-2015	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 each year for FY14 and FY15 Capital Outlay appropriation to be restored to replace testing equipment in the AL&PC Diagnostic Laboratory.
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## **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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation of \$1,319,133 each year with three (3) Regular positions.

The Agency Change Level Request includes appropriation of \$173,084 each year for the following:

- Regular Salaries and Personal Services Matching of \$53,084 each year for one (1) C121 - Agency Fiscal Manager position needed to provide department managers with budgetary information required to run programs more efficiently as required by the USDA.
- Capital Outlay of \$120,000 each year for the purchase of new and replacement testing equipment in the Agency's Diagnostic Laboratory.

The Executive Recommendation provides for Base Level, as well as additional Capital Outlay appropriation of \$120,000.

## 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	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	86,879	118,733	139,021	118,733	157,932	118,733	118,733	157,932	118,733
<b>#Positions</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>
Personal Services Matching 5010003	32,854	41,583	42,097	42,323	56,208	42,323	42,323	56,208	42,323
Operating Expenses 5020002	634,447	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	24,143	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	82,978	120,000	120,000	0	120,000	120,000	0	120,000	120,000
<b>Total</b>	<b>861,301</b>	<b>1,438,393</b>	<b>1,459,195</b>	<b>1,319,133</b>	<b>1,492,217</b>	<b>1,439,133</b>	<b>1,319,133</b>	<b>1,492,217</b>	<b>1,439,133</b>
<b>Funding Sources</b>									
Fund Balance 4000005	1,620,983	1,493,658		805,265	805,265	805,265	183,048	9,964	63,048
Special Revenue 4000030	733,976	750,000		696,916	696,916	696,916	696,916	696,916	696,916
Total Funding	2,354,959	2,243,658		1,502,181	1,502,181	1,502,181	879,964	706,880	759,964
Excess Appropriation/(Funding)	(1,493,658)	(805,265)		(183,048)	(9,964)	(63,048)	439,169	785,337	679,169
<b>Grand Total</b>	<b>861,301</b>	<b>1,438,393</b>		<b>1,319,133</b>	<b>1,492,217</b>	<b>1,439,133</b>	<b>1,319,133</b>	<b>1,492,217</b>	<b>1,439,133</b>

## Change Level by Appropriation

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

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,319,133</b>	<b>3</b>	<b>1,319,133</b>	<b>100.0</b>	<b>1,319,133</b>	<b>3</b>	<b>1,319,133</b>	<b>100.0</b>
C01	Existing Program	173,084	1	1,492,217	113.1	173,084	1	1,492,217	113.1

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,319,133</b>	<b>3</b>	<b>1,319,133</b>	<b>100.0</b>	<b>1,319,133</b>	<b>3</b>	<b>1,319,133</b>	<b>100.0</b>
C01	Existing Program	120,000	0	1,439,133	109.1	120,000	0	1,439,133	109.1

### Justification

C01	The Agency is requesting 1 new position (Agency Fiscal Manager, grade C121) in the next biennial period to be paid from special revenue. The Agency Fiscal Manager will be responsible for monitoring appropriation and funds for general and special revenue. Track revenue for each program to address management of potential budget issues. Preparing of annual and biennial budgets, tracking multiply federal grants in AASIS and preparing Schedule of Expenditure of Federal Awards, complete Comprehensive Annual Financial Report, advise purchasing agents on budget availability and where to allocate purchases, approving vendor payments in AASIS. The position would be a positive impact for agency to provide department managers with budgetary information needed to run programs at a more efficient level. The agency also requests each year for FY 14 and FY 15 for Capital Outlay appropriation to be restored to replace necessary testing equipment in the AL&PC Diagnostic Laboratory.
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## **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 Base Level Request includes appropriation of \$6,000 each year of the biennium.

The Executive Recommendation provides for the 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	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Brand Registry 5900046	670	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Total	670	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
<b>Funding Sources</b>									
Special Revenue 4000030	670	6,000		6,000	6,000	6,000	6,000	6,000	6,000
Total Funding	670	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	670	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 Base Level Request includes appropriation of \$45,000 each year of the biennium.

The Executive Recommendation provides for the 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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	5,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Total		5,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
<b>Funding Sources</b>										
Miscellaneous Revolving	4000350	5,000	45,000		45,000	45,000	45,000	45,000	45,000	45,000
Total Funding		5,000	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
Grand Total		5,000	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 Arkansas Rodeo for expenses incurred while representing the State of Arkansas at national conferences and events outside the State.

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

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

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

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	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	20,000	20,000	20,000	20,000	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	0	350	350	350	350	350	350	350	350
FFA Clubs Refunds/Reimb	5110014	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
4H Clubs Refunds/Reimb	5110014	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
<b>Total</b>		<b>736,430</b>	<b>736,780</b>	<b>736,780</b>	<b>736,780</b>	<b>736,780</b>	<b>736,780</b>	<b>736,780</b>	<b>736,780</b>	<b>736,780</b>
<b>Funding Sources</b>										
General Revenue	4000010	736,430	736,780		736,780	736,780	736,780	736,780	736,780	736,780
Total Funding		736,430	736,780		736,780	736,780	736,780	736,780	736,780	736,780
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>736,430</b>	<b>736,780</b>		<b>736,780</b>	<b>736,780</b>	<b>736,780</b>	<b>736,780</b>	<b>736,780</b>	<b>736,780</b>

## **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 \$265,751 each year of the biennium with one (1) Extra Help position.

The Agency Change Level Request includes Capital Outlay appropriation of \$57,500 each year to purchase new and replacement testing equipment in the Agency's diagnostic lab.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help	5010001	4,663	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	384	1,251	1,132	1,251	1,251	1,251	1,251	1,251	1,251
Operating Expenses	5020002	115,664	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	42,020	57,500	57,500	0	57,500	57,500	0	57,500	57,500
<b>Total</b>		<b>162,731</b>	<b>323,251</b>	<b>323,132</b>	<b>265,751</b>	<b>323,251</b>	<b>323,251</b>	<b>265,751</b>	<b>323,251</b>	<b>323,251</b>
<b>Funding Sources</b>										
Special Revenue	4000030	120,711	323,251		265,751	323,251	323,251	265,751	323,251	323,251
DFA Motor Vehicle Acquisition	4000184	42,020	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>162,731</b>	<b>323,251</b>		<b>265,751</b>	<b>323,251</b>	<b>323,251</b>	<b>265,751</b>	<b>323,251</b>	<b>323,251</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>162,731</b>	<b>323,251</b>		<b>265,751</b>	<b>323,251</b>	<b>323,251</b>	<b>265,751</b>	<b>323,251</b>	<b>323,251</b>

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

## Change Level by Appropriation

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

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>265,751</b>	<b>0</b>	<b>265,751</b>	<b>100.0</b>	<b>265,751</b>	<b>0</b>	<b>265,751</b>	<b>100.0</b>
C01	Existing Program	57,500	0	323,251	121.6	57,500	0	323,251	121.6

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>265,751</b>	<b>0</b>	<b>265,751</b>	<b>100.0</b>	<b>265,751</b>	<b>0</b>	<b>265,751</b>	<b>100.0</b>
C01	Existing Program	57,500	0	323,251	121.6	57,500	0	323,251	121.6

### Justification

C01	The Agency requests Capital Outlay appropriation for FY14 and FY15 be restored to replace testing equipment in the AL&PC Diagnostic Laboratory.
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## **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 Base Level Request includes appropriation of \$1,955 each year of the biennium.

The Executive Recommendation provides for the 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	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Swine Testing Program 5900046	963	1,955	30,000	1,955	1,955	1,955	1,955	1,955	1,955
<b>Total</b>	963	1,955	30,000	1,955	1,955	1,955	1,955	1,955	1,955
<b>Funding Sources</b>									
Fund Balance 4000005	2,170	1,354		0	0	0	0	0	0
Special Revenue 4000030	147	601		601	601	601	601	601	601
<b>Total Funding</b>	2,317	1,955		601	601	601	601	601	601
Excess Appropriation/(Funding)	(1,354)	0		1,354	1,354	1,354	1,354	1,354	1,354
<b>Grand Total</b>	963	1,955		1,955	1,955	1,955	1,955	1,955	1,955

## **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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation of \$371,952 each year with four (4) Regular positions.

The Agency Change Level Request includes Capital Outlay appropriation of \$100,000 each year for the replacement of medical equipment and office machines that support the EIA program.

The Executive Recommendation provides for the 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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	88,774	98,913	108,538	99,513	99,513	99,513	99,513	99,513	99,513
<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	38,101	41,342	40,579	42,439	42,439	42,439	42,439	42,439	42,439
Operating Expenses	5020002	81,558	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	2,634	100,000	100,000	0	100,000	100,000	0	100,000	100,000
<b>Total</b>		<b>211,067</b>	<b>470,255</b>	<b>479,117</b>	<b>371,952</b>	<b>471,952</b>	<b>471,952</b>	<b>371,952</b>	<b>471,952</b>	<b>471,952</b>
<b>Funding Sources</b>										
Fund Balance	4000005	475,891	447,081		126,826	126,826	126,826	0	0	0
Special Revenue	4000030	182,257	150,000		150,000	150,000	150,000	150,000	150,000	150,000
<b>Total Funding</b>		<b>658,148</b>	<b>597,081</b>		<b>276,826</b>	<b>276,826</b>	<b>276,826</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
Excess Appropriation/(Funding)		(447,081)	(126,826)		95,126	195,126	195,126	221,952	321,952	321,952
<b>Grand Total</b>		<b>211,067</b>	<b>470,255</b>		<b>371,952</b>	<b>471,952</b>	<b>471,952</b>	<b>371,952</b>	<b>471,952</b>	<b>471,952</b>

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 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		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>371,952</b>	<b>4</b>	<b>371,952</b>	<b>100.0</b>	<b>371,952</b>	<b>4</b>	<b>371,952</b>	<b>100.0</b>
C01	Existing Program	100,000	0	471,952	126.9	100,000	0	471,952	126.9

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>371,952</b>	<b>4</b>	<b>371,952</b>	<b>100.0</b>	<b>371,952</b>	<b>4</b>	<b>371,952</b>	<b>100.0</b>
C01	Existing Program	100,000	0	471,952	126.9	100,000	0	471,952	126.9

### Justification

C01	The Agency requests each year FY14 and FY15 for Capital Outlay appropriation to replace office machines and equipment.
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## **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, Johne's 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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level Request includes appropriation of \$678,663 in FY14 and \$678,670 in FY15 with eight (8) Regular positions and two (2) Extra Help positions.

The Executive Recommendation provides the Agency Request.

## Appropriation Summary

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

**Funding Sources:** FFA - Federal Funds

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	358,671	318,199	458,321	316,890	316,890	316,890	316,892	316,892	316,892
<b>#Positions</b>		<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Extra Help	5010001	0	8,311	52,000	8,311	8,311	8,311	8,311	8,311	8,311
<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	100,799	109,822	120,281	111,682	111,682	111,682	111,687	111,687	111,687
Operating Expenses	5020002	178,413	220,870	615,161	220,870	220,870	220,870	220,870	220,870	220,870
Conference & Travel Expenses	5050009	1,885	20,910	20,910	20,910	20,910	20,910	20,910	20,910	20,910
Professional Fees	5060010	4,740	0	147,500	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	5,422	0	472,769	0	0	0	0	0	0
<b>Total</b>		<b>649,930</b>	<b>678,112</b>	<b>1,886,942</b>	<b>678,663</b>	<b>678,663</b>	<b>678,663</b>	<b>678,670</b>	<b>678,670</b>	<b>678,670</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	649,930	678,112		678,663	678,663	678,663	678,670	678,670	678,670
Total Funding		649,930	678,112		678,663	678,663	678,663	678,670	678,670	678,670
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>649,930</b>	<b>678,112</b>		<b>678,663</b>	<b>678,663</b>	<b>678,663</b>	<b>678,670</b>	<b>678,670</b>	<b>678,670</b>

## **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.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation and general revenue funding of \$431,835 each year of the biennium with four (4) Regular positions.

The Agency Change Level Request includes additional appropriation and general revenue funding in the amount of \$17,000 to each year for the following:

- Operating Expenses of \$5,000 for increased fuel costs.
- Conference & Travel Expenses of \$2,000 for increased travel costs.
- Professional Fees of \$10,000 to provide for increased expenses related to setting and refurbishing monuments.

The Executive Recommendation provides for the Agency Request.

## 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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	220,968	208,103	212,223	208,203	208,203	208,203	208,203	208,203	208,203
<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	61,074	66,313	61,130	67,296	67,296	67,296	67,296	67,296	67,296
Operating Expenses	5020002	41,076	56,986	61,986	56,986	61,986	61,986	56,986	61,986	61,986
Conference & Travel Expenses	5050009	958	2,350	4,350	2,350	4,350	4,350	2,350	4,350	4,350
Professional Fees	5060010	96,969	97,000	97,000	97,000	107,000	107,000	97,000	107,000	107,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	16,600	0	0	0	0	0	0	0	0
<b>Total</b>		<b>437,645</b>	<b>430,752</b>	<b>436,689</b>	<b>431,835</b>	<b>448,835</b>	<b>448,835</b>	<b>431,835</b>	<b>448,835</b>	<b>448,835</b>
<b>Funding Sources</b>										
General Revenue	4000010	437,645	430,752		431,835	448,835	448,835	431,835	448,835	448,835
Total Funding		437,645	430,752		431,835	448,835	448,835	431,835	448,835	448,835
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>437,645</b>	<b>430,752</b>		<b>431,835</b>	<b>448,835</b>	<b>448,835</b>	<b>431,835</b>	<b>448,835</b>	<b>448,835</b>

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

## Change Level by Appropriation

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

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>431,835</b>	<b>4</b>	<b>431,835</b>	<b>100.0</b>	<b>431,835</b>	<b>4</b>	<b>431,835</b>	<b>100.0</b>
C01	Existing Program	17,000	0	448,835	103.9	17,000	0	448,835	103.9

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>431,835</b>	<b>4</b>	<b>431,835</b>	<b>100.0</b>	<b>431,835</b>	<b>4</b>	<b>431,835</b>	<b>100.0</b>
C01	Existing Program	17,000	0	448,835	103.9	17,000	0	448,835	103.9

### Justification

C01	To restore appropriation to FY12 levels for increases in fuel and travel costs and to restore appropriation in Professional Fees to allow for additional setting and refurbishing of monuments.
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## **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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

Base Level includes appropriation of \$7,930,686 in FY14 and \$7,932,525 in FY15 of the biennium 93 Regular positions and 30 Extra Help positions.

The Agency Change Level Request includes appropriation of \$574,398 in FY14 and \$555,398 in FY15 for the following:

- Reclassification needed to correct inequity in the grades of two members of senior management and to accurately reflect the chain of command at the agency - G017C Plant Board Assistant Director from grade C127 to grade N906 and B029C Agri Plant Board Division Manager (grade C123) to B037C Chemist Supervisor (grade C122).
- Discontinuation of one (1) C073C Administrative Specialist II (grade C109), which results in a decrease of \$31,602 in Regular Salaries and Personal Services Matching.
- Capital Outlay of \$606,000 in FY14 and \$587,000 in FY15 to replace laboratory equipment, data processing equipment, a weather monitoring system and a vehicle.

The Executive Recommendation provides the 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		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	3,562,207	3,703,157	3,923,761	3,746,129	3,724,302	3,724,302	3,747,629	3,725,802	3,725,802
<b>#Positions</b>	<b>82</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>92</b>	<b>92</b>	<b>93</b>	<b>92</b>	<b>92</b>
Extra Help 5010001	88,646	183,616	183,616	183,616	183,616	183,616	183,616	183,616	183,616
<b>#Extra Help</b>	<b>7</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
Personal Services Matching 5010003	1,190,647	1,300,057	1,243,506	1,332,205	1,322,430	1,322,430	1,332,544	1,322,769	1,322,769
Overtime 5010006	1	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Operating Expenses 5020002	1,107,434	1,331,613	1,331,613	1,331,613	1,331,613	1,331,613	1,331,613	1,331,613	1,331,613
Conference & Travel Expenses 5050009	115,172	83,613	83,613	83,613	83,613	83,613	83,613	83,613	83,613
Professional Fees 5060010	2,800	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	236,266	513,000	513,000	0	606,000	606,000	0	587,000	587,000
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>6,303,173</b>	<b>8,368,566</b>	<b>8,532,619</b>	<b>7,930,686</b>	<b>8,505,084</b>	<b>8,505,084</b>	<b>7,932,525</b>	<b>8,487,923</b>	<b>8,487,923</b>
<b>Funding Sources</b>									
Fund Balance 4000005	5,240,837	5,978,598		3,634,229	3,634,229	3,634,229	1,806,600	1,806,600	1,806,600
Federal Revenue 4000020	981,316	662,283		662,283	662,283	662,283	662,283	662,283	662,283
Special Revenue 4000030	5,921,150	5,361,914		5,440,774	6,015,172	6,015,172	5,459,774	6,015,172	6,015,172
DFA Motor Vehicle Acquisition 4000184	138,468	0		0	0	0	0	0	0
<b>Total Funding</b>	<b>12,281,771</b>	<b>12,002,795</b>		<b>9,737,286</b>	<b>10,311,684</b>	<b>10,311,684</b>	<b>7,928,657</b>	<b>8,484,055</b>	<b>8,484,055</b>
Excess Appropriation/(Funding)	(5,978,598)	(3,634,229)		(1,806,600)	(1,806,600)	(1,806,600)	3,868	3,868	3,868
<b>Grand Total</b>	<b>6,303,173</b>	<b>8,368,566</b>		<b>7,930,686</b>	<b>8,505,084</b>	<b>8,505,084</b>	<b>7,932,525</b>	<b>8,487,923</b>	<b>8,487,923</b>

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

## Change Level by Appropriation

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

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,930,686</b>	<b>93</b>	<b>7,930,686</b>	<b>100.0</b>	<b>7,932,525</b>	<b>93</b>	<b>7,932,525</b>	<b>100.0</b>
C01	Existing Program	606,000	0	8,536,686	107.6	587,000	0	8,519,525	107.4
C03	Discontinue Program	(31,739)	(1)	8,504,947	107.2	(31,739)	(1)	8,487,786	107.0
C10	Reclass	0	0	8,504,947	107.2	0	0	8,487,786	107.0
C11	Upgrade/Downgrade	137	0	8,505,084	107.2	137	0	8,487,923	107.0

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,930,686</b>	<b>93</b>	<b>7,930,686</b>	<b>100.0</b>	<b>7,932,525</b>	<b>93</b>	<b>7,932,525</b>	<b>100.0</b>
C01	Existing Program	606,000	0	8,536,686	107.6	587,000	0	8,519,525	107.4
C03	Discontinue Program	(31,739)	(1)	8,504,947	107.2	(31,739)	(1)	8,487,786	107.0
C10	Reclass	0	0	8,504,947	107.2	0	0	8,487,786	107.0
C11	Upgrade/Downgrade	137	0	8,505,084	107.2	137	0	8,487,923	107.0

### Justification

C01	The agency requests for FY 14 and FY 15 in Capital Outlay for replacement of laboratory equipment, data processing equipment, weather monitoring system and vehicle replacement.
C03	Discontinuation of one (1) C073C Administrative Specialist II (grade C109) position with coresponding Regular Salary and Personal Services Matching.
C10	Needed to correct inequity in the grades of one member of senior management and to accurately reflect the chain of command at the agency.
C11	Needed to correct inequity in the grades of one member of senior management and to accurately reflect the chain of command at the agency.

## **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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level Request includes appropriation of \$270,371 in FY14 and \$271,108 in FY15 of the biennium with four (4) Regular positions.

The Executive Recommendation provides for the 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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	143,751	144,008	169,741	144,008	144,008	144,008	144,608	144,608	144,608
<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	49,951	51,655	52,579	52,615	52,615	52,615	52,752	52,752	52,752
Operating Expenses	5020002	67,716	67,935	67,935	67,935	67,935	67,935	67,935	67,935	67,935
Conference & Travel Expenses	5050009	3,439	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>264,857</b>	<b>269,411</b>	<b>296,068</b>	<b>270,371</b>	<b>270,371</b>	<b>270,371</b>	<b>271,108</b>	<b>271,108</b>	<b>271,108</b>
<b>Funding Sources</b>										
Special Revenue	4000030	264,857	269,411		270,371	270,371	270,371	271,108	271,108	271,108
<b>Total Funding</b>		<b>264,857</b>	<b>269,411</b>		<b>270,371</b>	<b>270,371</b>	<b>270,371</b>	<b>271,108</b>	<b>271,108</b>	<b>271,108</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>264,857</b>	<b>269,411</b>		<b>270,371</b>	<b>270,371</b>	<b>270,371</b>	<b>271,108</b>	<b>271,108</b>	<b>271,108</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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level Request includes appropriation of \$264,661 in FY14 and \$266,135 in FY15 of the biennium with with four (4) Regular positions.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	162,228	152,124	182,295	152,124	152,124	152,124	153,324	153,324	153,324
<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	54,020	53,511	55,307	54,471	54,471	54,471	54,745	54,745	54,745
Operating Expenses 5020002	51,960	52,066	52,066	52,066	52,066	52,066	52,066	52,066	52,066
Conference & Travel Expenses 5050009	4,931	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>273,139</b>	<b>263,701</b>	<b>295,668</b>	<b>264,661</b>	<b>264,661</b>	<b>264,661</b>	<b>266,135</b>	<b>266,135</b>	<b>266,135</b>
<b>Funding Sources</b>									
Special Revenue 4000030	273,139	263,701		264,661	264,661	264,661	266,135	266,135	266,135
Total Funding	273,139	263,701		264,661	264,661	264,661	266,135	266,135	266,135
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>273,139</b>	<b>263,701</b>		<b>264,661</b>	<b>264,661</b>	<b>264,661</b>	<b>266,135</b>	<b>266,135</b>	<b>266,135</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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level Request includes appropriation of \$211,753 in FY14 and \$211,876 in FY15 of the biennium with three (3) Regular positions and three (3) Extra Help positions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 37E - PB Apiary

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	115,413	108,141	110,245	108,141	108,141	108,141	108,241	108,241	108,241
<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	7,352	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
<b>#Extra Help</b>		<b>2</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	36,780	39,807	36,898	40,527	40,527	40,527	40,550	40,550	40,550
Operating Expenses	5020002	52,836	51,085	53,519	51,085	51,085	51,085	51,085	51,085	51,085
Conference & Travel Expenses	5050009	2,993	0	3,650	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>215,374</b>	<b>211,033</b>	<b>216,312</b>	<b>211,753</b>	<b>211,753</b>	<b>211,753</b>	<b>211,876</b>	<b>211,876</b>	<b>211,876</b>
<b>Funding Sources</b>										
Special Revenue	4000030	215,374	211,033		211,753	211,753	211,753	211,876	211,876	211,876
<b>Total Funding</b>		<b>215,374</b>	<b>211,033</b>		<b>211,753</b>	<b>211,753</b>	<b>211,753</b>	<b>211,876</b>	<b>211,876</b>	<b>211,876</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>215,374</b>	<b>211,033</b>		<b>211,753</b>	<b>211,753</b>	<b>211,753</b>	<b>211,876</b>	<b>211,876</b>	<b>211,876</b>

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.



## **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.

The Agency Base Level Request includes federal appropriation of \$600,059 each year of the biennium.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	43,217	0	0	0	0	0	0
<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>
Extra Help 5010001	0	0	12,000	0	0	0	0	0	0
<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	0	14,378	0	0	0	0	0	0
Operating Expenses 5020002	80,047	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000
Conference & Travel Expenses 5050009	6,000	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	0	97,059	97,059	97,059	97,059	97,059	97,059	97,059	97,059
Grants and Aid 5100004	40,334	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	0	0	0	0	0
<b>Total</b>	<b>126,381</b>	<b>625,059</b>	<b>694,654</b>	<b>600,059</b>	<b>600,059</b>	<b>600,059</b>	<b>600,059</b>	<b>600,059</b>	<b>600,059</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	126,381	625,059		600,059	600,059	600,059	600,059	600,059	600,059
Total Funding	126,381	625,059		600,059	600,059	600,059	600,059	600,059	600,059
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>126,381</b>	<b>625,059</b>		<b>600,059</b>	<b>600,059</b>	<b>600,059</b>	<b>600,059</b>	<b>600,059</b>	<b>600,059</b>

## **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 Base Level Request includes appropriation of \$750,000 each year of the biennium.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	118,105	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>118,105</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	954,687	1,203,624		1,203,624	1,203,624	1,203,624	1,203,624	1,203,624	1,203,624
Special Revenue	4000030	367,042	750,000		750,000	750,000	750,000	750,000	750,000	750,000
<b>Total Funding</b>		<b>1,321,729</b>	<b>1,953,624</b>		<b>1,953,624</b>	<b>1,953,624</b>	<b>1,953,624</b>	<b>1,953,624</b>	<b>1,953,624</b>	<b>1,953,624</b>
Excess Appropriation/(Funding)		(1,203,624)	(1,203,624)		(1,203,624)	(1,203,624)	(1,203,624)	(1,203,624)	(1,203,624)	(1,203,624)
<b>Grand Total</b>		<b>118,105</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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

Base Level includes appropriation of \$8,399,089 in FY14 and \$8,403,142 in FY15 of the biennium with 136 Regular positions and 85 Extra Help positions.

The Agency's Change Level Requests provides for additional appropriation of \$1,734,469 each year for the following:

- Overtime and related Personal Services Matching of \$77,843 to provide for the needed levels of manpower.
- Uniform Allowance of \$55,000 to compensate field staff for purchase and maintenance of required uniforms.
- Operating Expenses of \$1,561,626 to provide for maintenance, fuel and aviation coverage in times of high wildfire activity, and for increased operating costs of the revenue producing Baucum Nursery and the Poison Springs State Forest.
- Grants and Aid of \$30,000 to fund the Fire Boat School.
- Refunds/Reimbursements of \$10,000 to refund cancellations of prepaid orders.

The Executive Recommendation provides for the Agency Request with the addition of the following:

- Transfer of 11 restored positions with accompanying Regular Salaries and Personal Services Matching appropriation of \$456,084 from (2ZR) Agri Dept - Operations
- Additional Operating Expenses of \$214,461 to provide for equipment maintenance, electricity, rent, tires and fuel purchases.
- Professional Fees of \$325,000 to provide Single Engine Air Tankers needed to maintain Statewide wildfire protection.

# Appropriation Summary

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

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

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	5,893,910	4,966,376	5,538,559	4,945,468	4,945,468	5,251,906	4,948,408	4,948,408	5,254,846
<b>#Positions</b>		<b>150</b>	<b>136</b>	<b>136</b>	<b>136</b>	<b>136</b>	<b>147</b>	<b>136</b>	<b>136</b>	<b>147</b>
Extra Help	5010001	99,478	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
<b>#Extra Help</b>		<b>30</b>	<b>85</b>	<b>85</b>	<b>85</b>	<b>85</b>	<b>85</b>	<b>85</b>	<b>85</b>	<b>85</b>
Personal Services Matching	5010003	1,910,192	1,780,455	1,858,607	1,814,627	1,840,070	1,964,273	1,815,740	1,841,183	1,965,386
Overtime	5010006	18,432	0	0	0	52,400	52,400	0	52,400	52,400
Uniform Allowance	5010016	448	0	0	0	55,000	55,000	0	55,000	55,000
Operating Expenses	5020002	1,543,250	1,420,482	1,420,482	1,420,482	2,982,108	3,223,569	1,420,482	2,982,108	3,223,569
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	325,000	0	0	325,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	0	0	30,000	30,000	0	30,000	30,000
Refunds/Reimbursements	5110014	2,279	0	0	0	10,000	10,000	0	10,000	10,000
Capital Outlay	5120011	189,881	0	0	0	0	0	0	0	0
Federal Initiative Program	5900047	81,993	138,512	138,512	138,512	138,512	138,512	138,512	138,512	138,512
<b>Total</b>		<b>9,739,863</b>	<b>8,385,825</b>	<b>9,036,160</b>	<b>8,399,089</b>	<b>10,133,558</b>	<b>11,130,660</b>	<b>8,403,142</b>	<b>10,137,611</b>	<b>11,134,713</b>
<b>Funding Sources</b>										
Fund Balance	4000005	539,866	3,503,704		3,042,879	3,042,879	3,042,879	2,875,186	1,140,717	143,615
Federal Revenue	4000020	1,728,578	1,700,000		1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Special Revenue	4000030	8,035,800	6,725,000		6,831,396	6,831,396	6,831,396	7,038,449	7,038,449	7,038,449
DFA Motor Vehicle Acquisition	4000184	178,791	0		0	0	0	0	0	0
General Improvement Fund	4000265	2,666,324	0		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	0	(500,000)		(300,000)	(300,000)	(300,000)	(500,000)	(500,000)	(500,000)
M & R Sales	4000340	94,208	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>13,243,567</b>	<b>11,428,704</b>		<b>11,274,275</b>	<b>11,274,275</b>	<b>11,274,275</b>	<b>11,113,635</b>	<b>9,379,166</b>	<b>8,382,064</b>
Excess Appropriation/(Funding)		(3,503,704)	(3,042,879)		(2,875,186)	(1,140,717)	(143,615)	(2,710,493)	758,445	2,752,649
<b>Grand Total</b>		<b>9,739,863</b>	<b>8,385,825</b>		<b>8,399,089</b>	<b>10,133,558</b>	<b>11,130,660</b>	<b>8,403,142</b>	<b>10,137,611</b>	<b>11,134,713</b>

FY12 Special Revenue reflects an increase in timber sales resulting from an one-time harvest pursuant to the Agency's new forest management plan.

## Change Level by Appropriation

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

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>8,399,089</b>	<b>136</b>	<b>8,399,089</b>	<b>100.0</b>	<b>8,403,142</b>	<b>136</b>	<b>8,403,142</b>	<b>100.0</b>
C01	Existing Program	1,910,408	0	10,309,497	122.7	1,910,408	0	10,313,550	122.7
C03	Discontinue Program	(175,939)	0	10,133,558	120.7	(175,939)	0	10,137,611	120.6

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>8,399,089</b>	<b>136</b>	<b>8,399,089</b>	<b>100.0</b>	<b>8,403,142</b>	<b>136</b>	<b>8,403,142</b>	<b>100.0</b>
C01	Existing Program	2,151,869	0	10,550,958	125.6	2,151,869	0	10,555,011	125.6
C03	Discontinue Program	(175,939)	0	10,375,019	123.5	(175,939)	0	10,379,072	123.5
C07	Agency Transfer	430,641	11	10,805,660	128.7	430,641	11	10,809,713	128.6
C19	Executive Changes	325,000	0	11,130,660	132.5	325,000	0	11,134,713	132.5

### Justification

C01	To restore operations expense levels for income producing Baucum Nursery and the Poison Springs State Forest. Also to restore overtime salaries and associated benefits for needed manpower levels, to restore uniform allowances to compensate field staff for the purchase and required maintenance of Agency required uniforms and to restore appropriations for maintenance, fuel and aviation costs needed in times of extreme wildfire activity.
C03	To adjust various operating unit budgets to requested levels.
C07	The Executive recommends the transfer of 11 restored positions with accompanying Regular Salaries and Personal Services Matching appropriation from (2ZR) Agri Dept - Operations.
C19	The Executive recommends Professional Fees appropriation of \$325,000 to provide Single Engine Air Tankers needed to maintain Statewide wildfire protection.



## **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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation in the amount of \$944,506 in FY14 and \$945,242 in FY15 of the biennium with two (2) Regular positions and two (2) Extra Help positions.

The Agency Change Level Request includes Capital Outlay appropriation of \$150,000 each year for fire fighting equipment.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	84,940	80,743	82,347	80,743	80,743	80,743	81,343	81,343	81,343
<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	3,539	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	27,776	29,230	27,321	29,710	29,710	29,710	29,846	29,846	29,846
Operating Expenses	5020002	568,183	172,132	356,893	172,132	172,132	172,132	172,132	172,132	172,132
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	30,000	280,951	129,744	280,951	280,951	280,951	280,951	280,951	280,951
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	361,500	364,710	545,361	364,710	364,710	364,710	364,710	364,710	364,710
Capital Outlay	5120011	0	130,000	1,000,000	0	150,000	150,000	0	150,000	150,000
<b>Total</b>		<b>1,075,938</b>	<b>1,074,026</b>	<b>2,157,926</b>	<b>944,506</b>	<b>1,094,506</b>	<b>1,094,506</b>	<b>945,242</b>	<b>1,095,242</b>	<b>1,095,242</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	1,075,938	1,074,026		944,506	1,094,506	1,094,506	945,242	1,095,242	1,095,242
Total Funding		1,075,938	1,074,026		944,506	1,094,506	1,094,506	945,242	1,095,242	1,095,242
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>1,075,938</b>	<b>1,074,026</b>		<b>944,506</b>	<b>1,094,506</b>	<b>1,094,506</b>	<b>945,242</b>	<b>1,095,242</b>	<b>1,095,242</b>

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.  
Budget exceeds Authorized Appropriation in Professional Fees by authority of a Budget Classification Transfer.

## Change Level by Appropriation

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

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>944,506</b>	<b>2</b>	<b>944,506</b>	<b>100.0</b>	<b>945,242</b>	<b>2</b>	<b>945,242</b>	<b>100.0</b>
C01	Existing Program	150,000	0	1,094,506	115.9	150,000	0	1,095,242	115.9

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>944,506</b>	<b>2</b>	<b>944,506</b>	<b>100.0</b>	<b>945,242</b>	<b>2</b>	<b>945,242</b>	<b>100.0</b>
C01	Existing Program	150,000	0	1,094,506	115.9	150,000	0	1,095,242	115.9

### Justification

C01	To restore capital appropriation for fire fighting equipment funded by Federal grants.
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## **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 of \$200,000 each year of the biennium.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	26,632	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	0	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	63,060	127,000	127,000	127,000	127,000	127,000	127,000	127,000	127,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>89,692</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	89,692	200,000		200,000	200,000	200,000	200,000	200,000	200,000
<b>Total Funding</b>		<b>89,692</b>	<b>200,000</b>		<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>89,692</b>	<b>200,000</b>		<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</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 Base Level Request includes appropriation of \$1,210,000 each year of the biennium.

The Executive Recommendation provides for the 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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Loans	5120029	736,933	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
Total		736,933	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>Funding Sources</b>										
Fund Balance	4000005	364,236	352,304		2,304	2,304	2,304	0	0	0
Non-Revenue Receipts	4000040	725,001	860,000		860,000	860,000	860,000	860,000	860,000	860,000
Total Funding		1,089,237	1,212,304		862,304	862,304	862,304	860,000	860,000	860,000
Excess Appropriation/(Funding)		(352,304)	(2,304)		347,696	347,696	347,696	350,000	350,000	350,000
Grand Total		736,933	1,210,000		1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000

## **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 Base Level Request includes appropriation in the amount of \$1,000,000 each year of the biennium.

The Agency Change Level Request includes Fire Control/Communications appropriation of \$300,000 in FY14 and \$500,000 in FY15 to provide for emergency fire control measures for the replacement of fire plows and environmental cab dozers.

The Executive Recommendation provides for the 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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					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	400,000	1,000,000	400,000	700,000	700,000	400,000	900,000	900,000
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>1,000,000</b>	<b>1,600,000</b>	<b>1,000,000</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>1,000,000</b>	<b>1,500,000</b>	<b>1,500,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	0	514,480		14,480	14,480	14,480	0	0	0
Trust Fund	4000050	514,480	500,000		300,000	300,000	300,000	500,000	500,000	500,000
<b>Total Funding</b>		<b>514,480</b>	<b>1,014,480</b>		<b>314,480</b>	<b>314,480</b>	<b>314,480</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
Excess Appropriation/(Funding)		(514,480)	(14,480)		685,520	985,520	985,520	500,000	1,000,000	1,000,000
<b>Grand Total</b>		<b>0</b>	<b>1,000,000</b>		<b>1,000,000</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>1,000,000</b>	<b>1,500,000</b>	<b>1,500,000</b>

## Change Level by Appropriation

**Appropriation:** 37S - Forestry-St Forestry Trust Program  
**Funding Sources:** TZT - State Forestry Trust Fund

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>	<b>100.0</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>	<b>100.0</b>
C01	Existing Program	300,000	0	1,300,000	130.0	500,000	0	1,500,000	150.0

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>	<b>100.0</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>	<b>100.0</b>
C01	Existing Program	300,000	0	1,300,000	130.0	500,000	0	1,500,000	150.0

### Justification

C01	To restore appropriation for emergency fire control measures, such as replacement of older, high maintenance dozers and fire plows. This equipment and measures are needed in heavy fire danger conditions like the Summer of 2012.
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## **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 \$1,129,125 each year.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 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	309,543	889,125	1,500,000	889,125	889,125	889,125	889,125	889,125	889,125
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>309,543</b>	<b>1,129,125</b>	<b>1,740,000</b>	<b>1,129,125</b>	<b>1,129,125</b>	<b>1,129,125</b>	<b>1,129,125</b>	<b>1,129,125</b>	<b>1,129,125</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	309,543	1,129,125		1,129,125	1,129,125	1,129,125	1,129,125	1,129,125	1,129,125
Total Funding		309,543	1,129,125		1,129,125	1,129,125	1,129,125	1,129,125	1,129,125	1,129,125
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>309,543</b>	<b>1,129,125</b>		<b>1,129,125</b>	<b>1,129,125</b>	<b>1,129,125</b>	<b>1,129,125</b>	<b>1,129,125</b>	<b>1,129,125</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).

Base Level includes appropriation in the amount of \$61,631 each year.

The Agency Change Level Request includes appropriation of \$117,169 in Operating Expenses each year to provide for increased fuel costs.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	117,169	0	0	117,169	117,169	0	117,169	117,169
Grants and Aid 5100004	0	61,631	178,800	61,631	61,631	61,631	61,631	61,631	61,631
ARRA of 2009 5900052	18,686	0	0	0	0	0	0	0	0
<b>Total</b>	<b>18,686</b>	<b>178,800</b>	<b>178,800</b>	<b>61,631</b>	<b>178,800</b>	<b>178,800</b>	<b>61,631</b>	<b>178,800</b>	<b>178,800</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	18,686	178,800		61,631	178,800	178,800	61,631	178,800	178,800
<b>Total Funding</b>	<b>18,686</b>	<b>178,800</b>		<b>61,631</b>	<b>178,800</b>	<b>178,800</b>	<b>61,631</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>18,686</b>	<b>178,800</b>		<b>61,631</b>	<b>178,800</b>	<b>178,800</b>	<b>61,631</b>	<b>178,800</b>	<b>178,800</b>

Budget exceeds Authorized Appropriation in Operating Expenses 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		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>61,631</b>	<b>0</b>	<b>61,631</b>	<b>100.0</b>	<b>61,631</b>	<b>0</b>	<b>61,631</b>	<b>100.0</b>
C01	Existing Program	117,169	0	178,800	290.1	117,169	0	178,800	290.1

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>61,631</b>	<b>0</b>	<b>61,631</b>	<b>100.0</b>	<b>61,631</b>	<b>0</b>	<b>61,631</b>	<b>100.0</b>
C01	Existing Program	117,169	0	178,800	290.1	117,169	0	178,800	290.1

### Justification

C01	Restoration of operating budget to fulfill the grant purpose as approved by the USDA Forest Service. This increase is primarily for fuel costs.
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## **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 the Agency Request.



## Appropriation Summary

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

**Funding Sources:** FIT - Federal Funds

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	207,375	209,521	209,521	209,521	209,521	209,521	209,521	209,521	209,521
Total	207,375	209,521	209,521	209,521	209,521	209,521	209,521	209,521	209,521
Funding Sources									
Federal Revenue 4000020	207,375	209,521		209,521	209,521	209,521	209,521	209,521	209,521
Total Funding	207,375	209,521		209,521	209,521	209,521	209,521	209,521	209,521
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	207,375	209,521		209,521	209,521	209,521	209,521	209,521	209,521

## **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.

The Agency Base Level Request includes appropriation of \$50,000 each year.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,891	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	0	4,000,000	4,192,000	0	0	0	0	0	0
<b>Total</b>		<b>1,891</b>	<b>4,050,000</b>	<b>4,242,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	1,891	4,050,000		50,000	50,000	50,000	50,000	50,000	50,000
<b>Total Funding</b>		<b>1,891</b>	<b>4,050,000</b>		<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>1,891</b>	<b>4,050,000</b>		<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

## **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) and grants from Natural Resource Conservation Service.

Base Level includes Operating Expenses appropriation in the amount of \$59,675 each year.

The Agency Change Level Request includes appropriation of \$72,125 each year for the following:

- Operating Expenses of \$11,125 to provide for increased costs in printing, fuel and conference & seminar fees.
- Professional Fees of \$35,000 to provide for contracts for water quality management plans.
- Capital Outlay of \$26,000 to provide for needed equipment.

These requests will provide appropriation needed for increased grant funding.

The Executive Recommendation provides for the 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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	7,048	59,675	100,000	59,675	70,800	70,800	59,675	70,800	70,800
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	35,000	35,000	0	35,000	35,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	20,000	20,000	0	26,000	26,000	0	26,000	26,000
<b>Total</b>	<b>7,048</b>	<b>79,675</b>	<b>120,000</b>	<b>59,675</b>	<b>131,800</b>	<b>131,800</b>	<b>59,675</b>	<b>131,800</b>	<b>131,800</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	7,048	79,675		59,675	131,800	131,800	59,675	131,800	131,800
<b>Total Funding</b>	<b>7,048</b>	<b>79,675</b>		<b>59,675</b>	<b>131,800</b>	<b>131,800</b>	<b>59,675</b>	<b>131,800</b>	<b>131,800</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>7,048</b>	<b>79,675</b>		<b>59,675</b>	<b>131,800</b>	<b>131,800</b>	<b>59,675</b>	<b>131,800</b>	<b>131,800</b>

## Change Level by Appropriation

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

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>59,675</b>	<b>0</b>	<b>59,675</b>	<b>100.0</b>	<b>59,675</b>	<b>0</b>	<b>59,675</b>	<b>100.0</b>
C01	Existing Program	80,000	0	139,675	234.1	80,000	0	139,675	234.1
C03	Discontinue Program	(7,875)	0	131,800	220.9	(7,875)	0	131,800	220.9

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>59,675</b>	<b>0</b>	<b>59,675</b>	<b>100.0</b>	<b>59,675</b>	<b>0</b>	<b>59,675</b>	<b>100.0</b>
C01	Existing Program	80,000	0	139,675	234.1	80,000	0	139,675	234.1
C03	Discontinue Program	(7,875)	0	131,800	220.9	(7,875)	0	131,800	220.9

### Justification

C01	To increase Federal appropriation needed for increase in grant funding. Increases are needed in operating costs (printing, fuel, conference & seminar fees), professional fees (contracts to prepare water quality management plans) and capital outlay for equipment replacement.
C03	Adjustments to align cost element budget with grant funding and purpose.

## **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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 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 Base Level Request includes appropriation of \$10,000 each year of the biennium.

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

## Appropriation Summary

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

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				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 Base Level Request includes appropriation of \$6,765,600 each year.

The Executive Recommendation provides for the 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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					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	0	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>0</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	43,192	20,555		20,555	20,555	20,555	20,555	20,555	20,555
Cash Fund	4000045	1,843,825	6,765,600		6,765,600	6,765,600	6,765,600	6,765,600	6,765,600	6,765,600
Inter-agency Fund Transfer	4000316	(1,866,462)	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>20,555</b>	<b>6,786,155</b>		<b>6,786,155</b>	<b>6,786,155</b>	<b>6,786,155</b>	<b>6,786,155</b>	<b>6,786,155</b>	<b>6,786,155</b>
<b>Excess Appropriation/(Funding)</b>		<b>(20,555)</b>	<b>(20,555)</b>		<b>(20,555)</b>	<b>(20,555)</b>	<b>(20,555)</b>	<b>(20,555)</b>	<b>(20,555)</b>	<b>(20,555)</b>
<b>Grand Total</b>		<b>0</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:** 37U - Forestry-Forest Land Enhancement Program

**Funding Sources:** FIT - Federal Funds

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	0	275,000	0	0	0	0	0	0
Total	0	0	275,000	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2013-2015 BIENNIUM

## 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	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	659,716	0	877,045	0	0	0	0	0	0
Total	659,716	0	877,045	0	0	0	0	0	0
<b>Funding Sources</b>									
Fund Balance 4000005	659,777	61		61	61	61	61	61	61
Total Funding	659,777	61		61	61	61	61	61	61
Excess Appropriation/(Funding)	(61)	(61)		(61)	(61)	(61)	(61)	(61)	(61)
Grand Total	659,716	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2013-2015 BIENNIUM

# ARKANSAS STATE CLAIMS COMMISSION

## Enabling Laws

Act 56 of 2012

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 2013-2015 biennium.



## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS STATE CLAIMS COMMISSION  
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

None

None

## State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

## Employment Summary

	Male	Female	Total	%
White Employees	5	2	7	70 %
Black Employees	2	1	3	30 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			3	30 %
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	500	Required by the General Assembly.

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
227 Claims Operations	571,790	10	568,790	10	606,538	10	582,730	10	582,730	10	582,730	10	582,730	10	582,730	10	582,730	10
228 Various Claims	1,194,453	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	1,766,243	10	2,318,790	10	2,356,538	10	2,332,730	10	2,332,730	10	2,332,730	10	2,332,730	10	2,332,730	10	2,332,730	10

Funding Sources		%		%		%		%		%		%		%		%		%
State Central Services 4000035	571,790	32.4	568,790	24.5		582,730	25.0	582,730	25.0	582,730	25.0	582,730	25.0	582,730	25.0	582,730	25.0	
Miscellaneous Revolving 4000350	1,194,453	67.6	1,750,000	75.5		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	1,766,243	100.0	2,318,790	100.0		2,332,730	100.0	2,332,730	100.0	2,332,730	100.0	2,332,730	100.0	2,332,730	100.0	2,332,730	100.0	
Excess Appropriation/(Funding)	0		0			0		0		0		0		0		0		
Grand Total	1,766,243		2,318,790			2,332,730		2,332,730		2,332,730		2,332,730		2,332,730		2,332,730		

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is Base Level in the amount of \$582,730 each year of the biennium for this appropriation, with ten (10) budgeted base level positions.

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		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	362,085	341,581	372,128	350,737	350,737	350,737	350,737	350,737	350,737
<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	129,033	131,819	139,020	136,603	136,603	136,603	136,603	136,603	136,603
Operating Expenses 5020002	77,686	92,390	92,390	92,390	92,390	92,390	92,390	92,390	92,390
Conference & Travel Expenses 5050009	2,986	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	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>571,790</b>	<b>568,790</b>	<b>606,538</b>	<b>582,730</b>	<b>582,730</b>	<b>582,730</b>	<b>582,730</b>	<b>582,730</b>	<b>582,730</b>
<b>Funding Sources</b>									
State Central Services 4000035	571,790	568,790		582,730	582,730	582,730	582,730	582,730	582,730
Total Funding	571,790	568,790		582,730	582,730	582,730	582,730	582,730	582,730
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>571,790</b>	<b>568,790</b>		<b>582,730</b>	<b>582,730</b>	<b>582,730</b>	<b>582,730</b>	<b>582,730</b>	<b>582,730</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 Agency Request is for Base Level in the amount of \$1,750,000 each year of the biennium.

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	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Claims 5110015	1,194,453	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>1,194,453</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	1,194,453	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>1,194,453</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>1,194,453</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>



# ARKANSAS ETHICS COMMISSION

## Enabling Laws

Act 74 of 2012  
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) is the compliance and enforcement agency with respect to a number 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 ballot measures presented to voters. The AEC has a five (5) member board and a nine (9) member staff to serve the citizens of the State of Arkansas.

In recent years, the AEC has tightened its budget significantly in order to work within the State's funding constraints. The AEC's budget for its Operating Expenses commitment item has been reduced from prior year levels during each of the past six (6) fiscal years and upcoming fiscal year, as follows:

FY2007 Operations reduced by **\$3,300 block** on available appropriation  
FY2008 Operations reduced by **\$10,888 block** on available appropriation  
FY2009 Operations reduced by **\$2,482 block** on available appropriation  
FY2010 Operations reduced by **\$318 block** on available appropriation  
FY2011 Operations reduced by **\$4,500 block** on available appropriation  
FY2012 Operations reduced by **\$9,192 block** on available appropriation  
FY2013 Operations planned to be reduced by **\$13,169 block** on available appropriation

For the upcoming biennium, the AEC's Operating Expenses commitment item amount has been **lowered from \$88,898 to \$75,729**. Simply stated, this amount is insufficient to meet the AEC's requirements. In order to avoid a reduction in the level of services provided, ***the AEC requests that the appropriation level for its Operating Expenses commitment item be restored to \$88,898.00.***

The AEC notes that, while there has been a continuing reduction in operations funding each year due to the above-listed blocks on Operating Expenses, there has NOT been a reduction in fixed expenses which the AEC is obligated to pay, such as building rent, copier lease, information technology costs, Department of Information System costs, postage expense, mileage reimbursement for AEC Board members to attend AEC meetings, mileage reimbursement for AEC staff to conduct investigations, rent of facilities to conduct education and training, building and contents insurance premiums, service of process fees for investigations, license fees, printing costs, subscriptions, and office supplies.

In summary, the AEC is already working on an extremely tight budget which has been reduced every year for the past seven (7) years. This pattern of reduction has reached the point of jeopardizing the AEC's ability to fund current operations. Any further funding cuts to operations will likely force the AEC to reduce its agency mission, including the enforcement of the laws under its jurisdiction. The AEC needs all of the requested \$88,898 in Operating Expenses commitment item in order to continue to effectively provide agency services and enforce the laws under its jurisdiction.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS ETHICS COMMISSION

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Findings

Recommendations

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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, 2011.

### State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

### Employment Summary

	Male	Female	Total	%
White Employees	3	2	5	62 %
Black Employees	0	2	2	25 %
Other Racial Minorities	1	0	1	13 %
Total Minorities			3	38 %
Total Employees			8	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

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	8	1	9	0	11.11 %	9	8	1	9	0	11.11 %

## **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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 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's Change Level request includes appropriation and funding of \$13,169 in Operating Expenses each year to provide for increased costs in various expenditures including network services, binding copying & collating, office rent, conference & seminar fees, board member travel/lodging, office supplies and subscriptions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 192 - Ethics 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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	493,162	469,237	483,984	475,755	475,755	475,755	475,855	475,855	475,855
<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	146,491	144,950	138,927	148,824	148,824	148,824	148,846	148,846	148,846
Operating Expenses	5020002	74,780	75,729	88,898	75,729	88,898	88,898	75,729	88,898	88,898
Conference & Travel Expenses	5050009	996	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	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>715,429</b>	<b>694,416</b>	<b>716,309</b>	<b>704,808</b>	<b>717,977</b>	<b>717,977</b>	<b>704,930</b>	<b>718,099</b>	<b>718,099</b>
<b>Funding Sources</b>										
General Revenue	4000010	715,429	694,416		704,808	717,977	717,977	704,930	718,099	718,099
Total Funding		715,429	694,416		704,808	717,977	717,977	704,930	718,099	718,099
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>715,429</b>	<b>694,416</b>		<b>704,808</b>	<b>717,977</b>	<b>717,977</b>	<b>704,930</b>	<b>718,099</b>	<b>718,099</b>

## Change Level by Appropriation

**Appropriation:** 192 - Ethics Operations  
**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>704,808</b>	<b>9</b>	<b>704,808</b>	<b>100.0</b>	<b>704,930</b>	<b>9</b>	<b>704,930</b>	<b>100.0</b>
C01	Existing Program	13,169	0	717,977	101.9	13,169	0	718,099	101.9

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>704,808</b>	<b>9</b>	<b>704,808</b>	<b>100.0</b>	<b>704,930</b>	<b>9</b>	<b>704,930</b>	<b>100.0</b>
C01	Existing Program	13,169	0	717,977	101.9	13,169	0	718,099	101.9

### Justification

C01	Agency requests appropriation in Operating Expenses each year to provide for increased costs in various expenditures including network services, binding copying & collating, office rent, conference & seminar fees, board member travel/lodging.								
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## DHS - Director's Office/Office Of Chief Counsel

### Enabling Laws

Act 157 of 2012  
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 11 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.

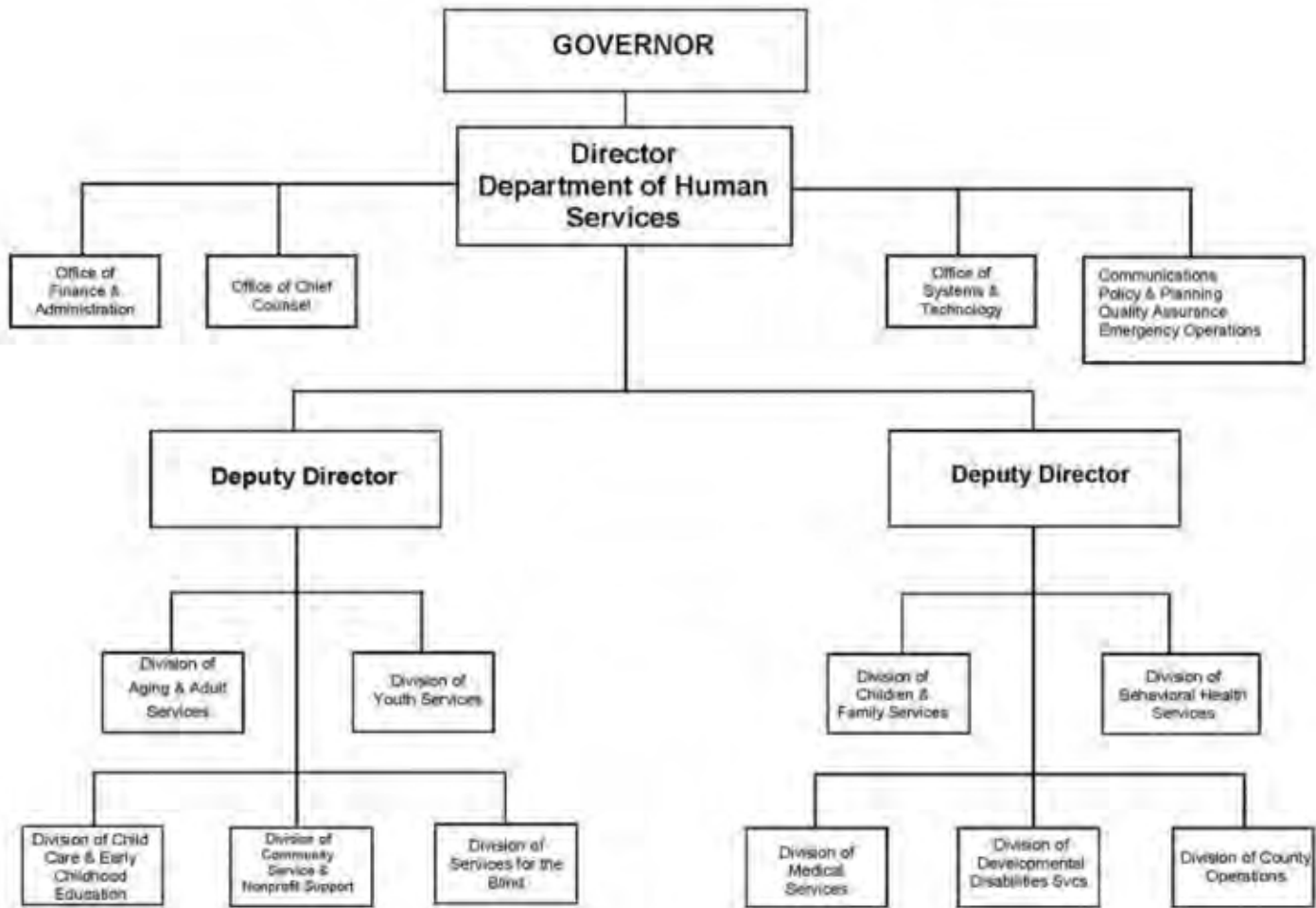
The Mission of the Department is "Together we improve the quality of all Arkansans by protecting the vulnerable, fostering independence, and promoting better health."

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 7 budgeted positions in SFY2013 and provides administrative direction to eleven (11) 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.

The Office of Chief Counsel consists of 166 budgeted positions in FY2013 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 continuing base level and transfer of two (2) positions for the new biennium.

Transfer OUT One (1) Audit Coordinator, (Cost Center 416894; Position #22102279) from the Office of Chief Counsel to the Division of Medical Services (Cost Center: 418350) Appropriation Only. This position will be utilized in the Medicaid Healthcare Payment initiative.

Transfer IN One (1) Procurement Coordinator, (Cost Center 4167310, Position #22098005) from the Division of Children and Family Services to the Office of Chief Counsel (Cost Center: 416894) Appropriation Only. This position will be utilized in the Office of Quality Assurance Audit section as a Senior Auditor.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2011

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Findings

The Office of Financial Management exhibited the following internal control deficiencies related to bank accounts:

- A review of Foster Care Trust Fund activity revealed the Agency failed to maintain a listing of individual client balances that could be reconciled to the ending bank and investment balances.
- A review of local cash assistance county accounts revealed that Baxter County failed to maintain supporting documentation for disbursements and Poinsett County did not use prenumbered receipt books issued by DHS Office of Financial Management.
- Arkansas State Hospital (ASH) failed to reconcile its Patient Money Fund client ledger to the ending bank account balance. ASH has since implemented procedures to reconcile the client ledger to the bank account.

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

A review of Agency receipting and deposit procedures revealed that **Division of County Operations (DCO) - Commodity Distribution, Division of Disabilities Services (DDS), Division of Children and Family Services - Adoption Registry and Division of Services for the Blind (DSB)** exhibited inadequate management oversight and internal controls of cash receipts, which contributed to the following deficiencies:

- DCO, DDS, and DSB did not properly receipt monies when received. The DHS Administrative Procedures states that all monies should be receipted in prenumbered receipt books or an approved cash receipts log. None of these divisions followed these procedures.

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Recommendations

Review and follow the required procedures as set out in the DHS Administrative Procedures Manual and the State Financial Management Guide.

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

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2011

Findings

- The Division of Children and Family Services - Adoption Registry did not submit timely receipts for deposit.

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

A review of capital assets revealed that the **Office of Financial Management** exhibited inadequate management oversight and internal controls over capital assets, which contributed to the following deficiencies:

- Sixty-four capital equipment items valued at \$184,163, out of a sample of 552 capital equipment items valued at \$2,219,844, could not be located for observation. Of these, six were telephone systems valued at \$98,288 that had been replaced but had not been removed from capital asset records.
- The Agency did not adequately tag all capital assets to ensure proper identification. Twenty-two items valued at \$56,082 were located but could not be matched to records.

Stronger internal controls and adequate management oversight would ensure proper accountability of capital assets.

Recommendations

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

**State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012**

None

## Employment Summary

	Male	Female	Total	%
White Employees	1019	3515	4534	60 %
Black Employees	528	2334	2862	38 %
Other Racial Minorities	33	76	109	2 %
	Total Minorities		2,971	40 %
	Total Employees		7,505	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

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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		
188	171	7	178	10	9.04 %	174	165	9	174	0	5.17 %	174	169	4	173	1	2.87 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 157 of 2012 section 16(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
896 Director's Office	922,422	6	1,150,999	7	1,150,999	7	1,164,035	7	1,164,035	7	1,164,035	7	1,164,818	7	1,164,818	7	1,164,818	7
896 Office of Chief Counsel	11,252,158	167	11,206,379	166	11,789,747	167	11,296,187	166	11,289,280	166	11,289,280	166	11,302,842	166	11,295,935	166	11,295,935	166
<b>Total</b>	<b>12,174,580</b>	<b>173</b>	<b>12,357,378</b>	<b>173</b>	<b>12,940,746</b>	<b>174</b>	<b>12,460,222</b>	<b>173</b>	<b>12,453,315</b>	<b>173</b>	<b>12,453,315</b>	<b>173</b>	<b>12,467,660</b>	<b>173</b>	<b>12,460,753</b>	<b>173</b>	<b>12,460,753</b>	<b>173</b>

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue 4000010	4,240,694	34.8	4,097,271	33.2			4,281,751	34.4	4,281,751	34.4	4,281,751	34.4	4,283,661	34.4	4,283,661	34.4	4,283,661	34.4
Federal Revenue 4000020	5,744,776	47.2	5,763,132	46.6			5,841,425	46.9	5,834,518	46.9	5,834,518	46.9	5,845,989	46.9	5,839,082	46.9	5,839,082	46.9
Merit Adjustment Fund 4000055	151,104	1.2	89,424	0.7			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources 4000410	78,263	0.6	78,861	0.6			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support 4000730	1,959,743	16.1	2,328,690	18.8			2,337,046	18.8	2,337,046	18.8	2,337,046	18.8	2,338,010	18.8	2,338,010	18.8	2,338,010	18.8
<b>Total Funds</b>	<b>12,174,580</b>	<b>100.0</b>	<b>12,357,378</b>	<b>100.0</b>			<b>12,460,222</b>	<b>100.0</b>	<b>12,453,315</b>	<b>100.0</b>	<b>12,453,315</b>	<b>100.0</b>	<b>12,467,660</b>	<b>100.0</b>	<b>12,460,753</b>	<b>100.0</b>	<b>12,460,753</b>	<b>100.0</b>
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
<b>Grand Total</b>	<b>12,174,580</b>		<b>12,357,378</b>				<b>12,460,222</b>		<b>12,453,315</b>		<b>12,453,315</b>		<b>12,467,660</b>		<b>12,460,753</b>		<b>12,460,753</b>	



## **Analysis of Budget Request**

**Appropriation:** 896 - DHS–Admin Paying Account

**Funding Sources:** PWP - Administration Paying

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

The Arkansas Department of Human Services (DHS) is the largest state agency with more than 7,400 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 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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency Base Level request for this appropriation is \$12,460,222 in FY2014 and \$12,467,660 in FY2014 with 173 budgeted base level positions.

The Agency Change Level request for this appropriation is (\$6,907) each year of the biennium with no new general revenue, and reflects the following:

- Transfer 1 Audit Coordinator position to the Division of Medical Services with appropriation to assist with the Medicaid Healthcare Payment initiative.
- Transfer 1 Procurement Coordinator position from the Division of Children and Family Services with appropriation to assist in the Quality Assurance Audit Section.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 896 - DHS--Admin Paying Account

**Funding Sources:** PWP - Administration Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	8,389,487	8,206,022	8,771,879	8,255,666	8,250,061	8,250,061	8,261,166	8,255,561	8,255,561
<b>#Positions</b>		<b>173</b>	<b>173</b>	<b>174</b>	<b>173</b>	<b>173</b>	<b>173</b>	<b>173</b>	<b>173</b>	<b>173</b>
Extra Help	5010001	44,307	177,770	200,348	177,770	177,770	177,770	177,770	177,770	177,770
<b>#Extra Help</b>		<b>6</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	2,615,176	2,726,704	2,669,637	2,779,904	2,778,602	2,778,602	2,781,842	2,780,540	2,780,540
Operating Expenses	5020002	1,090,605	1,215,110	1,243,110	1,215,110	1,215,110	1,215,110	1,215,110	1,215,110	1,215,110
Conference & Travel Expenses	5050009	24,294	8,472	32,472	8,472	8,472	8,472	8,472	8,472	8,472
Professional Fees	5060010	515	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	10,196	12,300	12,300	12,300	12,300	12,300	12,300	12,300	12,300
<b>Total</b>		<b>12,174,580</b>	<b>12,357,378</b>	<b>12,940,746</b>	<b>12,460,222</b>	<b>12,453,315</b>	<b>12,453,315</b>	<b>12,467,660</b>	<b>12,460,753</b>	<b>12,460,753</b>

Funding Sources										
General Revenue	4000010	4,240,694	4,097,271		4,281,751	4,281,751	4,281,751	4,283,661	4,283,661	4,283,661
Federal Revenue	4000020	5,744,776	5,763,132		5,841,425	5,834,518	5,834,518	5,845,989	5,839,082	5,839,082
Merit Adjustment Fund	4000055	151,104	89,424		0	0	0	0	0	0
Reallocation of Resources	4000410	78,263	78,861		0	0	0	0	0	0
Various Program Support	4000730	1,959,743	2,328,690		2,337,046	2,337,046	2,337,046	2,338,010	2,338,010	2,338,010
Total Funding		12,174,580	12,357,378		12,460,222	12,453,315	12,453,315	12,467,660	12,460,753	12,460,753
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>12,174,580</b>	<b>12,357,378</b>		<b>12,460,222</b>	<b>12,453,315</b>	<b>12,453,315</b>	<b>12,467,660</b>	<b>12,460,753</b>	<b>12,460,753</b>

Actual and Budgeted funding includes a General Revenue fund transfer from the Division of Youth Services by Authority of Reallocation of Resources.

Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

## Change Level by Appropriation

**Appropriation:** 896 - DHS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>12,460,222</b>	<b>173</b>	<b>12,460,222</b>	<b>100.0</b>	<b>12,467,660</b>	<b>173</b>	<b>12,467,660</b>	<b>100.0</b>
C07	Agency Transfer	(6,907)	0	12,453,315	99.9	(6,907)	0	12,460,753	99.9

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>12,460,222</b>	<b>173</b>	<b>12,460,222</b>	<b>100.0</b>	<b>12,467,660</b>	<b>173</b>	<b>12,467,660</b>	<b>100.0</b>
C07	Agency Transfer	(6,907)	0	12,453,315	99.9	(6,907)	0	12,460,753	99.9

### Justification

C07	Transfer out one position to DMS to be utilized in the Medicaid Healthcare Payment Initiative. Transfer in one position to be utilized in the Audit Section.
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# DHS - Administrative Services

## Enabling Laws

Act 157 of 2012  
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.

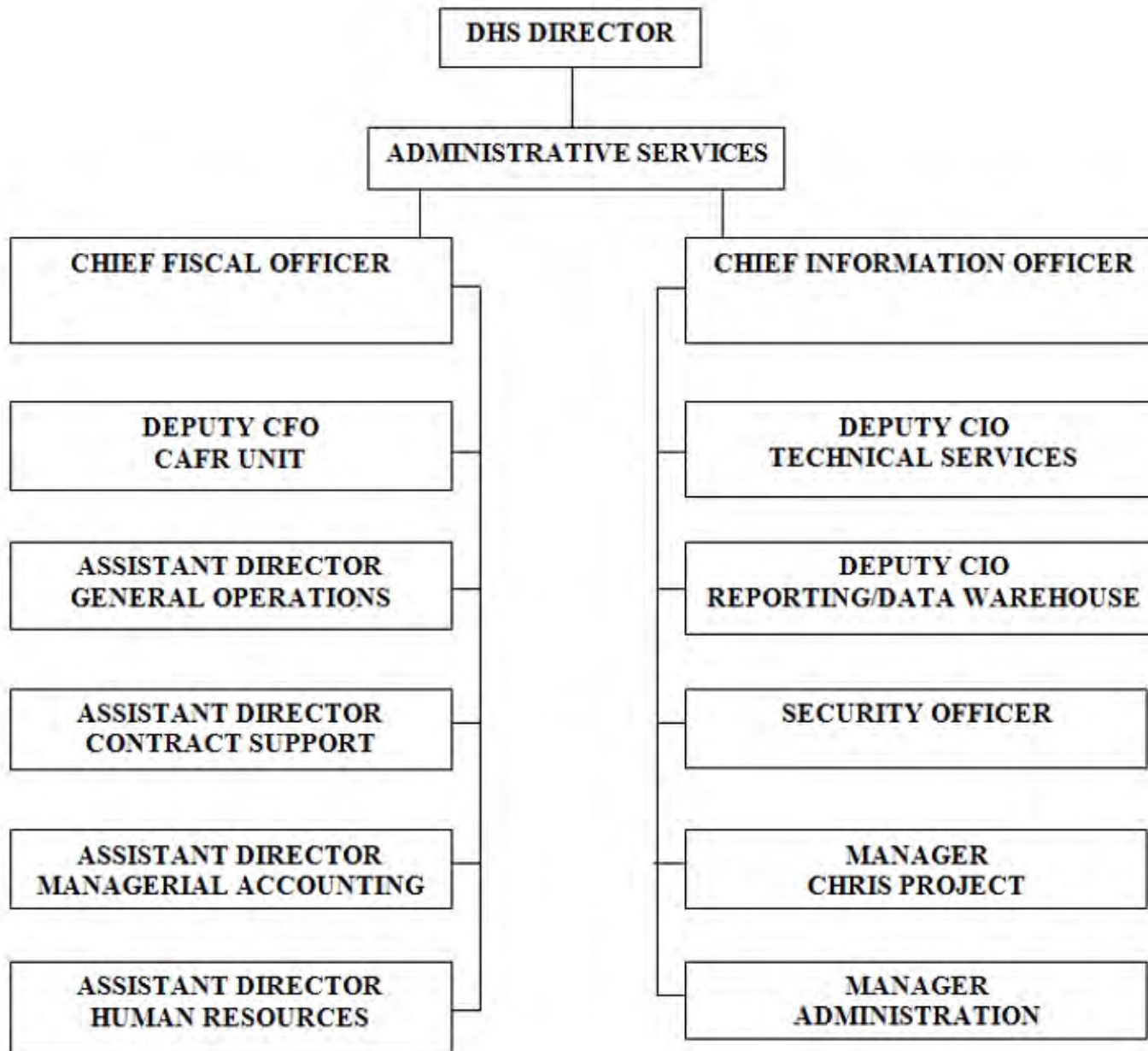
The Chief Information Officer also serves as technical advisor for the program divisions and support offices. Whenever they have a need, problem, or question, this is the person to ask.

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 2013-2015 Biennium consists of a request for restoration of 41 positions not budgeted in fiscal year 2013. 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.

We also request unfunded appropriation for maintenance and operations if additional funding becomes available, for conferences and fees due to increased involvement in the National Association of Human Services Financial Officers, and for Professional Fees and Services if additional funding becomes available for our "going paperless projects."

We have also discontinued our ARRA appropriation and funding.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

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

### **State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012**

None

### **Cash Fund Balance Description as of June 30, 2012**

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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1DE Various Building Construction	3,533,285	0	7,648,900	0	7,688,100	0	7,648,900	0	7,648,900	0	7,648,900	0	7,648,900	0	7,648,900	0	7,648,900	0
414 Consolidated Cost	646,289	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
896 Division of Administrative Services	29,443,011	305	29,940,595	291	34,556,971	338	30,029,061	291	34,087,022	332	34,087,022	332	30,042,121	291	34,100,082	332	34,100,082	332
898 Social Srvs Blk Grant-Fed	0	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>NOT REQUESTED FOR THE BIENNIUM</b>																		
58G ARRA of 2009	8,111,327	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>41,733,912</b>	<b>305</b>	<b>39,170,728</b>	<b>291</b>	<b>43,326,304</b>	<b>338</b>	<b>38,759,194</b>	<b>291</b>	<b>42,817,155</b>	<b>332</b>	<b>42,817,155</b>	<b>332</b>	<b>38,772,254</b>	<b>291</b>	<b>42,830,215</b>	<b>332</b>	<b>42,830,215</b>	<b>332</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	5,442,393	11.7	4,933,565	12.5		367,809	0.9	367,809	0.9	367,809	0.9	0	0.0	0	0.0	0	0.0
General Revenue	4000010	11,158,735	23.9	11,086,659	28.0		11,268,689	29.1	11,268,689	29.1	11,268,689	29.1	11,272,669	29.1	11,272,669	29.1	11,272,669	29.1
Federal Revenue	4000020	12,009,045	25.7	12,743,988	32.2		12,814,298	33.1	12,814,298	33.1	12,814,298	33.1	12,821,229	33.1	12,821,229	33.1	12,821,229	33.1
Cash Fund	4000045	0	0.0	120,000	0.3		120,000	0.3	120,000	0.3	120,000	0.3	120,000	0.3	120,000	0.3	120,000	0.3
Merit Adjustment Fund	4000055	235,400	0.5	154,008	0.4		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA	4000244	0	0.0	25,000	0.1		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reimbursement	4000425	11,135,784	23.9	3,583,144	9.1		7,281,091	18.8	7,281,091	18.8	7,281,091	18.8	7,648,900	19.7	7,648,900	19.7	7,648,900	19.7
Various Program Support	4000730	6,686,120	14.3	6,892,173	17.4		6,907,307	17.8	6,907,307	17.8	6,907,307	17.8	6,909,456	17.8	6,909,456	17.8	6,909,456	17.8
Total Funds		46,667,477	100.0	39,538,537	100.0		38,759,194	100.0	38,759,194	100.0	38,759,194	100.0	38,772,254	100.0	38,772,254	100.0	38,772,254	100.0
Excess Appropriation/(Funding)		(4,933,565)		(367,809)			0		4,057,961		4,057,961		0		4,057,961		4,057,961	
Grand Total		41,733,912		39,170,728			38,759,194		42,817,155		42,817,155		38,772,254		42,830,215		42,830,215	

Administrative Services (58G) Appropriation was established through the authority of the Miscellaneous Federal Program Act.



## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
359	281	146	427	-68	21.73 %	338	278	0	278	60	17.75 %	338	276	15	291	47	18.34 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 157 of 2012 section 16(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).

## **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 \$7,648,900 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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Construction	5090005	3,533,285	7,648,900	7,688,100	7,648,900	7,648,900	7,648,900	7,648,900	7,648,900	7,648,900
Total		3,533,285	7,648,900	7,688,100	7,648,900	7,648,900	7,648,900	7,648,900	7,648,900	7,648,900
<b>Funding Sources</b>										
Fund Balance	4000005	5,442,393	4,933,565		367,809	367,809	367,809	0	0	0
Reimbursement	4000425	3,024,457	3,083,144		7,281,091	7,281,091	7,281,091	7,648,900	7,648,900	7,648,900
Total Funding		8,466,850	8,016,709		7,648,900	7,648,900	7,648,900	7,648,900	7,648,900	7,648,900
Excess Appropriation/(Funding)		(4,933,565)	(367,809)		0	0	0	0	0	0
Grand Total		3,533,285	7,648,900		7,648,900	7,648,900	7,648,900	7,648,900	7,648,900	7,648,900

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 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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	646,289	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>646,289</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	646,289	821,500		821,500	821,500	821,500	821,500	821,500	821,500
<b>Total Funding</b>		<b>646,289</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>646,289</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>

## **Analysis of Budget Request**

**Appropriation:** 896 - DHS–Admin Paying Account

**Funding Sources:** PWP - Administration Paying

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

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

### **Office of Finance and Administration**

Responsibilities include employee recruitment, applicant testing, classification and compensation, personnel file maintenance and personnel policy development and interpretation. Staff development is provided through this office and offers professional and personal growth and development courses available to all employees. Financial support services encompasses grant development, purchase of services, maintenance and monitoring of contract and grant obligated funds, management of state owned/leased property, construction and maintenance, payroll, accounts payable, budget/banking, cost accounting/research and statistics, reporting and forecasting, 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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$30,029,061 in FY2014 and \$30,042,121 in FY2015 with 291 budgeted base level positions.

The Agency Change Level request for this appropriation is \$4,057,961 each year of the biennium with no new general revenue, and reflects the following:

- Restoration of forty-one (41) positions that are authorized but not budgeted with salary and matching appropriation due to internal needs and to assist program Divisions when there is a need to provide services to individuals.
- \$655,102 each year of the biennium is requested for the Operating Expenses line item for rent of facilities and meals.
- \$10,780 each year of the biennium is requested for the Conference and Travel Expenses line item due to increased involvement in the National Association of Human Services Financial Officers.
- \$1,755,521 each year of the biennium is requested for the Professional Fees line item for continuing support of the going paperless projects.

Additionally, the agency is requesting to discontinue the American Recovery and Reinvestment Act (ARRA) line item. ARRA funds will expire in FY2013.

The Executive Recommendation provides for the Agency Request.

# Appropriation Summary

**Appropriation:** 896 - DHS--Admin Paying Account

**Funding Sources:** PWP - Administration Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	11,943,354	11,682,254	14,358,321	11,717,658	12,882,107	12,882,107	11,728,258	12,892,707	12,892,707
<b>#Positions</b>		<b>305</b>	<b>291</b>	<b>338</b>	<b>291</b>	<b>332</b>	<b>332</b>	<b>291</b>	<b>332</b>	<b>332</b>
Extra Help	5010001	7,840	64,480	64,480	64,480	64,480	64,480	64,480	64,480	64,480
<b>#Extra Help</b>		<b>3</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	3,794,516	4,082,664	4,695,491	4,160,726	4,632,835	4,632,835	4,163,186	4,635,295	4,635,295
Overtime	5010006	481	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	2,913,110	2,844,898	3,104,383	2,844,898	3,500,000	3,500,000	2,844,898	3,500,000	3,500,000
Conference & Travel Expenses	5050009	19,671	19,220	20,000	19,220	30,000	30,000	19,220	30,000	30,000
Professional Fees	5060010	8,771,130	9,244,479	10,311,696	9,244,479	11,000,000	11,000,000	9,244,479	11,000,000	11,000,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	30,276	0	0	0	0	0	0	0	0
Data Processing Services	5900044	1,962,633	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	25,000	25,000	0	0	0	0	0	0
<b>Total</b>		<b>29,443,011</b>	<b>29,940,595</b>	<b>34,556,971</b>	<b>30,029,061</b>	<b>34,087,022</b>	<b>34,087,022</b>	<b>30,042,121</b>	<b>34,100,082</b>	<b>34,100,082</b>

Funding Sources										
General Revenue	4000010	11,158,735	11,086,659		11,268,689	11,268,689	11,268,689	11,272,669	11,272,669	11,272,669
Federal Revenue	4000020	12,009,045	12,604,255		12,674,565	12,674,565	12,674,565	12,681,496	12,681,496	12,681,496
Merit Adjustment Fund	4000055	235,400	154,008		0	0	0	0	0	0
Federal Funds-ARRA	4000244	0	25,000		0	0	0	0	0	0
Various Program Support	4000730	6,039,831	6,070,673		6,085,807	6,085,807	6,085,807	6,087,956	6,087,956	6,087,956
<b>Total Funding</b>		<b>29,443,011</b>	<b>29,940,595</b>		<b>30,029,061</b>	<b>30,029,061</b>	<b>30,029,061</b>	<b>30,042,121</b>	<b>30,042,121</b>	<b>30,042,121</b>
Excess Appropriation/(Funding)		0	0		0	4,057,961	4,057,961	0	4,057,961	4,057,961
<b>Grand Total</b>		<b>29,443,011</b>	<b>29,940,595</b>		<b>30,029,061</b>	<b>34,087,022</b>	<b>34,087,022</b>	<b>30,042,121</b>	<b>34,100,082</b>	<b>34,100,082</b>

ARRA of 2009 appropriation and/or positions have been removed from Base Level and are not requested for the 2013 – 2015 Biennium.



## Change Level by Appropriation

**Appropriation:** 896 - DHS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>30,029,061</b>	<b>291</b>	<b>30,029,061</b>	<b>100.0</b>	<b>30,042,121</b>	<b>291</b>	<b>30,042,121</b>	<b>100.0</b>
C03	Discontinue Program	(25,000)	0	30,004,061	99.9	(25,000)	0	30,017,121	99.9
C05	Unfunded Appropriation	4,057,961	41	34,062,022	113.4	4,057,961	41	34,075,082	113.4
C16	ARRA	25,000	0	34,087,022	113.5	25,000	0	34,100,082	113.5

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>30,029,061</b>	<b>291</b>	<b>30,029,061</b>	<b>100.0</b>	<b>30,042,121</b>	<b>291</b>	<b>30,042,121</b>	<b>100.0</b>
C03	Discontinue Program	(25,000)	0	30,004,061	99.9	(25,000)	0	30,017,121	99.9
C05	Unfunded Appropriation	4,057,961	41	34,062,022	113.4	4,057,961	41	34,075,082	113.4
C16	ARRA	25,000	0	34,087,022	113.5	25,000	0	34,100,082	113.5

### Justification

C03	Reduction in American Recovery and Reinvestment Act (ARRA) Funding and/or expiration of funding limitations.
C05	Restoration of positions due to internal needs and to assist 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 & receivable services as well as payroll, grants management and IT staff. Unfunded appropriation for maintenance and operations if additional funding becomes available, for conferences and fees due to increased involvement in the National Association of Human Services Financial Officers, and for Professional Fees and Services if additional funding becomes available for our "going paperless projects".
C16	American Recovery and Reinvestment Act (ARRA) appropriation.

## **Analysis of Budget Request**

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

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

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

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

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

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	139,733	139,733	139,733	139,733	139,733	139,733	139,733	139,733
Total	0	139,733	139,733	139,733	139,733	139,733	139,733	139,733	139,733
<b>Funding Sources</b>									
Federal Revenue 4000020	0	139,733		139,733	139,733	139,733	139,733	139,733	139,733
Total Funding	0	139,733		139,733	139,733	139,733	139,733	139,733	139,733
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	139,733		139,733	139,733	139,733	139,733	139,733	139,733

## **Analysis of Budget Request**

**Appropriation:** C99 - Client Specific Emergency Services–Cash

**Funding Sources:** 120 - Client Specific Emergency Services-Cash

This appropriation is a contingency for immediate, short term and specific client emergencies such as shelter, food or transportation. Federal social services block grant funds would be utilized should payments be necessary. There were no expenditures made under this appropriation in FY2012 and \$120,000 is budgeted in FY2013.

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	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	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

## **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 to discontinue the American Recovery and Reinvestment Act (ARRA) line item. ARRA funds will expire 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	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
ARRA of 2009 5900052	8,111,327	500,000	0	0	0	0	0	0	0
Total	8,111,327	500,000	0	0	0	0	0	0	0
<b>Funding Sources</b>									
Reimbursement 4000425	8,111,327	500,000		0	0	0	0	0	0
Total Funding	8,111,327	500,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	8,111,327	500,000		0	0	0	0	0	0

Appropriation was established through the authority of the Miscellaneous Federal Program Act.  
 APPROPRIATION NOT REQUESTED FOR THE 2013-2015 BIENNIUM

## Change Level by Appropriation

**Appropriation:** 58G - ARRA of 2009  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C03	Discontinue Program	(500,000)	0	(500,000)	100.0	(500,000)	0	(500,000)	100.0
C16	ARRA	500,000	0	0	0.0	500,000	0	0	0.0

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C03	Discontinue Program	(500,000)	0	(500,000)	100.0	(500,000)	0	(500,000)	100.0
C16	ARRA	500,000	0	0	0.0	500,000	0	0	0.0

### Justification

C03	Reduction in American Recovery and Reinvestment Act (ARRA) Funding and/or expiration of funding limitations.
C16	American Recovery and Reinvestment Act (ARRA) appropriation.



# DHS - Community Srvs/Nonprofit Support

## Enabling Laws

Act 157 of 2012

Act 42 of 2011

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 Community Service and Nonprofit Support (DCSNS - formerly Volunteerism) is the oldest state office of volunteerism in the nation. DCSNS promotes and supports volunteering and national service in Arkansas. The vision of the Division of Community Service and Nonprofit Support 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. DCSNS provides a wide array of trainings and services directed at building organizational capacity in Arkansas nonprofits.

The Governor's Advisory Council on Volunteerism assists the DHS Division of Community Service and Nonprofit Support 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 publicity and recognition/awards programs.

The Governor's Advisory Commission for National and Community Service assists the DHS Division of Community Service and Nonprofit Support's Arkansas Service Commission in efforts related to national service. The Governor appoints 18 Advisory Commissioners to three year terms, with an additional eight ex-officio positions representing related organizations. The Commission's responsibilities include serving as the state's liaison and voice to national and state organizations which support its mission, development of a state service plan, and review and recommendation on state AmeriCorps grant recipients.

## **Program and Service Descriptions**

**Nonprofit Development:** This program provides training and technical assistance to build long-term capacity in nonprofit programs. DCSNS provides training on completing the application for recognition of exemption and other steps necessary to form and manage 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 in addition to programs. Also, in conjunction with the Governor's Office, DCSNS distributes volunteer recognition certificates and related items.

**Disaster Response and Preparedness:** DCSNS is the lead DHS division for ESF6 (Emergency Support Function 6 - "volunteer and donations management") in preparing local communities to respond during times of a disaster. The DCSNS staff trains local groups to manage unaffiliated volunteers and donations (materials, supplies, clothing etc.) in their community in the event of a disaster.

**Arkansas Service Commission (ASC) -AmeriCorps:** The Service Commission is a unit of the Division of Community Service and Nonprofit Support 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 up to four years of their lives in service to their communities through the focus areas of health, education, clean energy, veterans and military families, disaster preparedness 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 450 AmeriCorps members serving throughout the state. Total grants near \$3 million and impact Arkansans in many ways, including tutoring, teaching literacy to adults, providing prescription assistance, preparing for disasters, providing intervention for at-risk third through fifth graders, mentoring and nurturing youth, preparing preschoolers for school, teaching school aged children healthy lifestyles, engaging in community gardening education, and delivering support to Hispanic families in school settings. There are fourteen 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.

**Leadership and Promotion:** This program encourages leadership and promotion by providing program development and promotion of volunteerism statewide. DCSNS 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). DCSNS 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, **one of the world's leading volunteer organizations**. DCSNS provided the leadership in forming the ***Spirit of 110***, a council of state agencies who engage volunteers in service. **DCSNS staff** serves on and partners with the ***No Kid Hungry Campaign*** which is bringing together leaders who have the knowledge, experience and resources to coordinate ongoing efforts, to ensure that we invest public and private funds wisely and make ending childhood hunger a priority.

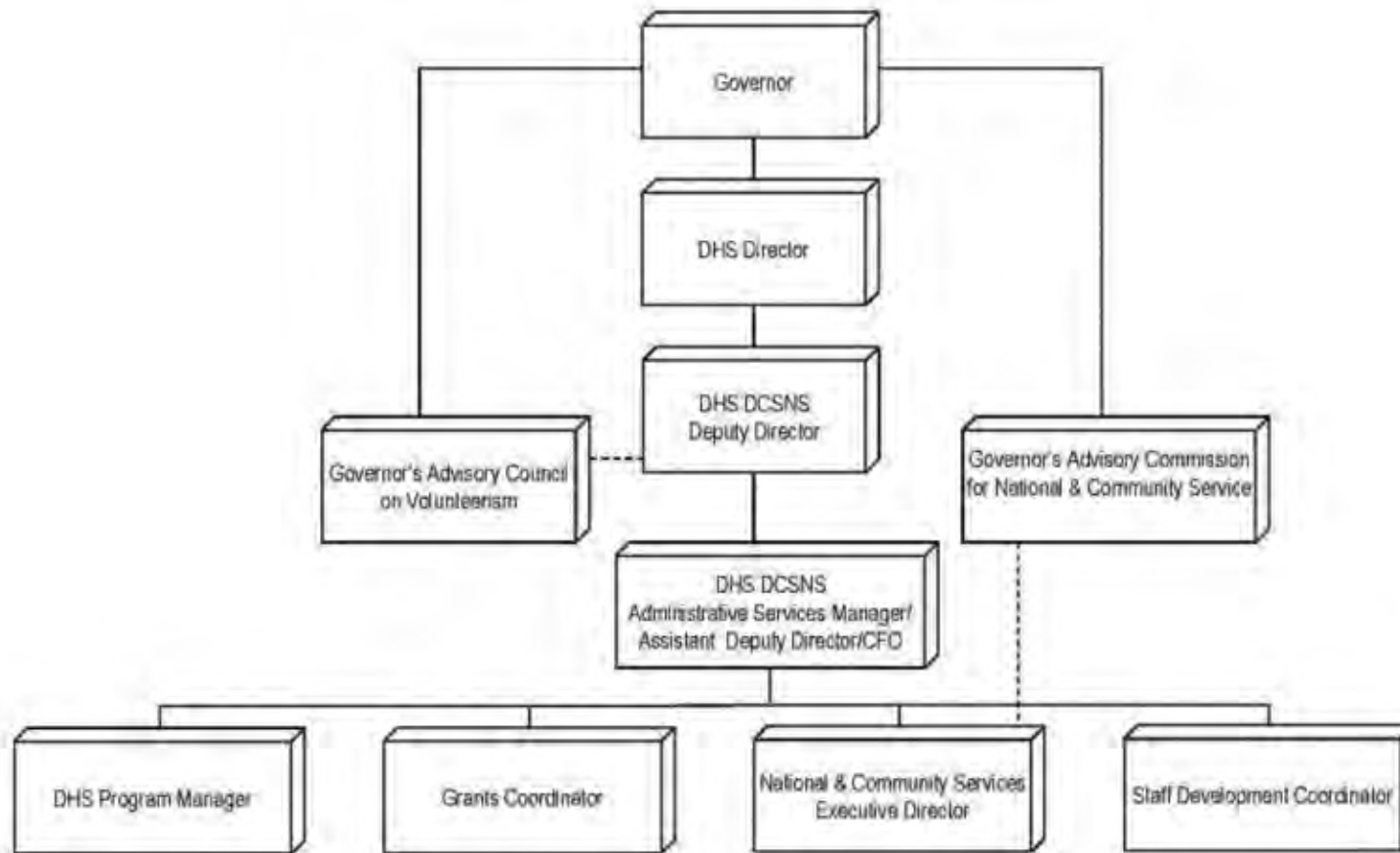
**Information Sharing:** Local, state and national agencies/organizations are provided with information on volunteer and national service related topics. DCSNS annually publishes the **Economic Impact Study of Arkansas Volunteers**, a statewide survey calculating the economic importance of volunteerism in Arkansas. Partner with the UALR William H. Bowen School of Law and Williams & Anderson, PLC to

publish the ***Legal Guide for Arkansas Nonprofit and Volunteer Organizations***. DCSNS's Arkansas Service Commission is the lead organization in production of the Unified State Service Plan, submitted to the Governor and the federal Corporation for National and Community Service which guides the course of service priorities in the state for a three year period.

**DHS Volunteer Clearinghouse and DHS Volunteer Activities Council:** The **Clearinghouse** established in 1988 is coordinated from the Division of Community Service and Nonprofit Support. The division embraces the DHS value that government cannot do it alone and provides technical assistance to DHS divisions who are implementing or expanding volunteer programs. DCSNS continues to assist the **Volunteer Activities Council** in promoting volunteerism within DHS.

**Volunteer Centers:** DCSNS provides volunteer center directors with current information from national sources and facilitates networking between volunteer centers. DCSNS 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 **Arkansas Volunteer Community of the Year Awards** to communities for outstanding volunteer efforts. In addition, DCSNS sponsors in partnership with the Arkansas Community Foundation and Arkansas Coalition for Excellence "*Promoting Nonprofit Success*" 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. DCSNS's Arkansas Service Commission hosts an Opening Ceremony for all streams of national service in Arkansas, reinforcing the value of national service.



## **Agency Commentary**

The DHS Division of Community Service and Nonprofit Support's (DCSNS) mission is to strengthen community resources, volunteerism and national service in Arkansas. When formerly named the Division of Volunteerism, stakeholders did not understand what the division did or how they could benefit from working with the division. The new name is more reflective of the Division's purpose. Also, updating the name of the grants account from Delta Service Corps to AmeriCorps grants more accurately reflects the federal funding source and listing it as a grants-paying account indicates its usage.

### **CONDUCT REGIONAL SUMMITS**

DCSNS will conduct and expand Regional Summits for training in capacity building for nonprofits. The Regional Summit concept is a direct result of requests from various regions of the State's nonprofit sector. However, the Summits will not be limited to the nonprofit sector. The plan is to bring together the public (government), private (corporate) and nonprofit sectors to maximize resources. No additional general revenue is required.

### **NATIONAL SERVICE STATE PLAN**

The Corporation for National and Community Service requires each state commission to update and submit a three-year State Plan for national service. The DCSNS Arkansas Service Commission unit will submit the federally-required plan after staff conducts listening sessions and public hearings throughout the state. No additional general revenue is required.

### **DCSNS STRATEGIC PLAN**

Develop a three-to-five-year strategic plan for the division. No additional general revenue is required.

### **COLLABORATION PLAN**

In the continued spirit of nonprofit capacity building, DCSNS will implement a plan to work collaboratively with the Arkansas Coalition for Excellence (ACE) to maximize resources in Arkansas. This will include training, technical assistance and roundtable events. No additional general revenue is required.

EXECUTIVE DIRECTOR INSTITUTE

DCSNS will identify strategies and create partnerships to develop an Executive Director Institute. The purpose of the institute is to strengthen the nonprofit sector in Arkansas by building skills for nonprofit executive directors. It will also strengthen the nonprofit network. No additional general revenue is required.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

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

**State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012**

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		
N/A	N/A	N	N	0	N/A

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
896 Community Svcs/Non-Profit Support	1,427,393	23	1,479,070	24	1,515,165	24	1,464,321	24	1,464,321	24	1,464,321	24	1,464,690	24	1,464,690	24	1,464,690	24
898 AmeriCorps Grants	2,620,932	0	2,410,704	0	2,410,704	0	2,410,704	0	2,410,704	0	2,410,704	0	2,410,704	0	2,410,704	0	2,410,704	0
935 Community Srv/Non-Profit Support – Cash in Tr	1,600	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>4,049,925</b>	<b>23</b>	<b>3,901,774</b>	<b>24</b>	<b>3,937,869</b>	<b>24</b>	<b>3,887,025</b>	<b>24</b>	<b>3,887,025</b>	<b>24</b>	<b>3,887,025</b>	<b>24</b>	<b>3,887,394</b>	<b>24</b>	<b>3,887,394</b>	<b>24</b>	<b>3,887,394</b>	<b>24</b>

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue 4000010	464,297	11.5	453,791	11.6			465,665	12.0	465,665	12.0	465,665	12.0	465,759	12.0	465,759	12.0	465,759	12.0
Federal Revenue 4000020	3,286,163	81.1	3,129,155	80.2			3,111,136	80.0	3,111,136	80.0	3,111,136	80.0	3,111,350	80.0	3,111,350	80.0	3,111,350	80.0
Cash Fund 4000045	1,600	0.0	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
Merit Adjustment Fund 4000055	8,103	0.2	9,880	0.3			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support 4000730	289,762	7.2	296,948	7.6			298,224	7.7	298,224	7.7	298,224	7.7	298,285	7.7	298,285	7.7	298,285	7.7
<b>Total Funds</b>	<b>4,049,925</b>	<b>100.0</b>	<b>3,901,774</b>	<b>100.0</b>			<b>3,887,025</b>	<b>100.0</b>	<b>3,887,025</b>	<b>100.0</b>	<b>3,887,025</b>	<b>100.0</b>	<b>3,887,394</b>	<b>100.0</b>	<b>3,887,394</b>	<b>100.0</b>	<b>3,887,394</b>	<b>100.0</b>
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
<b>Grand Total</b>	<b>4,049,925</b>		<b>3,901,774</b>				<b>3,887,025</b>		<b>3,887,025</b>		<b>3,887,025</b>		<b>3,887,394</b>		<b>3,887,394</b>		<b>3,887,394</b>	

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
24	21	3	24	0	12.50 %	24	17	7	24	0	29.17 %	24	17	7	24	0	29.17 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 157 of 2012 section 16(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).



## **Analysis of Budget Request**

**Appropriation:** 896 - DHS–Admin Paying Account

**Funding Sources:** PWP - Administration Paying

The Arkansas Office of Volunteerism was created in 1974 by order of the Governor to implement and administer a statewide immunization program. In 1977, the Office was established by Act 865 to assess and recognize the needs of communities throughout Arkansas and recruit, train, and coordinate volunteers and volunteer organizations in meeting those needs, assist in special projects to meet community needs and provide greater public awareness and recognition of volunteer efforts. In 1983, the Office of Volunteer Services transferred from the Office of the Governor to the Department of Human Services. Act 186 of 1989 officially made the agency a Division of DHS. Act 42 of 2011 changed the name of the Division from the Division of Volunteerism to the Division of Community Service and Nonprofit Support. The mission of the Division of Community Service and Nonprofit Support (DCSNS) is to strengthen community resources, volunteerism and national service in Arkansas. This is accomplished by providing training and technical assistance to nonprofit and community organizations as well as through various programs and community service activities.

Each year, Division of Community Service and Nonprofit Support publishes the study of "THE ECONOMIC IMPACT OF ARKANSAS VOLUNTEERS". The results of the most recent study are as follows: Seven hundred and thirty-seven (737) volunteer organizations reported a total of 22,744,121 hours for an estimated total dollar value of \$529,710,154. Had the State of Arkansas paid for the time involved to provide the services donated by volunteers, an additional \$13,112,924,220 in personal income would have been required to generate that sum in general revenues.

"THE LEGAL GUIDE FOR ARKANSAS NONPROFIT AND VOLUNTEER ORGANIZATIONS" second edition was published in partnership with the DHS Division of Community Service and Nonprofit Support, Bonnie Johnson, Williams & Anderson PLC and the University of Arkansas at Little Rock Bowen School of Law. This resource provides knowledge about the legal aspects of nonprofit formation and governance in a user-friendly format. A link to the free downloadable version of the book is posted on the DCSNS website.

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. Other revenues which are indicated as various program support also consists of funding distributed based on the Department's cost allocation plan.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

896 DHS - Administrative Paying Account

The Agency Base Level and total request for this appropriation is \$1,464,321 in FY2014 and \$1,464,690 in FY2015 with 24 budgeted Base Level positions.

898 DHS - Grants Paying Account

The Division is requesting to change the name of the Delta Service Corps Grants line item to the AmeriCorps Grants line item and to separate this Grants appropriation from the Operations appropriation.

The Executive Recommendation provides for the Agency Request.

# Appropriation Summary

**Appropriation:** 896 - DHS--Admin Paying Account

**Funding Sources:** PWP - Administration Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	885,252	905,852	966,119	890,707	890,707	890,707	891,007	891,007	891,007
<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	297,798	324,744	315,116	325,140	325,140	325,140	325,209	325,209	325,209
Overtime	5010006	24	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Operating Expenses	5020002	207,135	202,389	192,730	202,389	202,389	202,389	202,389	202,389	202,389
Conference & Travel Expenses	5050009	20,914	26,885	22,000	26,885	26,885	26,885	26,885	26,885	26,885
Professional Fees	5060010	10,015	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
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	6,255	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200
<b>Total</b>		<b>1,427,393</b>	<b>1,479,070</b>	<b>1,515,165</b>	<b>1,464,321</b>	<b>1,464,321</b>	<b>1,464,321</b>	<b>1,464,690</b>	<b>1,464,690</b>	<b>1,464,690</b>

Funding Sources										
General Revenue	4000010	464,297	453,791		465,665	465,665	465,665	465,759	465,759	465,759
Federal Revenue	4000020	665,231	718,451		700,432	700,432	700,432	700,646	700,646	700,646
Merit Adjustment Fund	4000055	8,103	9,880		0	0	0	0	0	0
Various Program Support	4000730	289,762	296,948		298,224	298,224	298,224	298,285	298,285	298,285
<b>Total Funding</b>		<b>1,427,393</b>	<b>1,479,070</b>		<b>1,464,321</b>	<b>1,464,321</b>	<b>1,464,321</b>	<b>1,464,690</b>	<b>1,464,690</b>	<b>1,464,690</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>1,427,393</b>	<b>1,479,070</b>		<b>1,464,321</b>	<b>1,464,321</b>	<b>1,464,321</b>	<b>1,464,690</b>	<b>1,464,690</b>	<b>1,464,690</b>

Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

## Analysis of Budget Request

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

The Division of Community Service and Nonprofit Support (DCSNS) administers the AmeriCorps grant. The Edward M. Kennedy Serve America Act of 2009 focused AmeriCorps' efforts in six key areas:

- **Disaster Services:** AmeriCorps members respond to disaster from tornadoes and hurricanes to fire and floods.
- **Education:** AmeriCorps programs place tutors and mentors in low performing schools to help students improve academic performance and skills.
- **Environmental stewardships:** AmeriCorps members build trails, restore parks, run recycling programs and promote energy efficiency.
- **Healthy Futures:** AmeriCorps members provide education and outreach for healthier lifestyles. Arkansas' AmeriCorps members focus on healthy living and the programs provide students with opportunities to participate in healthy living activities to reduce obesity.
- **Economic opportunity:** AmeriCorps engages members each year to fight poverty by expanding access to technology, recruiting volunteers to teach literacy, and strengthening antipoverty groups.
- **Veterans and military families:** AmeriCorps supports the military community by engaging veterans in service, helping veterans readjust to civilian life, and providing support to military families.

During the past two years, DCSNS has administered these federal funds in the form of sub-grants to 16 AmeriCorps programs that brought a total of \$5,336,518 in federal funds to Arkansas. The combined funds provided opportunities for 860 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. Arkansas AmeriCorps members of all ages served in programs in all seventy-five (75) counties to address locally identified issues as well as recruited traditional volunteers to assist in their efforts. The education awards attached to the service positions were valued at \$2,804,304. Some program results for the fiscal year 2011 are listed below.

Newly recruited volunteers	4,077
Disadvantaged youth served	50,989
Individuals mentored	6,837

Funding for this appropriation is federal funds provided from the Department of Health and Human Services to assist States in carrying out a national service program as authorized by the National and Community Service Act of 1990, as amended (42 U.S.C. §12501 et seq.)

The Division is requesting to change the name of the Delta Service Corps Grants line item to the AmeriCorps Grants line item and to separate this Grants appropriation from the Operations appropriation.

The Agency Base Level and total request for this appropriation is \$2,410,704 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
AmeriCorps Grants	5100004	2,620,932	2,410,704	2,410,704	2,410,704	2,410,704	2,410,704	2,410,704	2,410,704	2,410,704
Total		2,620,932	2,410,704	2,410,704	2,410,704	2,410,704	2,410,704	2,410,704	2,410,704	2,410,704
<b>Funding Sources</b>										
Federal Revenue	4000020	2,620,932	2,410,704		2,410,704	2,410,704	2,410,704	2,410,704	2,410,704	2,410,704
Total Funding		2,620,932	2,410,704		2,410,704	2,410,704	2,410,704	2,410,704	2,410,704	2,410,704
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,620,932	2,410,704		2,410,704	2,410,704	2,410,704	2,410,704	2,410,704	2,410,704

The Division is requesting to change the name of the Delta Service Corps Grants line item to the AmeriCorps Grants line item.

## **Analysis of Budget Request**

**Appropriation:** 935 - Community Srv/Non-Profit Support – Cash in Treasury

**Funding Sources:** NHS - Cash in Treasury

This appropriation provides the Division of Community Service and Nonprofit Support authority for expenditure of fees and donations relating to various efforts established around the State. The funds are for training, volunteer recognition and special volunteer event expenses. These funds are interest income as well as honoraria from speaking engagements and donations.

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 - Community Srv/Non-Profit Support – Cash in Treasury

**Funding Sources:** NHS - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,600	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>1,600</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	1,600	12,000		12,000	12,000	12,000	12,000	12,000	12,000
<b>Total Funding</b>		<b>1,600</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>1,600</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 50 of 2012  
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.

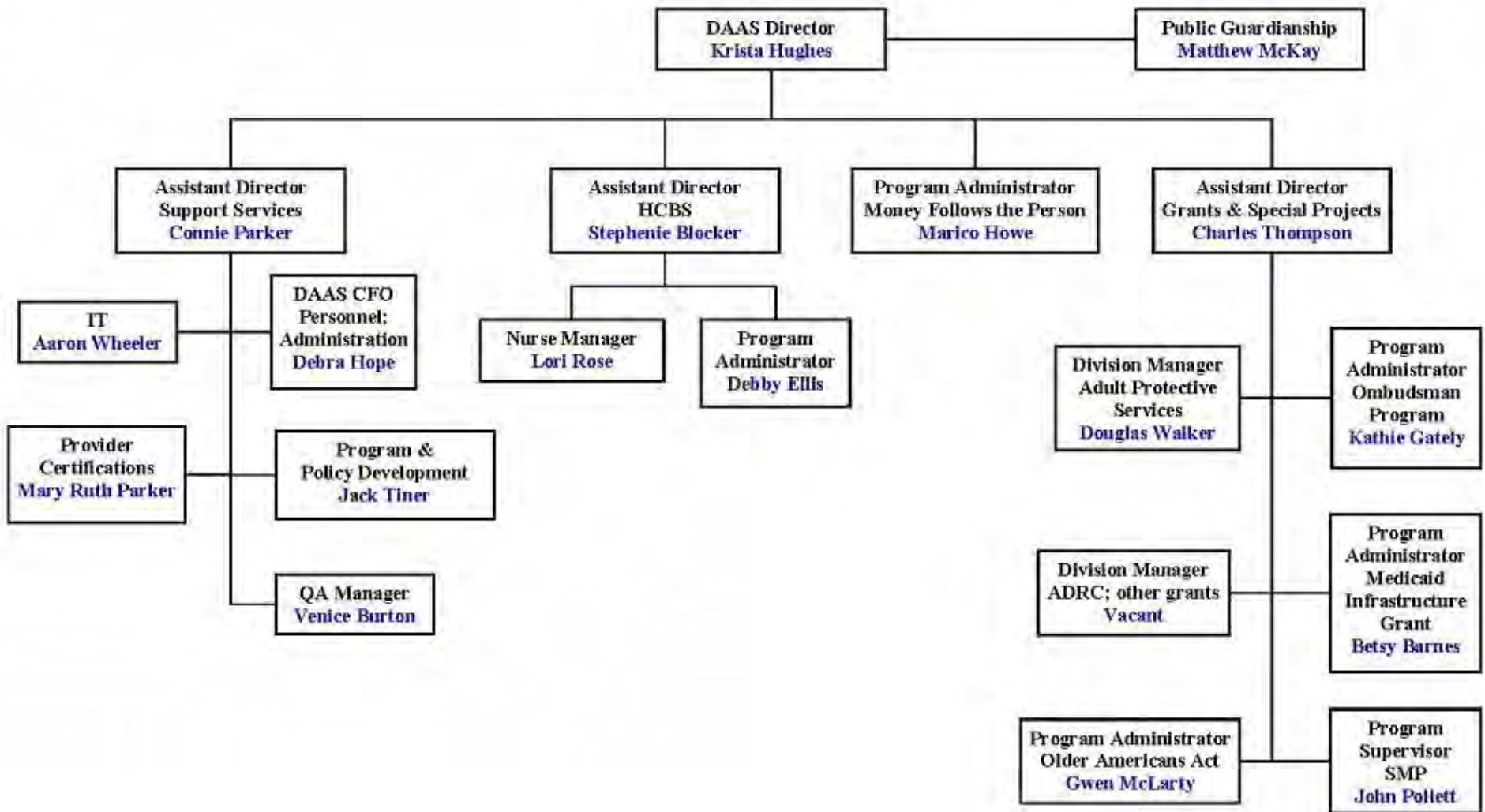
The agency achieved divisional status through Act 228 of 1977, and the responsibility for adult protective services was transferred by the General Assembly in 1979. As a result of Act 348 of 1985, the Division of Aging and Adult Services (DAAS) was created within the reorganized Arkansas Department of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

In 2007 the General Assembly found that many adults lacked the capacity to provide informed consent to necessary health care, have not executed an advance health care directive or a durable power of attorney, and have no friend or family member qualified and willing to consent on their behalf. Act 862 of 2007 created the Office of Public Guardian in the Division of Aging and Adult Services. Funding was secured in 2009, and the first appointee started work in May of 2010.



## 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' (DAAS) 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 physical disabilities, including the elderly, through programs such as ElderChoices, Alternatives for Adults with Physical Disabilities, Assisted Living, 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 2011, over 7,800 persons were provided ElderChoices services, over 2,600 individuals received Alternatives services, over 700 received Assisted Living and over 4,000 received services under IndependentChoices, 77 received services through the Program of All Inclusive Care for the Elderly (PACE). 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 state general revenue. Restored positions will be filled as funding is identified and becomes available.

- Three (3) positions are in the Adult Protective Services Unit. Restoring Adult Protective Services positions will allow DAAS to fill positions needed to investigate allegations of adult maltreatment. Without sufficient positions to perform these duties, the State is at risk for failure to protect vulnerable, frail, elderly, and impaired adults.
- One (1) restored position will be moved to the Adult Protective Services unit to investigate allegations of adult maltreatment as funding becomes available.
- One (1) restored position will support the financial and personnel areas of the division and one (1) restored position will serve as a client direct service counselor in the Independent Choices Program.
- One (1) restored position will aid the Home and Community Based Services RNs in completing assessments/reassessments and plan of care development within established timeframes according to federal regulations. Noncompliance jeopardizes the integrity of the waiver programs which serve thousands of elderly Arkansans and persons with physical disabilities annually.

- One (1) restored position directly oversees the Aging and Disability Resource Center (ADRC), Direct Service Worker Registry and all competitive grants. The ADRC is a vital component and will only expand in scope and responsibility as the “No Wrong Door” approach to long-term care that continues nationally and in AR. Historically, the Program Administrator (PA) has been successful in securing competitively pursued federally and privately funded grants (in an amount in excess of 5.9 million dollars in recent years) to improve and enhance long-term care services to the elderly and adults with physical disabilities. The PA is responsible for securing new grant funding to ensure continued improvement and enhancement of long-term care services to the elderly and adults with disabilities.
- One (1) restored position will staff the help-line in the Aging and Disability Resource Center. In addition to steadily increasing call volumes, the ADRC has been given additional responsibilities which have significantly increased workload including but not limited to: Pre-screening for Independent Choices program; Pre-screening for Worker with Disability Employment Program; and doing follow-up satisfaction survey calls previously done by contracted outside evaluator.

Without restoration, these positions will be eliminated on June 30, 2013. Restoration of these positions allows increased staffing necessary to appropriately respond to current referrals as well as increase night and weekend coverage.

RESTORATION OF EXTRA HELP APPROPRIATION (Without Funding): DAAS is requesting \$88,000 of unfunded appropriation in Extra Help to restore to current authorized levels.

NEW POSITIONS (With Funding):

DAAS is requesting \$29,251 (\$21,938 SGR/\$7,313 Federal) of funded appropriation in salaries for one (1) Help Desk Specialist for the Adult and Long-term Care Facility Resident Maltreatment Hotline and \$11,712 (\$8,784 SGR/\$2,928 Federal) of funded appropriation in Personal Services Matching. The “Hotline” is the state-wide number to report maltreatment of Adults and Long-term Care Facility Residents. The Hotline receives between 850 and 950 calls a month. At an average of 900 per month, the Hotline receives approximately 10,800 calls a year. Adult Protective Services (APS) has one full-time position dedicated to answer the Hotline and one 20-hour per week extra help position. Calls that come in after business hours, weekends, or holidays, go to an answering service which faxes to APS information (minimal) so that the call registering process can take place the next business day. The full-time person handles approximately 7200 calls per year with the extra help position picking up the other 3600. (Contrast this with the Arkansas Child Maltreatment Hotline which has 27 operators who handled 2213 calls each in 2011.)

- The Hotline operator can accurately identify the dynamics of adult maltreatment and Long-term Care Facility Resident Maltreatment
- Hotline Operators can accurately assess and document the required information for accepting a report of adult and long-term care facility resident maltreatment and determines and documents when an adult does not meet the criteria necessary for investigation.
- Hotline operators must possess communication skills in order to elicit information from reporters.
- Hotline operators must be able to enter information into and retrieve information from the Adult Protective Services System (APSS).

In addition to the above position, DAAS is requesting \$128,996 (\$64,498 SGR/\$64,498 Federal) of funded appropriation in salaries for four (4) DHS Program Coordinators to develop the infrastructure necessary to implement and enforce a Quality Assurance/Quality Improvement

program across the division and \$49,634 (\$24,817 SGR/\$24,187 Federal) of funded appropriation in Personal Services Matching. The QA section in DAAS currently consists of 3 employees (QA Manager, QA Coordinator and Administrative Specialist III). The positions allocated to the QA section were moved from other units within DAAS. At that time, DAAS had no positions to function in QA capacity. DAAS needed to build a section which could respond to the overwhelming amount of findings which required research and consultation with nurses and providers in order to resolve the findings. The QA Section currently coordinates responses to Division of Medical Services QA on client record review (approximately 167 record reviews each month); reviews reports to identify overlapping services on clients, reviews reports to identify inaccurate tier levels on clients in Assisted Living. Under billing and over billing by providers continues to be a problem despite telephone consults with providers. It is evident that simply a review of records does not identify the root of the problems or resolve the problems. The current QA process does not include adequate monitoring visits of the over 300 agencies and 2000 consumer directed providers. In addition, the certification of all DAAS providers is a paper review process and does not include site visits of the potential providers. DAAS does not currently have the human resources necessary to sufficiently monitor provider services to clients and to assure the health, safety and welfare of clients.

## **OPERATING REQUESTS:**

### UNFUNDED APPROPRIATION

In previous bienniums, the Division of Aging and Adult Services has 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 service needs of the clients. In addition to the newly awarded grants, the division continues to be selected to receive numerous existing competitive grants. In an effort to implement these federal programs without unnecessary delay, DAAS is requesting \$500,000 in unfunded appropriation in Operations (PWP2000) for each year of the biennium.

The State Older Worker Program fosters and promotes useful part-time employment opportunities in community service activities for low income persons who are fifty-five (55) years of age or older and who have poor employment prospects. DAAS is requesting \$500,000 in unfunded appropriation in (PWE1500) in the event additional state general revenue should become available for this program.

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. This appropriation will allow the Division to implement new federal programs without unnecessary delays.

DAAS requests \$2,000,000 of unfunded appropriation in the category of Nursing Home Care Alternatives (PWE4700) 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, home-delivered meals, and Money Follows the Person.

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.

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

#### FUNDED APPROPRIATION

DAAS requests \$67,000 (\$34,500 SGR/\$32,500 Federal) of funded appropriation each year of the biennium to support the daily Operations (PWP2000) of the requested one (1) Adult Protective Services Help Desk Specialist and the four (4) DHS Program Coordinators for the Quality Assurance/Quality Improvement program. The Program Coordinators will be housed separately in the four quadrants of the state and will be traveling extensively to conduct monitoring visits of service providers. DAAS further requests an additional \$2,500 (\$1,375 SGR/\$1,125 Federal) each year of the biennium for training and in-service travel.

### **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

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

### **State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012**

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		
None	N/A	N	N	0	N/A



# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	2,400,000	0	2,700,000	0	3,000,000	0	2,700,000	0	2,700,000	0	2,700,000	0	2,700,000	0	2,700,000	0	2,700,000	0
896 Division of Aging & Adult Services	14,253,815	203	14,645,723	198	16,798,389	204	14,740,053	198	16,587,385	212	16,371,255	208	14,748,802	198	16,596,134	212	16,380,004	208
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	4,867,996	0	5,207,910	0	6,193,872	0	5,207,910	0	7,207,910	0	7,207,910	0	5,207,910	0	7,207,910	0	7,207,910	0
898 Nutrition Program	8,898,310	0	11,021,770	0	11,424,649	0	11,021,770	0	12,021,770	0	12,021,770	0	11,021,770	0	12,021,770	0	12,021,770	0
898 Older Worker Program Grants	1,052,664	0	1,052,665	0	1,641,453	0	1,052,665	0	1,552,665	0	1,552,665	0	1,052,665	0	1,552,665	0	1,552,665	0
898 Project Grants	10,265,759	0	10,420,135	0	14,331,764	0	10,420,135	0	12,420,135	0	12,420,135	0	10,420,135	0	12,420,135	0	12,420,135	0
898 Retired & Sr Volunteer Program	61,500	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
898 Sr Citizen Centers	5,000,000	0	5,000,000	0	7,147,584	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>46,890,044</b>	<b>203</b>	<b>50,213,203</b>	<b>198</b>	<b>60,792,711</b>	<b>204</b>	<b>50,307,533</b>	<b>198</b>	<b>57,744,865</b>	<b>212</b>	<b>57,528,735</b>	<b>208</b>	<b>50,316,282</b>	<b>198</b>	<b>57,753,614</b>	<b>212</b>	<b>57,537,484</b>	<b>208</b>

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	17,312,542	36.9	17,391,126	34.6	17,535,550	34.9	17,691,462	35.0	17,566,272	34.9	17,538,645	34.9	17,694,557	35.0	17,569,367	34.9	
Federal Revenue	4000020	27,060,515	57.7	29,867,305	59.5	29,938,375	59.5	30,071,556	59.4	29,948,616	59.5	29,944,004	59.5	30,077,185	59.4	29,954,245	59.5	
Special Revenue	4000030	2,500,617	5.3	2,801,000	5.6	2,801,000	5.6	2,801,000	5.5	2,801,000	5.6	2,801,000	5.6	2,801,000	5.5	2,801,000	5.6	
Merit Adjustment Fund	4000055	12,642	0.0	121,354	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Transfer to Medicaid Match	4000660	(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)	(32,582)	(0.1)	
Various Program Support	4000730	36,310	0.1	65,000	0.1	65,190	0.1	65,190	0.1	65,190	0.1	65,215	0.1	65,215	0.1	65,215	0.1	
<b>Total Funds</b>		<b>46,890,044</b>	<b>100.0</b>	<b>50,213,203</b>	<b>100.0</b>	<b>50,307,533</b>	<b>100.0</b>	<b>50,596,626</b>	<b>100.0</b>	<b>50,348,496</b>	<b>100.0</b>	<b>50,316,282</b>	<b>100.0</b>	<b>50,605,375</b>	<b>100.0</b>	<b>50,357,245</b>	<b>100.0</b>	
Excess Appropriation/(Funding)		0		0		0		7,148,239		7,180,239		0		7,148,239		7,180,239		
<b>Grand Total</b>		<b>46,890,044</b>		<b>50,213,203</b>		<b>50,307,533</b>		<b>57,744,865</b>		<b>57,528,735</b>		<b>50,316,282</b>		<b>57,753,614</b>		<b>57,537,484</b>		

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	188	6	194	9	7.39 %	204	189	0	189	15	7.35 %	204	188	10	198	6	7.84 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 157 of 2012 section 16(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).

## **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 funding to the Ms. Senior Pageant. The funding has allowed the pageant to reach out to every county in Arkansas in an attempt to make it a truly State wide event. The Ms. Senior Arkansas spokesman provides inspiration and encouragement to others by appearing and performing in senior care centers, nursing homes, hospitals and schools. This is in addition to the media appearances and addresses where they can advance the dignity and value of senior citizens around the state.

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	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Ms. Senior Pageant Expenses 5900046	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
<b>Funding Sources</b>									
General Revenue 4000010	20,000	20,000		20,000	20,000	20,000	20,000	20,000	20,000
Total Funding	20,000	20,000		20,000	20,000	20,000	20,000	20,000	20,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	20,000	20,000		20,000	20,000	20,000	20,000	20,000	20,000

## **Analysis of Budget Request**

**Appropriation:** 418 - Meals on Wheels

**Funding Sources:** DHP - Aging and Adult Services Fund Account

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

Funding for this appropriation consists of an allotment of an additional one-cent per pack tax levied on cigarettes as authorized by A.C.A. § 26-57-802 (Act 1211 of 1991). Additional funding was provided by a new \$1.25 tax per 1,000 cigarettes levied in 2001 by A.C.A. §26-57-1101 and a privilege tax by A.C.A. §26-57-1102 on tobacco products other than cigarettes on the first sale to wholesalers or retailers within the state at two percent (2%) of the manufacturer's selling price (Act 1698 of 2001). A.C.A §26-57-1103 (Act 2219 of 2005) directed that 50% of 29% of all moneys collected from the added tax would be credited as Special Revenues to be used to assist the Meals on Wheels Program.

The Agency Base Level and total request for this appropriation is \$2,700,000 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	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Transportation Services 5900046	2,400,000	2,700,000	3,000,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
<b>Total</b>	<b>2,400,000</b>	<b>2,700,000</b>	<b>3,000,000</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>
<b>Funding Sources</b>									
Special Revenue 4000030	2,400,000	2,700,000		2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
<b>Total Funding</b>	<b>2,400,000</b>	<b>2,700,000</b>		<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>2,400,000</b>	<b>2,700,000</b>		<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>

## **Analysis of Budget Request**

**Appropriation:** 896 - DHS–Admin Paying Account

**Funding Sources:** PWP - Administration Paying

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

The 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 to meet the resource limits for Medicaid. Those who qualify may also receive regular Medicaid Benefits.
- Assisted Livings 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 64 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 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, special revenue, and other funding. Federal revenue includes Medicaid-Elder Choices, Medicaid-Independent Choices, Title III, Title V, Title VII, Adult Protective Services, Medicaid Disabilities Waiver, Nutrition Services Incentive Program, USDA Farmers Market, and Social Services Block Grant. DAAS is the successful recipient of several highly competitive and sought after federal grants: Money Follows the Person, Senior Medicare/Medicaid Fraud Patrol Expansion and Capacity Building, Medicare Enrollment Assistance for Area Agencies on Aging, Medicare Enrollment Assistance for Aging and Disability Resource Centers, and Adult Abuse/Violence of Female Victims. Other revenues indicated as various program support includes Adult Protective Service Registry Fees, Ombudsman Fees, and Area Agency on Aging Income Tax Check-Off (A.C.A. §26-51-454). Special revenue is the "In God We Trust License Plate Fund" (A.C.A. §27-15-4904).

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

## **896 - Administration Paying Account**

### Base Level:

The Agency Base Level request for this appropriation is \$14,740,053 in FY2014 and \$14,748,802 in FY2015 with 198 budgeted base level positions.

### Change Level:

The Agency Change Level request for appropriation is \$1,847,332, which includes general revenue requests of \$155,912 in each year of the biennium. The general revenue request consists of the following components:



- \$120,037 in each year of the biennium in new general revenue for five (5) new positions. Four (4) DHS Program Coordinator positions are needed to develop the infrastructure necessary to implement and enforce a QA/QI program across the division. One (1) Help Desk Specialist position is needed for the Adult and Long-Term Care Facility Resident Maltreatment Hotline.
- \$34,500 in each year of the biennium in new general revenue to support the daily operations of the requested five (5) new positions for telecommunications, rent of facilities, mileage, office supplies, and low value equipment.
- \$1,375 in each year of the biennium in new general revenue to support the training and related travel costs of the five (5) new positions requested.

The following delineates the agency's request:

- Restorations of nine (9) positions that are authorized but not budgeted with salary and matching appropriation to be used to provide aid to HCBS RN's in completing assessments as well as investigate allegations of adult maltreatment.
- \$88,000 is requested each year of the biennium in the Extra Help line item to restore to current authorized levels.
- \$567,000 is requested each year of the biennium in the Operating Expenses line item. This will support the daily operations of the requested five (5) new positions and to allow for any increases in federal grant awards to be used for rent, mileage, office supplies, low value equipment, and other commodities, materials, supplies and services.
- \$44,500 is requested each year of the biennium in the Conference Fees and Travel line item to support the training and related travel costs of the requested new positions and allow for any increases in federal grant awards.
- \$500,000 is requested each year of the biennium in the Professional Fees line item to allow for any professional and administrative costs that could occur due to any increases in federal grant awards.

## **898 - DHS Grants Paying Account**

### Base Level:

The Agency Base Level for the Community Based Care Program is \$0 in both funding and appropriation in each year of the biennium since this line item was not budgeted in FY2013.

The Agency Base Level request for the Nursing Home Care Alternatives appropriation is \$5,207,910 each year of the biennium of which \$4,775,025 is funded by general revenue funding.

The Agency Base Level request for the Nutrition Program appropriation is \$11,021,770 for each year of the biennium and is funded by special revenue, which is the "In God We Trust License Plate Fund" and federal revenue.

The Agency Base Level request for the Older Worker Program appropriation is \$1,052,665 each year of the biennium and is funded 100% by general revenue.

The Agency Base Level request for the Project Grants appropriation is \$10,420,135 each year of the biennium and is funded by federal revenues and \$102,550 is funded by general revenue funding.

The Agency Base Level and total request for the Retired & Senior Volunteer Program appropriation is \$75,000 each year of the biennium and is funded 100% by general revenue.

The Agency Base Level and total request for the Senior Citizens Centers appropriation is \$5,000,000 each year of the biennium and is funded 100% by general revenue.

#### Change Level:

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

The Agency Change Level request for the Nursing Home Care Alternative appropriation is \$2,000,000 for each year of the biennium in unfunded appropriation which will allow the Division to utilize any unanticipated increases in grant awards for 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 by implementing nutrition programs for the elderly.

The Agency Change Level request for the Older Worker Program appropriation is \$500,000 each year of the biennium in unfunded appropriation to promote part-time employment for low income persons who are fifty-five (55) years of age or older in the event additional state general revenue should become available for this program.

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 grant awards.

#### **896 - Administration Paying Account**

The Executive Recommendation provides for the Agency Request with the exception that only one (1) new position has been recommended (Help Desk Specialist) and a total of \$100,000 in appropriation is recommended in the Conference and Travel line item.

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

- \$30,722 to support the new Help Desk Specialist position.

## **898 - DHS Grants Paying Account**

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

The Executive Recommendation provides for the Agency Request for the Nursing Home Care Alternatives appropriation.

The Executive Recommendation provides for the Agency Request for the Nutrition Program.

The Executive Recommendation provides for the Agency Request for the Older Worker Program.

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

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

The Executive Recommendation provides for the Agency Request for the Senior Citizens Centers appropriation.

# Appropriation Summary

**Appropriation:** 896 - DHS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	9,245,671	8,957,440	9,717,758	8,995,429	9,458,868	9,329,872	9,002,529	9,465,968	9,336,972
<b>#Positions</b>		<b>203</b>	<b>198</b>	<b>204</b>	<b>198</b>	<b>212</b>	<b>208</b>	<b>198</b>	<b>212</b>	<b>208</b>
Extra Help	5010001	94,199	32,434	120,434	32,434	120,434	120,434	32,434	120,434	120,434
<b>#Extra Help</b>		<b>11</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	2,815,497	3,009,502	3,009,576	3,065,843	3,250,236	3,200,602	3,067,492	3,251,885	3,202,251
Operating Expenses	5020002	1,735,463	2,275,397	3,189,106	2,275,397	2,842,397	2,842,397	2,275,397	2,842,397	2,842,397
Conference & Travel Expenses	5050009	51,726	93,000	135,100	93,000	137,500	100,000	93,000	137,500	100,000
Professional Fees	5060010	309,832	277,950	626,415	277,950	777,950	777,950	277,950	777,950	777,950
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Project Grants	5100004	10,232,836	10,420,135	14,331,764	10,420,135	12,420,135	12,420,135	10,420,135	12,420,135	12,420,135
Retired & Sr Volunteer Prgm	5100004	61,500	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Sr Citizen Centers	5100004	5,000,000	5,000,000	7,147,584	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Older Wkrs Prgm Grant	5100004	1,052,664	1,052,665	1,641,453	1,052,665	1,552,665	1,552,665	1,052,665	1,552,665	1,552,665
Community Based Care	5100004	0	0	90,000	0	90,000	90,000	0	90,000	90,000
Nursing Hm Care Alternatives	5100004	4,867,996	5,207,910	6,193,872	5,207,910	7,207,910	7,207,910	5,207,910	7,207,910	7,207,910
Nutrition Programs	5100004	8,898,310	11,021,770	11,424,649	11,021,770	12,021,770	12,021,770	11,021,770	12,021,770	12,021,770
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Project Grants-ARRA of 2009	5900052	32,923	0	0	0	0	0	0	0	0
ARRA of 2009	5900052	1,427	0	0	0	0	0	0	0	0
<b>Total</b>		<b>44,400,044</b>	<b>47,423,203</b>	<b>57,702,711</b>	<b>47,517,533</b>	<b>54,954,865</b>	<b>54,738,735</b>	<b>47,526,282</b>	<b>54,963,614</b>	<b>54,747,484</b>
<b>Funding Sources</b>										
General Revenue	4000010	17,222,542	17,301,126		17,445,550	17,601,462	17,476,272	17,448,645	17,604,557	17,479,367
Federal Revenue	4000020	27,060,515	29,867,305		29,938,375	30,071,556	29,948,616	29,944,004	30,077,185	29,954,245
Special Revenue	4000030	100,617	101,000		101,000	101,000	101,000	101,000	101,000	101,000
Merit Adjustment Fund	4000055	12,642	121,354		0	0	0	0	0	0
Transfer to Medicaid Match	4000660	(32,582)	(32,582)		(32,582)	(32,582)	(32,582)	(32,582)	(32,582)	(32,582)
Various Program Support	4000730	36,310	65,000		65,190	65,190	65,190	65,215	65,215	65,215
<b>Total Funding</b>		<b>44,400,044</b>	<b>47,423,203</b>		<b>47,517,533</b>	<b>47,806,626</b>	<b>47,558,496</b>	<b>47,526,282</b>	<b>47,815,375</b>	<b>47,567,245</b>
Excess Appropriation/(Funding)		0	0		0	7,148,239	7,180,239	0	7,148,239	7,180,239
<b>Grand Total</b>		<b>44,400,044</b>	<b>47,423,203</b>		<b>47,517,533</b>	<b>54,954,865</b>	<b>54,738,735</b>	<b>47,526,282</b>	<b>54,963,614</b>	<b>54,747,484</b>

## Change Level by Appropriation

**Appropriation:** 896 - DHS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>14,740,053</b>	<b>198</b>	<b>14,740,053</b>	<b>100.0</b>	<b>14,748,802</b>	<b>198</b>	<b>14,748,802</b>	<b>100.0</b>
C01	Existing Program	289,093	5	15,029,146	102.0	289,093	5	15,037,895	102.0
C05	Unfunded Appropriation	1,558,239	9	16,587,385	112.5	1,558,239	9	16,596,134	112.5

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>14,740,053</b>	<b>198</b>	<b>14,740,053</b>	<b>100.0</b>	<b>14,748,802</b>	<b>198</b>	<b>14,748,802</b>	<b>100.0</b>
C01	Existing Program	110,463	1	14,850,516	100.7	110,463	1	14,859,265	100.7
C05	Unfunded Appropriation	1,520,739	9	16,371,255	111.1	1,520,739	9	16,380,004	111.1

### Justification

C01	DAAS is requesting general revenue funding and appropriation for four (4) positions necessary to implement and enforce a QA/QI program across the division. The current QA processes do not include monitoring visits of all the providers. In addition, the certification of all DAAS providers is a paper review process and does not include site visits of the potential providers. DAAS does not currently have the human resources necessary to sufficiently monitor provider services to clients and to assure the health, safety and welfare of clients. DAAS is also requesting general revenue funding and appropriation for one (1) Help Desk Specialist for the Adult and Long-term Care Facility Resident Maltreatment Hotline. DAAS is also requesting general revenue funding and appropriation in Operating Expenses and Conference Fees to support the related costs of the requested new positions.
C05	The Division is requesting appropriation only in each year of the biennium in Extra Help, Operating Expenses, Conference & Travel Expenses, and Professional Fees and Services. The Extra Help appropriation is needed to restore this line item to current authorized levels. Unfunded appropriation in Operating Expenses, Conference & Travel Expenses, and Professional Fees and Services are needed to efficiently utilize any increases in grant awards. DAAS requests the restoration of nine (9) positions, as well as, the corresponding appropriation in Regular Salaries and Personal Services Matching. These positions will allow DAAS to fill positions needed to aid the HCBS RNs in completing assessments and plan of care development as well as investigate allegations of adult maltreatment as funding becomes available.

## Change Level by Appropriation

**Appropriation:** 898 - DHS-Grants Paying Account  
**Funding Sources:** PWE - Administration Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>32,777,480</b>	<b>0</b>	<b>32,777,480</b>	<b>100.0</b>	<b>32,777,480</b>	<b>0</b>	<b>32,777,480</b>	<b>100.0</b>
C05	Unfunded Appropriation	5,590,000	0	38,367,480	117.1	5,590,000	0	38,367,480	117.1

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>32,777,480</b>	<b>0</b>	<b>32,777,480</b>	<b>100.0</b>	<b>32,777,480</b>	<b>0</b>	<b>32,777,480</b>	<b>100.0</b>
C05	Unfunded Appropriation	5,590,000	0	38,367,480	117.1	5,590,000	0	38,367,480	117.1

### 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 Title V Senior Community Center Employment Program. Agency also requests unfunded appropriation for the Project Grants, Nutrition Programs, Older Worker Program, and Nursing Home Care Alternatives line items to utilize any unanticipated increases in Federal or private foundation awards for mandatory grant travel.
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## **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 (12) age divisions that apply to both men and women for individual and doubles events, and seven (8) age divisions for team events. The 2012 Arkansas State Games will be held at Hot Springs, Arkansas, September 14 through September 23. Participants in events this year may qualify as athletes for the 2013 National Senior Olympics. The events scheduled include: Archery, Badminton, Bowling, Cycling, Golf, Horseshoes, Race/Walk, Racquetball, Road Race, Shuffleboard, Swimming, Table Tennis, Tennis, Track and Field events and Weightlifting/Bench Press. Other recreational events are also available, including Basketball Shoot, Bean Bag Baseball, Card and Board Games, 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	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
<b>Funding Sources</b>										
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 220 of 2012  
A.C.A. §25-10-102  
A.C.A. §9-16-101 et seq.

## History and Organization

DCFS is the designated state agency to administer and supervise all child welfare services (Title Iv-B and IV-E of the Social Security Act), including child maltreatment investigations, child abuse and neglect prevention, protective services, foster care services, supportive services and adoptive programs. The State's child welfare system investigated 33,849 reports of child maltreatment and managed 7,959 foster care cases, 12,479 protective service cases involving 29,658 children and 1,023 supportive service cases involving 2,451 children. The Division is in compliance with Titles VI and VII of the Civil Rights Act and operates, manages, and delivers services without regard to race, color, religion, sex, age, national origin, mental or physical disability, veteran status, political affiliation or belief.

Our mission is to keep children safe and help families. DCFS will respectfully engage families and youth and use community-based services and support to assist parent in successfully caring for their children. We will focus on the safety, permanency and well-being for all children and youth.

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 DYS.

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 day care 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 Professional Development 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. The CFSR is the

Federal Government's program for assessing the performance of State child welfare agencies with regard to achieving positive outcomes for children and families. It is essentially the state's report card from the federal government.

The CFSR assesses State performance on 23 items relevant to 7 outcomes and 22 items pertaining to 7 systemic factors. The 7 outcomes cover the areas of safety, permanency and well-being.

The Division received the report in the fall of 2009 which indicated the state did not have substantial compliance in any of the 7 outcomes and was found to be in compliance with 2 of the systemic factors. As a result of the finding, the Division was required to develop 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. 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 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.

Since the PIP was developed and implemented, Arkansas' performance has improved on 18 of the 23 individual items. Arkansas' performance has also improved on 6 of the 7 outcomes and 15 of the 23 individual items between the 2010 and 2011 rounds of reviews done internally.

Arkansas Program Improvement Plan 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

Arkansas implemented the Program Improvement Plan and has utilized our Quality Services Peer Review (QSPR) process to monitor our progress. We continue to monitor our progress throughout the year. It is the goal of the Division to continue to increase the state's performance on these measures so we can be assured to bring about the best outcomes for the children and families we serve.

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.

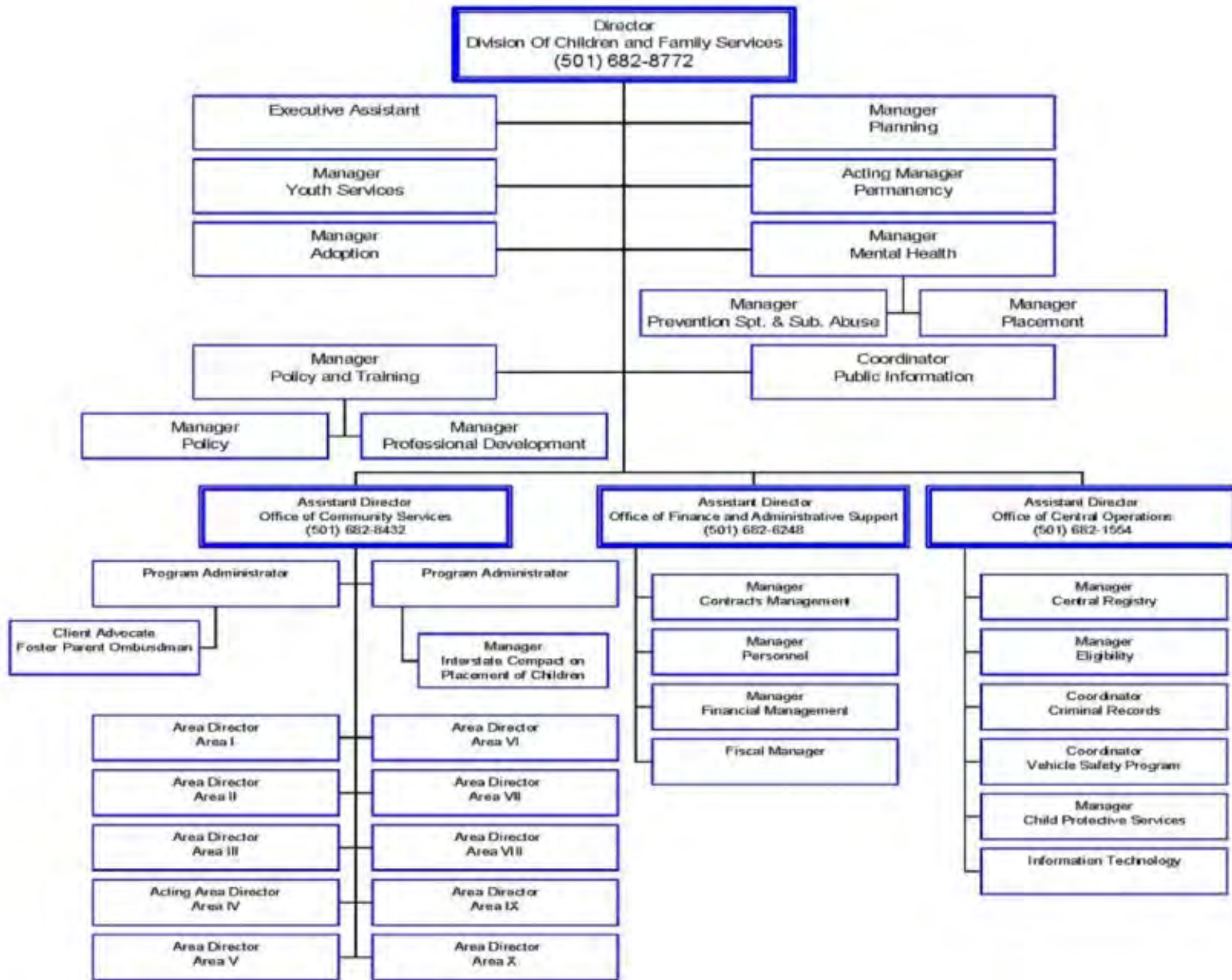
- Sustainable success with families is the work of a team.
- The entire system must support front line practice to achieve positive outcomes with families.
- Every staff position, role, and activity of the Division shows continuous effort to build and maintain professionalism.
- Skill based training 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



## **Agency Commentary**

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- Community based
- Outcome oriented

In June 2012, the Division sent in a notice of intent to apply for a Title IV-E Waiver demonstration project. The final application is due on July 9, 2012, and if DCFS is awarded this waiver it will be for a five year period with a proposed option to renew and will allow for flexible use of Title IV-E dollars to transform the child welfare system further.

Waiver History:

- Adoption and Safe Families Act of 1997 established the waivers
- September 2011 - Child and Family Services Improvement and Innovation Act renewed the child welfare waiver authority which is designed to improve State effectiveness in protecting children and assisting families as well as point the way to potential broader national reforms to benefit children and families

Goals of the IV E Waiver:

- **Increase permanency** for all infants, children, and youth by **reducing the time in foster placements** when possible and **promoting a successful transition to adulthood** for older youth
- **Increase positive outcomes** for infants, children, youth and **families in their homes** and communities, including tribal communities, and **improve the safety and well-being** of infants, children and youth
- **Prevent** child abuse and neglect and the **re-entry** of infants, children, and youth into foster care

Arkansas broad plan will address:

- Allow us to “jump start” Phase 2 of our system improvement
- Decrease entries into care statewide
- Increase stability of children in foster care
- Children achieve timely permanence from foster care

To continue our mission of protecting children, preserving families and continue the process of transforming the child welfare system, the Division of Children and Family Services 2013 - 2015 Biennial Budget represents a request for:

### **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 that possesses 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 211 currently authorized positions with unfunded appropriation for both salary and fringe benefits for both 2014 and 2015. 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 changes that will be possible if DCFS is awarded the Title IV-E Waiver. 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 12 positions, as well as the associated unfunded Regular Salaries and Personal Services Matching appropriation, to other divisions. The Division of Child Care and Early Childhood Education will receive four positions to work in the Summer Food Service Program. The Division of Behavioral Health will receive seven positions that are being utilized at the Arkansas State Hospital to implement a stronger incident management system and investigators for this purpose. The Office of Chief Counsel will receive one position to be utilized to improve accountability in the audit function for the department.

**ADOPTION SUBSIDY:**

The federal match rate for Title IV-E adoption subsidies has been in a steady decline for years and causes DCFS to match subsidy payments with more state general revenue each year. Adoption subsidies are awarded until a child turns 18 in most cases, though in some instances they last until the age of 21. The Division is requesting appropriation in the amount of \$1,750,000 and \$3,580,000, of which \$700,000 and \$1,450,000 is state general revenue in 2014 and 2015, respectively.

**CONTRACT SERVICES:**

The Division is requesting appropriation only in the amount of \$1,500,000 in both 2014 and 2015 to meet anticipated needs for contracts and board payments. DCFS has been forced to utilize the reallocation of resources process to meet our appropriation needs in contracts and foster board payments and this request provides the needed appropriation to alleviate this need and to provide appropriation for anticipated changes in the programming mix.

**Title IV-E Waiver:**

The Division is requesting unfunded appropriation in the amount \$10,000,000 in both 2014 and 2015 to meet possible needs that would arise if DCFS is awarded a Title IV-E Waiver demonstration project. The ability to flexibly use Title IV-E funds for traditionally non-eligible services could create an increased need in contracts and maintenance and operations.

**Information Technology:**

The Division is requesting unfunded appropriation in the amount of \$100,000 in both 2014 and 2015 to allow for information technology needs related to the Children's Information and Reporting System (CHRIS). The computer servers the CHRIS system resides on are the responsibility of DCFS to replace.

**Investigative Funding:**

The Division is requesting state general revenue funding only in the amount of \$3,400,000 in 2014 and 2015, respectively, to replace the reduction in federal funding of the Temporary Assistance for Needy Families grant.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

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

### State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

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 Child Welfare Report Card	Act 1222 of 1995	N	Y	200	AR Child Welfare Public Accountability Act Mandated
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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
882 State Residential Treatment	469,913	0	1,100,000	0	1,341,305	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0
883 Foster Care	26,470,332	0	25,815,859	0	23,815,859	0	25,815,859	0	27,315,859	0	27,315,859	0	25,815,859	0	27,315,859	0	27,315,859	0
896 Division of Children & Family Services	70,889,196	1,035	64,246,714	932	83,223,135	1,166	65,268,258	932	84,308,386	1,131	84,308,386	1,131	65,309,039	932	84,349,167	1,131	84,349,167	1,131
898 TANF/Foster Care	38,528,189	0	39,891,796	0	40,291,976	0	39,891,796	0	41,641,796	0	41,641,796	0	39,891,796	0	43,471,796	0	43,471,796	0
<b>Total</b>	<b>136,357,630</b>	<b>1,035</b>	<b>131,054,369</b>	<b>932</b>	<b>148,672,275</b>	<b>1,166</b>	<b>132,075,913</b>	<b>932</b>	<b>154,366,041</b>	<b>1,131</b>	<b>154,366,041</b>	<b>1,131</b>	<b>132,116,694</b>	<b>932</b>	<b>156,236,822</b>	<b>1,131</b>	<b>156,236,822</b>	<b>1,131</b>

Funding Sources		%		%		%		%		%		%		%		%	
General Revenue	4000010	50,251,173	36.9	49,511,800	37.8	49,297,108	37.3	53,397,108	39.9	49,297,108	38.3	49,303,365	37.3	54,153,365	39.9	49,303,365	38.3
Federal Revenue	4000020	66,948,134	49.1	65,913,479	50.3	66,832,014	50.6	64,482,014	48.2	63,432,014	49.3	66,859,413	50.6	65,589,413	48.3	63,459,413	49.3
Merit Adjustment Fund	4000055	817,984	0.6	337,149	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	(325,000)	(0.2)	(600,000)	(0.5)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Refunds	4000415	3,060,221	2.2	3,720,000	2.8	3,720,000	2.8	3,720,000	2.8	3,720,000	2.9	3,720,000	2.8	3,720,000	2.7	3,720,000	2.9
Transfer to Medicaid Match	4000660	(92,208)	(0.1)	(300,000)	(0.2)	(300,000)	(0.2)	(300,000)	(0.2)	(300,000)	(0.2)	(300,000)	(0.2)	(300,000)	(0.2)	(300,000)	(0.2)
Transfer to State Police	4000675	(1,682,018)	(1.2)	(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	17,379,344	12.7	14,171,149	10.8	14,225,999	10.8	14,225,999	10.6	14,225,999	11.1	14,233,124	10.8	14,233,124	10.5	14,233,124	11.1
Total Funds		136,357,630	100.0	131,054,369	100.0	132,075,913	100.0	133,825,913	100.0	128,675,913	100.0	132,116,694	100.0	135,696,694	100.0	128,716,694	100.0
Excess Appropriation/(Funding)		0		0		0		20,540,128		25,690,128		0		20,540,128		27,520,128	
Grand Total		136,357,630		131,054,369		132,075,913		154,366,041		154,366,041		132,116,694		156,236,822		156,236,822	

Children & Family (883) Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
1,194	981	79	1060	134	17.84 %	1,166	936	52	988	178	19.73 %	1,166	929	3	932	234	20.33 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 157 of 2012 section 16(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).



## **Analysis of Budget Request**

**Appropriation:** 882 - State Residential Treatment

**Funding Sources:** DCF - Children and Family Services Fund Account

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 general revenue (DCF - Children and Family Services Fund Account) and refunds that consist of contract reimbursements for spent general revenue.

The Agency Base Level and total request for this appropriation is \$1,100,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	469,913	1,100,000	1,341,305	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Total		469,913	1,100,000	1,341,305	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
<b>Funding Sources</b>										
General Revenue	4000010	394,981	1,080,000		1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000
Refunds	4000415	74,932	20,000		20,000	20,000	20,000	20,000	20,000	20,000
Total Funding		469,913	1,100,000		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		469,913	1,100,000		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000

## **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 \$25,815,859 each year of the biennium of which \$22,115,859 is funded with general revenue.

The Agency Change Level request for appropriation is \$1,500,000 in each year of the biennium, with no new general revenue request. This appropriation request is to meet the anticipated needs for increases in board rates and contract payments if funding becomes available.

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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	26,470,332	25,815,859	23,815,859	25,815,859	27,315,859	27,315,859	25,815,859	27,315,859	27,315,859
Total		26,470,332	25,815,859	23,815,859	25,815,859	27,315,859	27,315,859	25,815,859	27,315,859	27,315,859
<b>Funding Sources</b>										
General Revenue	4000010	23,485,043	22,115,859		22,115,859	22,115,859	22,115,859	22,115,859	22,115,859	22,115,859
Refunds	4000415	2,985,289	3,700,000		3,700,000	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000
Total Funding		26,470,332	25,815,859		25,815,859	25,815,859	25,815,859	25,815,859	25,815,859	25,815,859
Excess Appropriation/(Funding)		0	0		0	1,500,000	1,500,000	0	1,500,000	1,500,000
Grand Total		26,470,332	25,815,859		25,815,859	27,315,859	27,315,859	25,815,859	27,315,859	27,315,859

Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

## Change Level by Appropriation

**Appropriation:** 883 - Foster Care  
**Funding Sources:** DCF - Children and Family Services Fund Account

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>25,815,859</b>	<b>0</b>	<b>25,815,859</b>	<b>100.0</b>	<b>25,815,859</b>	<b>0</b>	<b>25,815,859</b>	<b>100.0</b>
C05	Unfunded Appropriation	1,500,000	0	27,315,859	105.8	1,500,000	0	27,315,859	105.8

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>25,815,859</b>	<b>0</b>	<b>25,815,859</b>	<b>100.0</b>	<b>25,815,859</b>	<b>0</b>	<b>25,815,859</b>	<b>100.0</b>
C05	Unfunded Appropriation	1,500,000	0	27,315,859	105.8	1,500,000	0	27,315,859	105.8

### Justification

C05	Unfunded appropriation requested to meet the anticipated needs for contracts and board payments.
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## **Analysis of Budget Request**

**Appropriation:** 896 - DHS–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 was 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 revenues, which is identified as various program support. 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 revenues 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 revenues are considered to be non-federal and technically can be expended for any program or service within the Department.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$65,268,258 in FY2014 and \$65,309,039 in FY2015 with 932 budgeted Base Level positions.

The Agency Change Level request for this appropriation is \$19,040,128 in each year of the biennium with a general revenue request of \$3,400,000 each year.

- \$3,400,000 in general revenue funding each year to replace the decrease in TANF funding received from the Department of Workforce Services.

The following delineates the agency's request:

- Restoration of 211 positions that are authorized but not budgeted with salary and matching appropriation to provide direct service or provide direct support to field staff.
- Transfer of one (1) position, as well as unfunded appropriation in Regular Salaries and Personal Services Matching to OCC to be utilized to improve accountability in the audit functions of the department.
- Transfer of four (4) positions, as well as unfunded appropriation in Regular Salaries and Personal Services Matching to DCC to work in the Summer Food Service Program.
- Transfer of seven (7) positions, as well as unfunded appropriation in Regular Salaries and Personal Services Matching to DBHS to be utilized at the Arkansas State Hospital to implement a stronger incident management system and investigators for this purpose.
- \$3,000,000 in each year of the biennium in the Operations Expenses line item that will allow flexibility to meet possible needs if awarded Title IV-E Waiver demonstration project.
- \$7,000,000 in each year of the biennium in the Professional Fees line item that will allow flexibility to meet possible needs if awarded Title IV-E Waiver demonstration project.
- \$100,000 in each year of the biennium in the Capital Outlay line item to meet anticipated technology needs related to the CHRIS system.

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

# Appropriation Summary

**Appropriation:** 896 - DHS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	37,560,495	32,561,623	43,533,938	33,209,129	39,669,958	39,669,958	33,242,229	39,703,058	39,703,058
<b>#Positions</b>		<b>1,035</b>	<b>932</b>	<b>1,166</b>	<b>932</b>	<b>1,131</b>	<b>1,131</b>	<b>932</b>	<b>1,131</b>	<b>1,131</b>
Extra Help	5010001	187,452	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
<b>#Extra Help</b>		<b>22</b>	<b>65</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	12,449,839	11,939,592	14,741,143	12,313,630	14,792,929	14,792,929	12,321,311	14,800,610	14,800,610
Overtime	5010006	171	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	9,834,062	9,145,347	12,024,266	9,145,347	12,145,347	12,145,347	9,145,347	12,145,347	12,145,347
Conference & Travel Expenses	5050009	28,685	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	10,798,216	10,390,152	12,713,788	10,390,152	17,390,152	17,390,152	10,390,152	17,390,152	17,390,152
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	30,276	0	0	0	100,000	100,000	0	100,000	100,000
<b>Total</b>		<b>70,889,196</b>	<b>64,246,714</b>	<b>83,223,135</b>	<b>65,268,258</b>	<b>84,308,386</b>	<b>84,308,386</b>	<b>65,309,039</b>	<b>84,349,167</b>	<b>84,349,167</b>

Funding Sources										
General Revenue	4000010	15,738,964	14,406,137		14,191,445	17,591,445	14,191,445	14,197,702	17,597,702	14,197,702
Federal Revenue	4000020	40,216,687	38,271,487		39,190,022	35,790,022	35,790,022	39,217,421	35,817,421	35,817,421
Merit Adjustment Fund	4000055	817,984	337,149		0	0	0	0	0	0
Reallocation of Resources	4000410	(325,000)	(600,000)		0	0	0	0	0	0
Transfer to Medicaid Match	4000660	(92,208)	(300,000)		(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Transfer to State Police	4000675	(1,682,018)	(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	16,214,787	13,831,149		13,885,999	13,885,999	13,885,999	13,893,124	13,893,124	13,893,124
<b>Total Funding</b>		<b>70,889,196</b>	<b>64,246,714</b>		<b>65,268,258</b>	<b>65,268,258</b>	<b>61,868,258</b>	<b>65,309,039</b>	<b>65,309,039</b>	<b>61,909,039</b>
Excess Appropriation/(Funding)		0	0		0	19,040,128	22,440,128	0	19,040,128	22,440,128
<b>Grand Total</b>		<b>70,889,196</b>	<b>64,246,714</b>		<b>65,268,258</b>	<b>84,308,386</b>	<b>84,308,386</b>	<b>65,309,039</b>	<b>84,349,167</b>	<b>84,349,167</b>



## Change Level by Appropriation

**Appropriation:** 896 - DHS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>65,268,258</b>	<b>932</b>	<b>65,268,258</b>	<b>100.0</b>	<b>65,309,039</b>	<b>932</b>	<b>65,309,039</b>	<b>100.0</b>
C05	Unfunded Appropriation	19,534,389	211	84,802,647	129.9	19,534,389	211	84,843,428	129.9
C07	Agency Transfer	(494,261)	(12)	84,308,386	129.2	(494,261)	(12)	84,349,167	129.2

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>65,268,258</b>	<b>932</b>	<b>65,268,258</b>	<b>100.0</b>	<b>65,309,039</b>	<b>932</b>	<b>65,309,039</b>	<b>100.0</b>
C05	Unfunded Appropriation	19,534,389	211	84,802,647	129.9	19,534,389	211	84,843,428	129.9
C07	Agency Transfer	(494,261)	(12)	84,308,386	129.2	(494,261)	(12)	84,349,167	129.2

### Justification

C05	DCFS is requesting to restore 211 positions that are direct service or provide direct support to field staff. The Division is requesting unfunded appropriation for maintenance and operations and professional services in the amount of \$3,000,000 and \$7,000,000, respectively in both 2014 and 2015, to meet possible needs if awarded the Title IV-E demonstration project. The Division is also requesting unfunded appropriation for Capital Outlay in the amount of \$100,000 to meet anticipated needs related to the CHRIS system.
C07	DCFS is requesting to transfer a total of 12 positions to other divisions. The Division of Child Care and Early Childhood Education will receive four positions to work in the Summer Food Service Program. The Division of Behavioral Health will receive seven positions that are being utilized at the Arkansas State Hospital to implement a stronger incident management system and investigators for this purpose. The Office of Chief Counsel will receive one position to be utilized to improve accountability in the audit function for the department.

## **Analysis of Budget Request**

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

The TANF/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), federal revenues, and other revenues, which are identified as various program support. Federal revenues include Title IV-E Adoption Subsidies, Title IV-B Family Preservation Funding, SSBG, and TANF. Other revenues which are indicated as various program support and consists of match out of board reimbursements.

The Agency Base Level request for this appropriation is \$39,891,796 each year of the biennium of which \$11,909,804 is funded from general revenue.

The Agency Change Level request for this appropriation is \$1,750,000 in FY2014 and \$3,580,000 in FY2015, with general revenue request of \$700,000 in FY2014 and \$1,450,000 in FY2015. The funding and appropriation request is to meet the anticipated increase in Adoption Subsidies combined with the decline in the Title IV-E match rate.

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

## Appropriation Summary

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	38,528,189	39,891,796	40,291,976	39,891,796	41,641,796	41,641,796	39,891,796	43,471,796	43,471,796
Total		38,528,189	39,891,796	40,291,976	39,891,796	41,641,796	41,641,796	39,891,796	43,471,796	43,471,796
<b>Funding Sources</b>										
General Revenue	4000010	10,632,185	11,909,804		11,909,804	12,609,804	11,909,804	11,909,804	13,359,804	11,909,804
Federal Revenue	4000020	26,731,447	27,641,992		27,641,992	28,691,992	27,641,992	27,641,992	29,771,992	27,641,992
Various Program Support	4000730	1,164,557	340,000		340,000	340,000	340,000	340,000	340,000	340,000
Total Funding		38,528,189	39,891,796		39,891,796	41,641,796	39,891,796	39,891,796	43,471,796	39,891,796
Excess Appropriation/(Funding)		0	0		0	0	1,750,000	0	0	3,580,000
Grand Total		38,528,189	39,891,796		39,891,796	41,641,796	41,641,796	39,891,796	43,471,796	43,471,796

## Change Level by Appropriation

**Appropriation:** 898 - DHS-Grants Paying Account  
**Funding Sources:** PWE - Grants Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>39,891,796</b>	<b>0</b>	<b>39,891,796</b>	<b>100.0</b>	<b>39,891,796</b>	<b>0</b>	<b>39,891,796</b>	<b>100.0</b>
C01	Existing Program	1,750,000	0	41,641,796	104.4	3,580,000	0	43,471,796	109.0

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>39,891,796</b>	<b>0</b>	<b>39,891,796</b>	<b>100.0</b>	<b>39,891,796</b>	<b>0</b>	<b>39,891,796</b>	<b>100.0</b>
C01	Existing Program	1,750,000	0	41,641,796	104.4	3,580,000	0	43,471,796	109.0

### Justification

C01	Funding and appropriation requested to meet both the anticipated increase in Adoption Subsidies combined with the decline in the Title IV-E match rate.
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# DHS - Child Care/Early Childhood Education

## **Enabling Laws**

Act 131 of 2012

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 187 budgeted positions in addition to 13 extra help positions. The name of the sections and a brief description of their functions follow:

### **Arkansas Better Chance Program**

The Arkansas Better Chance Program (ABC) 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 26,000 children are enrolled in ABC programs. Agencies participating in ABC include school districts, educational cooperatives, non-profit agencies, Head Start agencies, community based providers, private providers, and family child care homes. ABC specialists monitor these agencies and provide technical assistance for programmatic, financial and data related issues.

### **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, as well as conducting complaint investigations in these facilities. This unit is also responsible for maintaining the Criminal Records Check Systems (Act 1198 of 1997) in conjunction with the Arkansas State Police. This system checks the police record of all workers in child care centers, as well as licensed and registered homes.

The Placement and Residential Licensing Unit is responsible for licensing and monitoring youth residential facilities, child placement agencies, and adoption agencies and for investigating complaints involving those licensees. This Unit reports monthly to the Child Welfare Agency Review Board, a Governor appointed board which has final authority over licensure actions recommended by this Unit.

Better Beginnings, a quality rating improvement system for Arkansas, is a voluntary multi-step accreditation system that has established standards of quality for child care providers. This system is designed to assist facilities through a process to assess, improve, and communicate the level of quality to parents and the general public. 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.

### **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 15,700 families and 25,719 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.

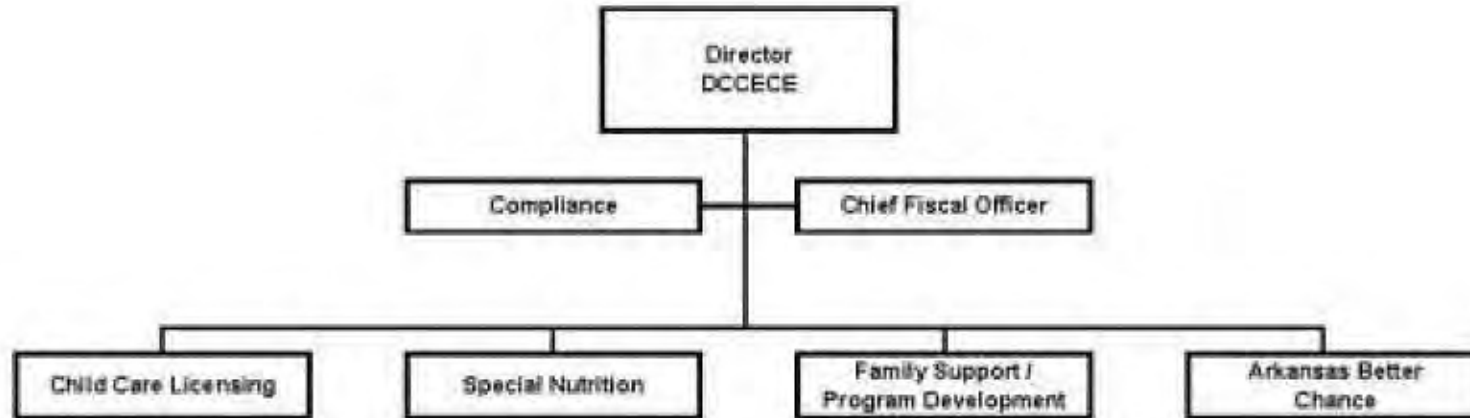
## **Compliance**

This section works with the programmatic units of the Division and other appropriate Divisions within the Department to coordinate and track issues dealing with provider fraud, overpayments and audits. Compliance conducts on-site reviews of providers and provides technical assistance as well as reviewing active case files and providing feedback if discrepancies are identified. The section performs the Federal Improper Payment Review every 3 years. Additionally, the section is responsible for coordinating the release of information requested under FOIA.

## **Health and Nutrition**

The Health and Nutrition Unit provides oversight for a large federally funded program within the Division. The Health and Nutrition Unit is comprised of five programs, four of the programs are federally funded by the United States Department of Agriculture (USDA) and one is funded by Department of Health and Human Services and is administered by the State. The USDA 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). The Department of Health and Human Services, Arkansas Early Childhood Comprehensive System Initiative objective is to carry out special maternal and child health (MCH) projects of regional and national significance; to conduct training and research; to conduct genetic disease testing, counseling and information development and dissemination programs; for grants relating to hemophilia without regard to age and for the screening of newborns for sickle cell anemia and other genetic disorders.

Arkansas DHS  
Division of Child Care and Early Childhood Education



## Agency Commentary

The Division of Child Care and Early Childhood Education requests the following adjustments for 2013-2015 biennial budget. The change requests are as follows:

### **SFY2014**

Appropriation 320 - \$4,000,000 in funded federal appropriation  
Appropriation 320 - \$250,000 in funded federal ARRA appropriation  
Appropriation 890 - \$7,000,000 in funded federal appropriation



Appropriation 898 - \$2,000,000 in funded federal appropriation

Appropriation 896 - \$100,000 in funded appropriation to accommodate the growth of the mandated criminal background checks for personnel within the licensed child care facilities; \$4,000,000 funded federal appropriation to assist with the development, maintenance and operation of a biometric time and attendance system for child care providers participating in the voucher program. The division is requesting the transfer of five (5) positions and appropriation (\$161,478 Regular Salaries; \$62,096 Personal Services Matching) to meet the needs of the continuously growing USDA Food and Nutrition program, as requested by the Governor. Four (4) of these positions will come from the Division of Children and Family Services and one (1) from the Division of Developmental Disabilities Services.

### **SFY2015**

Appropriation 320 - \$4,000,000 in funded federal appropriation

Appropriation 890 - \$12,000,000 in funded federal appropriation

Appropriation 898 - \$2,000,000 in funded federal appropriation

Appropriation 896 - \$100,000 in funded appropriation to accommodate the growth of the mandated criminal background checks for personnel within the licensed child care facilities; \$4,000,000 funded federal appropriation to assist with the development, maintenance and operation of a biometric time and attendance system for child care providers participating in the voucher program. The division is requesting the transfer of five (5) positions and appropriation (\$161,478 Regular Salaries; \$62,096 Personal Services Matching) to meet the needs of the continuously growing USDA Food and Nutrition program, as requested by the Governor. Four (4) of these positions will come from the Division of Children and Family Services and one (1) from the Division of Developmental Disabilities Services.

### **Appropriation 320 - Child Care Development**

The Division of Child Care and Early Childhood Education requests appropriation as follows: Funded appropriation of \$4,000,000 for anticipated growth in this federal program which provides child care services for working families and continues to improve the quality of child care for all Arkansas children in each year of the biennium; Funded appropriation of \$250,000 in state fiscal year 2014 for completion of an ARRA funded program developing an early childhood asset mapping system and improving the Traveling Arkansas Professional Pathways registry, the tracking component of the Arkansas Early Childhood Professional Development System.

	<b><u>SFY2014</u></b>	<b><u>SFY2015</u></b>
Funded Appropriation	\$4,000,000	\$4,000,000
Grants, Assistance and Aids		
Commitment Item: 510:00:04		
Funded Appropriation	\$250,000	
Child Care Dev-Discretionary - ARRA 2009		
Commitment Item: 590:00:52		

### **Appropriation 890 - Child Care Food Program**

The Division of Child Care and Early Childhood Education requests additional funded appropriation in the amount of \$7,000,000 for state fiscal year 2014 for the USDA Health and Nutrition Program; as well as, \$12,000,000 for state fiscal year 2015. This will match appropriation to the anticipated level of the FFY2013 and FFY2014 federal letters of credit for this continuously growing, 100% federal, uncapped program.

Funded Appropriation

Grants, Assistance and Aids

Commitment Item: 510:00:04

	<b><u>SFY2014</u></b>	<b><u>SFY2015</u></b>
Child Care Food Program	\$4,000,000	\$6,000,000
Summer Food Services Program	\$2,000,000	\$4,000,000
National School Lunch Program	\$1,000,000	\$2,000,000

### **Appropriation 896 - Operations**

The Division of Child Care and Early Childhood Education requests additional funded appropriation in the amount of \$100,000 for criminal background checks to absorb the steady increase of cost and number of annually completed background checks. These checks must be processed for all licensed facilities personnel to ensure the health and safety of children in the State of Arkansas.

The Division requests additional funded federal appropriation in the amount of \$4,000,000 in order to procure professional consultant contracts for the development of a biometrics time and attendance system. The biometric system will assist with the integrity of the voucher program by reducing fraud and overpayments, administrative cost for both the Division and the provider community, and promoting increased safety for the State of Arkansas children.

The Division is receiving five (5) transferred positions from within the Department to meet the needs of the continuously growing USDA Food and Nutrition program, as requested by the Governor. The total appropriation being transferred from the Divisions for salaries is \$161,478 and the total for personal services matching is \$62,096. The appropriation associated with the position transfer request will be funded federal appropriation.

	<b><u>SFY2014</u></b>	<b><u>SFY2015</u></b>
<b>Maintenance and Operations</b>		
Commitment Item: 501:00:00 - Regular Salaries	\$161,478	\$161,478
Commitment Item: 501:00:03 - Personal Services Matching	\$ 62,096	\$ 62,096

Commitment Item: 502:00:02 - Operating Expenses	\$100,000	\$100,000
Commitment Item: 506:00:10 - Professional Fees	\$4,000,000	\$4,000,000

**Appropriation 898 - Child Care Grants**

The Division of Child Care and Early Childhood Education requests funded appropriation in the amount of \$2,000,000 to accommodate the growth in the federal voucher program.

	<b><u>SFY2014</u></b>	<b><u>SFY2015</u></b>
Funded Appropriation Grants, Assistance and Aids Commitment Item: 510:00:04		
Temporary Employment Assistance and Extended Support Services	\$2,000,000	\$2,000,000

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 DEPARTMENT OF HUMAN SERVICES  
 FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

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

**State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012**

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		
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.
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.

**A.C.A. 25-1-204**

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
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 Division prescribes minimum standards for a variety of child care facilities under the Act. The publication lists the licensing requirements for the Child Care Family Home.
Minimum Licensing Requirements for Registered Child Care Family HOMes	A.C.A. 20-78-210	N	Y	1	The Child Care Facility Licensing Act is the legal authority under which the Division prescribes minimum standards for a variety of child care facilities under the Act. The publication lists the licensing requirements for the Registered Child Care Family Home.

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	16,932,362	0	22,209,372	0	21,469,372	0	21,469,372	0	25,719,372	0	25,719,372	0	21,469,372	0	25,469,372	0	25,469,372	0
890 Food Program	57,169,257	0	52,291,250	0	52,291,250	0	52,291,250	0	59,291,250	0	59,291,250	0	52,291,250	0	64,291,250	0	64,291,250	0
896 Division of Child Care/Early Childhood	15,751,146	178	18,762,934	187	17,941,107	171	18,817,378	187	23,140,952	192	23,140,952	192	18,826,247	187	23,149,821	192	23,149,821	192
898 Child Care Grant/Aids	26,006,567	0	27,630,656	0	26,359,437	0	27,630,656	0	29,630,656	0	29,630,656	0	27,630,656	0	29,630,656	0	29,630,656	0
929 Child Care-Treasury Paying	0	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0
<b>Total</b>	<b>115,859,332</b>	<b>178</b>	<b>121,081,749</b>	<b>187</b>	<b>118,248,703</b>	<b>171</b>	<b>120,396,193</b>	<b>187</b>	<b>137,969,767</b>	<b>192</b>	<b>137,969,767</b>	<b>192</b>	<b>120,405,062</b>	<b>187</b>	<b>142,728,636</b>	<b>192</b>	<b>142,728,636</b>	<b>192</b>

Funding Sources		%		%		%		%		%		%		%		%
General Revenue 4000010	6,669,275	5.8	6,828,452	5.6			7,431,557	6.2	7,431,557	5.4	7,431,557	5.4	7,432,004	6.2	7,432,004	5.2
Federal Revenue 4000020	106,057,015	91.5	110,097,969	90.9			110,143,174	91.5	127,366,748	92.3	127,366,748	92.3	110,150,714	91.5	132,374,288	92.7
Special Revenue 4000030	325,697	0.3	329,503	0.3			329,503	0.3	329,503	0.2	329,503	0.2	329,503	0.3	329,503	0.2
Cash Fund 4000045	0	0.0	187,537	0.2			187,537	0.2	187,537	0.1	187,537	0.1	187,537	0.2	187,537	0.1
Merit Adjustment Fund 4000055	15,486	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA 4000244	543,111	0.5	740,000	0.6			0	0.0	250,000	0.2	250,000	0.2	0	0.0	0	0.0
Reallocation of Resources 4000410	325,000	0.3	600,000	0.5			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support 4000730	1,923,748	1.7	2,298,288	1.9			2,304,422	1.9	2,404,422	1.7	2,404,422	1.7	2,305,304	1.9	2,405,304	1.7
<b>Total Funds</b>	<b>115,859,332</b>	<b>100.0</b>	<b>121,081,749</b>	<b>100.0</b>			<b>120,396,193</b>	<b>100.0</b>	<b>137,969,767</b>	<b>100.0</b>	<b>137,969,767</b>	<b>100.0</b>	<b>120,405,062</b>	<b>100.0</b>	<b>142,728,636</b>	<b>100.0</b>
Excess Appropriation/(Funding)	0		0				0		0		0		0		0	
<b>Grand Total</b>	<b>115,859,332</b>		<b>121,081,749</b>				<b>120,396,193</b>		<b>137,969,767</b>		<b>137,969,767</b>		<b>120,405,062</b>		<b>142,728,636</b>	

Child Care (320) Budgeted amount in Child Care Development-Discretionary exceeds the FY13 Authorized amount due to a transfer from the Miscellaneous Federal Grant Holding Account.  
 Child Care (896; 898) Budget and Positions exceeds Authorized Appropriation by authority of Reallocation of Resources.

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	164	7	171	0	4.09 %	171	173	0	173	-2	-1.17 %	171	177	10	187	-16	-3.51 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 157 of 2012 section 16(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).

## **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 from the Temporary Assistance for Needy Families program (TANF) Program to obtain child care; thereby allowing parents to 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 \$21,469,372 in each year of the biennium.

The Agency Change Level request for this appropriation is \$4,250,000 in FY2014 and \$4,000,000 in FY2015. The following delineates the agency's request:

- \$4,000,000 each year of the biennium is requested to accommodate growth in the federal voucher program to provide child care services.
- \$250,000 in American Recovery and Reinvestment Act of 2009 (ARRA) appropriation is requested for FY2014. This request will allow for the remaining funding to be used for the completion of an ARRA funded program developing an early childhood asset mapping system and improving the Traveling Arkansas Professional Pathways registry.

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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	16,389,251	21,469,372	21,469,372	21,469,372	25,469,372	25,469,372	21,469,372	25,469,372	25,469,372
Child Care Dev-Discretionary - AI	5900052	543,111	740,000	0	0	250,000	250,000	0	0	0
<b>Total</b>		<b>16,932,362</b>	<b>22,209,372</b>	<b>21,469,372</b>	<b>21,469,372</b>	<b>25,719,372</b>	<b>25,719,372</b>	<b>21,469,372</b>	<b>25,469,372</b>	<b>25,469,372</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	16,389,251	21,469,372		21,469,372	25,469,372	25,469,372	21,469,372	25,469,372	25,469,372
Federal Funds-ARRA	4000244	543,111	740,000		0	250,000	250,000	0	0	0
<b>Total Funding</b>		<b>16,932,362</b>	<b>22,209,372</b>		<b>21,469,372</b>	<b>25,719,372</b>	<b>25,719,372</b>	<b>21,469,372</b>	<b>25,469,372</b>	<b>25,469,372</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>16,932,362</b>	<b>22,209,372</b>		<b>21,469,372</b>	<b>25,719,372</b>	<b>25,719,372</b>	<b>21,469,372</b>	<b>25,469,372</b>	<b>25,469,372</b>

The Budgeted amount in Child Care Dev-Discretionary - ARRA 2009 exceeds the Authorized amount due to a transfer from the Miscellaneous Federal Grant Holding Account.  
Agency Change Level request includes ARRA appropriation in Child Care Dev-Discretionary - ARRA 2009 due to a temporary extension of ARRA funding from the federal granting agency.

## Change Level by Appropriation

**Appropriation:** 320 - Child Care Development-Discretionary  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>21,469,372</b>	<b>0</b>	<b>21,469,372</b>	<b>100.0</b>	<b>21,469,372</b>	<b>0</b>	<b>21,469,372</b>	<b>100.0</b>
C01	Existing Program	4,000,000	0	25,469,372	118.6	4,000,000	0	25,469,372	118.6
C03	Discontinue Program	(490,000)	0	24,979,372	116.3	(740,000)	0	24,729,372	115.2
C16	ARRA	740,000	0	25,719,372	119.8	740,000	0	25,469,372	118.6

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>21,469,372</b>	<b>0</b>	<b>21,469,372</b>	<b>100.0</b>	<b>21,469,372</b>	<b>0</b>	<b>21,469,372</b>	<b>100.0</b>
C01	Existing Program	4,000,000	0	25,469,372	118.6	4,000,000	0	25,469,372	118.6
C03	Discontinue Program	(490,000)	0	24,979,372	116.3	(740,000)	0	24,729,372	115.2
C16	ARRA	740,000	0	25,719,372	119.8	740,000	0	25,469,372	118.6

### Justification

C01	Requesting funded appropriation for anticipated growth in this federal voucher program which will provide child care services for working families and continue to improve the quality of child care for all Arkansas children.
C03	Change Level three discontinuance is for ARRA funding that expires 30 SEP 2013. The remaining ARRA appropriation will be utilized for the development of an early childhood asset mapping system, improvement to the Arkansas Traveling Arkansas Professional Pathways register, and the tracking component of the Arkansas Early Childhood Professional Development System.
C16	ARRA appropriation to be utilized in SFY2013 for the State Headstart Advisory Council.

## **Analysis of Budget Request**

**Appropriation:** 890 - Food Program

**Funding Sources:** FWF - DHS Federal

The Child and Adult Care Food Program (CACFP) 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 CACFP assist with initiating, maintaining, and expanding nonprofit food service programs for children or adult participants in nonresidential institutions which provide care. The program is intended to enable such institutions to integrate a nutritious food service with organized care services for enrolled participants. The National School Lunch Program provides reimbursement to schools, licensed child care institutions, juvenile detention centers and hospitals serving lunches to eligible children. Participating schools and other institutions will serve lunches that are nutritionally adequate and ensure that participating children gain a full understanding of the relationship between proper eating and good health. 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. The program generally operates during the months of May through September at site locations where regularly scheduled food services are provided for children. Sites may also participate in the program from September through May if the school is closed because of an emergency situation. Service institutions operating food programs for children on school vacation under a continuous year-round calendar may apply for participation in other 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 \$52,291,250 in each year of the biennium.

The Agency Change Level request for this appropriation is \$7,000,000 in FY2014 and \$12,000,000 in FY2015. 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 un-capped 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	57,169,257	52,291,250	52,291,250	52,291,250	59,291,250	59,291,250	52,291,250	64,291,250	64,291,250
Total		57,169,257	52,291,250	52,291,250	52,291,250	59,291,250	59,291,250	52,291,250	64,291,250	64,291,250
<b>Funding Sources</b>										
Federal Revenue	4000020	57,169,257	52,291,250		52,291,250	59,291,250	59,291,250	52,291,250	64,291,250	64,291,250
Total Funding		57,169,257	52,291,250		52,291,250	59,291,250	59,291,250	52,291,250	64,291,250	64,291,250
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		57,169,257	52,291,250		52,291,250	59,291,250	59,291,250	52,291,250	64,291,250	64,291,250

## Change Level by Appropriation

**Appropriation:** 890 - Food Program  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>52,291,250</b>	<b>0</b>	<b>52,291,250</b>	<b>100.0</b>	<b>52,291,250</b>	<b>0</b>	<b>52,291,250</b>	<b>100.0</b>
C01	Existing Program	7,000,000	0	59,291,250	113.4	12,000,000	0	64,291,250	122.9

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>52,291,250</b>	<b>0</b>	<b>52,291,250</b>	<b>100.0</b>	<b>52,291,250</b>	<b>0</b>	<b>52,291,250</b>	<b>100.0</b>
C01	Existing Program	7,000,000	0	59,291,250	113.4	12,000,000	0	64,291,250	122.9

### Justification

C01	Requesting additional appropriation to match appropriation to the anticipated level of the FFY2013 and FFY2014 federal letters of credit for this continuously growing, 100% federal uncapped program.								
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## **Analysis of Budget Request**

**Appropriation:** 896 - DHS–Admin Paying Account

**Funding Sources:** PWP - Administration Paying

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

Funding for this appropriation consists of general revenue (DCC - Childcare and Early Childhood Education Fund Account), federal revenue and other revenue. Federal revenue primarily includes funding from the Department of Health and Human Services Child Care Development Block Grant, Title IV-E Foster Care, Maternal Child Health and USDA Child Nutrition. Other revenue which is indicated as various program support can also include sources such as Child Care Provider License Fees and funding from the Arkansas Better Chance Program.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$18,817,378 in FY2014 and \$18,826,247 in FY2015 with 187 budgeted base level positions.

The Agency Change Level request for this appropriation is \$4,323,574 for each year of the biennium which reflects the following:

- Transfer in four (4) positions, as well as salary and match appropriation, from the Division of Children & Family Services that will be used meet the needs of the continuously growing USDA Food and Nutrition program.
- Transfer in one (1) position, as well as salary and match appropriation, from the Division of Developmental Disabilities Services that will be used meet the needs of the continuously growing USDA Food and Nutrition program.
- \$100,000 is requested each year of the biennium in the Operating Expenses line item. This increase will be used to accommodate the growth of mandated criminal background checks to absorb the steady increase of cost and number of annually completed background checks.

- \$4,000,000 is requested each year of the biennium in the Professional Fees line item to be used to procure professional consultant contracts for the development of a biometrics time and attendance system. The biometric system will assist with the integrity of the voucher program by reducing fraud and overpayments, administrative cost for both the Division and the provider community and promoting increased safety for the State of Arkansas children.

The Executive Recommendation provides for the Agency Request.

# Appropriation Summary

**Appropriation:** 896 - DHS--Admin Paying Account

**Funding Sources:** PWP - Administration Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,438,306	6,759,569	6,459,447	6,767,328	6,928,806	6,928,806	6,774,528	6,936,006	6,936,006
<b>#Positions</b>		<b>178</b>	<b>187</b>	<b>171</b>	<b>187</b>	<b>192</b>	<b>192</b>	<b>187</b>	<b>192</b>	<b>192</b>
Extra Help	5010001	124,675	153,795	153,795	153,795	153,795	153,795	153,795	153,795	153,795
<b>#Extra Help</b>		<b>10</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	2,203,522	2,459,733	2,166,809	2,506,418	2,568,514	2,568,514	2,508,087	2,570,183	2,570,183
Overtime	5010006	6	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,213,913	4,417,990	4,189,209	4,417,990	4,517,990	4,517,990	4,417,990	4,517,990	4,517,990
Conference & Travel Expenses	5050009	69,376	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Professional Fees	5060010	3,649,221	4,901,847	4,901,847	4,901,847	8,901,847	8,901,847	4,901,847	8,901,847	8,901,847
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	52,127	0	0	0	0	0	0	0	0
<b>Total</b>		<b>15,751,146</b>	<b>18,762,934</b>	<b>17,941,107</b>	<b>18,817,378</b>	<b>23,140,952</b>	<b>23,140,952</b>	<b>18,826,247</b>	<b>23,149,821</b>	<b>23,149,821</b>

Funding Sources										
General Revenue	4000010	404,277	563,454		1,166,559	1,166,559	1,166,559	1,167,006	1,167,006	1,167,006
Federal Revenue	4000020	13,082,635	15,301,192		15,346,397	19,569,971	19,569,971	15,353,937	19,577,511	19,577,511
Merit Adjustment Fund	4000055	15,486	0		0	0	0	0	0	0
Reallocation of Resources	4000410	325,000	600,000		0	0	0	0	0	0
Various Program Support	4000730	1,923,748	2,298,288		2,304,422	2,404,422	2,404,422	2,305,304	2,405,304	2,405,304
<b>Total Funding</b>		<b>15,751,146</b>	<b>18,762,934</b>		<b>18,817,378</b>	<b>23,140,952</b>	<b>23,140,952</b>	<b>18,826,247</b>	<b>23,149,821</b>	<b>23,149,821</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>15,751,146</b>	<b>18,762,934</b>		<b>18,817,378</b>	<b>23,140,952</b>	<b>23,140,952</b>	<b>18,826,247</b>	<b>23,149,821</b>	<b>23,149,821</b>

Actual and Budgeted funding includes a General Revenue funding transfer from the DHS-Division of Children & Family Services by Authority of Reallocation of Resources.

Positions exceed Authorized by authority of Reallocation of Resources.

Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.



## Change Level by Appropriation

**Appropriation:** 896 - DHS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>18,817,378</b>	<b>187</b>	<b>18,817,378</b>	<b>100.0</b>	<b>18,826,247</b>	<b>187</b>	<b>18,826,247</b>	<b>100.0</b>
C01	Existing Program	4,100,000	0	22,917,378	121.8	4,100,000	0	22,926,247	121.8
C07	Agency Transfer	223,574	5	23,140,952	123.0	223,574	5	23,149,821	123.0

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>18,817,378</b>	<b>187</b>	<b>18,817,378</b>	<b>100.0</b>	<b>18,826,247</b>	<b>187</b>	<b>18,826,247</b>	<b>100.0</b>
C01	Existing Program	4,100,000	0	22,917,378	121.8	4,100,000	0	22,926,247	121.8
C07	Agency Transfer	223,574	5	23,140,952	123.0	223,574	5	23,149,821	123.0

### Justification

C01	Requesting additional appropriation to absorb the steady increase of cost and number of annually completed background checks. These checks must be processed for all licensed child care facilities personnel to ensure the health and safety of children in the State of Arkansas. Also, the Division is requesting additional funded appropriation in order to procure professional consultant contracts for the development of a biometrics time and attendance system. The biometric system will assist with the integrity of the voucher program by reducing fraud and overpayments, administrative cost for both the Division and the provider community, and promoting increased safety for the State of Arkansas children.
C07	Receiving transferred positions to meet the needs of the continuously growing USDA Food and Nutrition program, as requested by the Governor.

## **Analysis of Budget Request**

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

The passage of the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193 established the Child Care Development Fund (CCDF). This fund allows maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within the State of Arkansas; promotes parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs; encourages States to provide consumer education information to help parents make informed choices about child care; assists States to provide child care to parents trying to achieve independence from public assistance; and assist States in implementing the health, safety, licensing and registration standards established in State regulations. 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

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 \$27,630,656 in each year of the biennium.

The Agency Change Level request for this appropriation is \$2,000,000 each year of the biennium to accommodate growth in the federal voucher program for child care services.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	26,006,567	27,630,656	26,359,437	27,630,656	29,630,656	29,630,656	27,630,656	29,630,656	29,630,656
Total		26,006,567	27,630,656	26,359,437	27,630,656	29,630,656	29,630,656	27,630,656	29,630,656	29,630,656
<b>Funding Sources</b>										
General Revenue	4000010	6,264,998	6,264,998		6,264,998	6,264,998	6,264,998	6,264,998	6,264,998	6,264,998
Federal Revenue	4000020	19,415,872	21,036,155		21,036,155	23,036,155	23,036,155	21,036,155	23,036,155	23,036,155
Special Revenue	4000030	325,697	329,503		329,503	329,503	329,503	329,503	329,503	329,503
Total Funding		26,006,567	27,630,656		27,630,656	29,630,656	29,630,656	27,630,656	29,630,656	29,630,656
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		26,006,567	27,630,656		27,630,656	29,630,656	29,630,656	27,630,656	29,630,656	29,630,656

Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

## Change Level by Appropriation

**Appropriation:** 898 - DHS-Grants Paying Account  
**Funding Sources:** PWE - Grants Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>27,630,656</b>	<b>0</b>	<b>27,630,656</b>	<b>100.0</b>	<b>27,630,656</b>	<b>0</b>	<b>27,630,656</b>	<b>100.0</b>
C01	Existing Program	2,000,000	0	29,630,656	107.2	2,000,000	0	29,630,656	107.2

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>27,630,656</b>	<b>0</b>	<b>27,630,656</b>	<b>100.0</b>	<b>27,630,656</b>	<b>0</b>	<b>27,630,656</b>	<b>100.0</b>
C01	Existing Program	2,000,000	0	29,630,656	107.2	2,000,000	0	29,630,656	107.2

### Justification

C01	Requesting funded appropriation to accommodate growth in federal voucher program.								
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## **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 child care 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 non-refundable 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 for each year of the biennium.

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

## Appropriation Summary

**Appropriation:** 929 - Child Care-Treasury Paying

**Funding Sources:** NHS - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Loan Guarantee/Grants 5900046	0	187,537	187,537	187,537	187,537	187,537	187,537	187,537	187,537
<b>Total</b>	0	187,537	187,537	187,537	187,537	187,537	187,537	187,537	187,537
<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>	0	187,537		187,537	187,537	187,537	187,537	187,537	187,537
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	0	187,537		187,537	187,537	187,537	187,537	187,537	187,537

# DHS - Behavioral Health Services

## Enabling Laws

Act 251 of 2012

Act 224 of 2012

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.

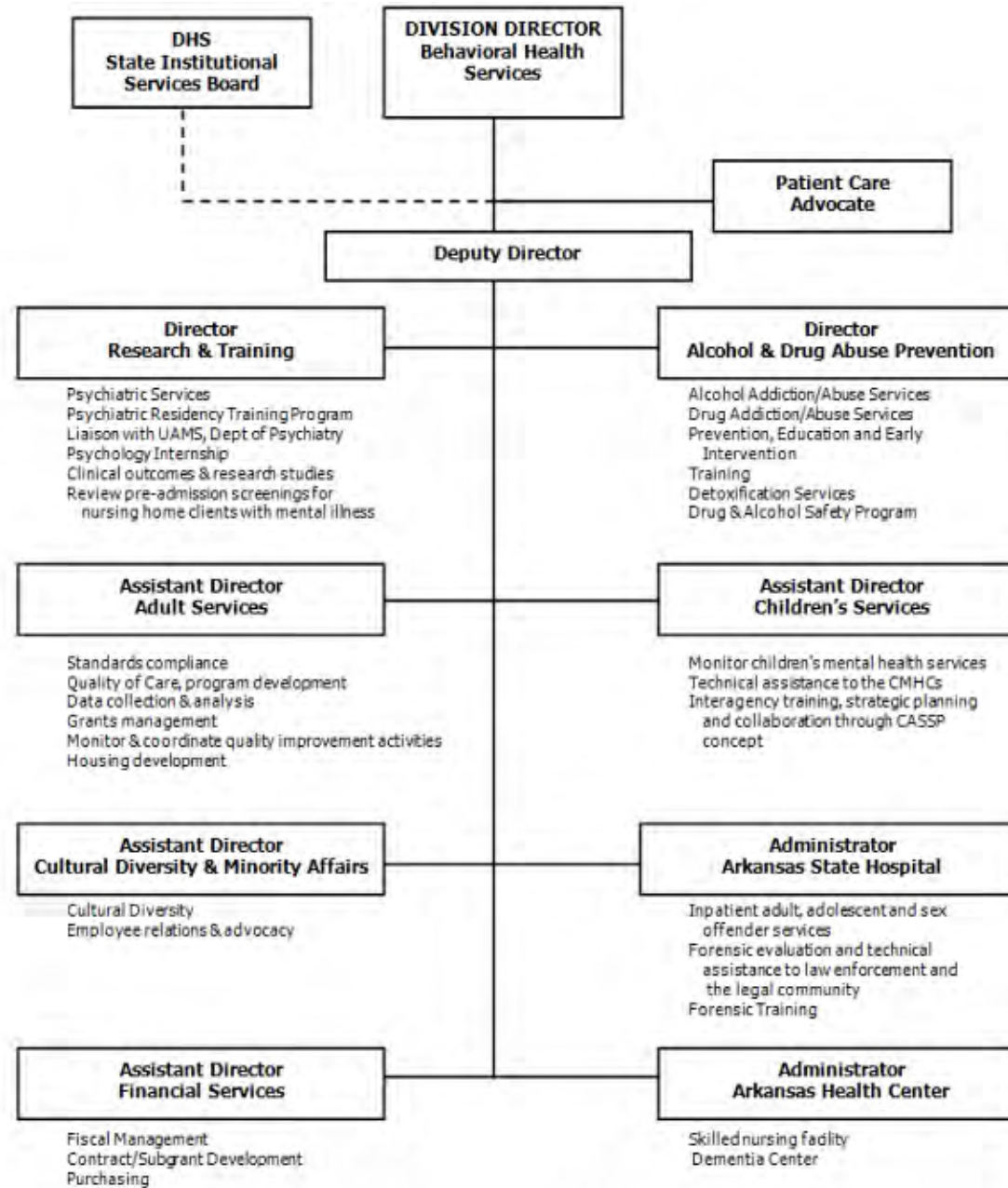
The Division of Behavioral Health Services is organized into four functional components. Those components are as follows:

- **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. Behavioral health services provided by the DBHS include acute psychiatric care for adults; forensic psychiatric services; skilled nursing home services; adolescent inpatient services; adolescent sex offender treatment; research and training; residential treatment services for alcohol and drug abusers; outpatient substance abuse 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. These services are provided by 26 contracted prevention, substance abuse and recovery contracted agencies and through 13 private, non-profit community mental health centers.

DBHS is requesting the restoration of 100 positions within the Division. The majority of 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, on-going assessments, and treatment planning. Many of the residents of the Arkansas Health Center are ventilator dependent, tracheotomy patients, require wound care, require tube feedings, suction, insulin injections, etc. Staffing shortages in any unit at either facility cause patient care to suffer and could result in the loss of Medicaid certification funding. The request to restore these positions is an unfunded appropriation request.

DBHS is requesting the restoration of four (4) pool positions, as well as unfunded appropriation in the Regular Salaries and Personal Services line items for each year in the biennium. These positions are critical in giving the Division the ability to provide quality and continuity of care, to administer medications and provide complex wound care, to increase staff coverage to meet staffing rations, and to ensure the health and safety of clients. Shortages in any unit at the Arkansas State Hospital or Arkansas Health Center could cause patient care to suffer or Medicaid Certification to be jeopardized resulting in the loss of funding.

DBHS is requesting the transfer of seven (7) positions, as well as, unfunded appropriation in the Regular Salaries and Personal Services line items from the Division of Children and Family Services to be utilized at the Arkansas State Hospital to implement a stronger incident management and investigation system.

DBHS is requesting the transfer of one (1) position, as well as, unfunded appropriation in the Regular Salaries and Personal Services line items from the Division of Developmental Disabilities as a result of restructuring the nursing department.

DBHS is requesting the reclassification of four (4) positions due to the immediate need to implement organizational changes within the division to meet state and federal guidelines.

DBHS is requesting unfunded appropriation in the Extra Help line item to allow the division to provide better continuity of care for clients in each year of the biennium.

DBHS is requesting unfunded appropriation in each year of the biennium in the Overtime and Operations line items if additional funding to provide better continuity of care were to become available.

DBHS is requesting unfunded appropriation in each year of the biennium in the Professional Fees line item to provide for unexpected contract increases that may occur.

DBHS is requesting unfunded appropriation in each year of the biennium in the Capital Outlay line item for unexpected equipment expenditures.

The Division is requesting funded appropriation in the amount of \$125,000 in general revenue funding each year of the biennium for additional Forensic Operating Expenses. The intensity of the behaviors of the forensic supervision requires more direct supervision and one to one staffing.

An additional funded appropriation of \$750,000 in general revenue in each year of the biennium is requested to increase the Forensic Evaluation Reimbursement Rate to ensure better quality evaluations are performed across the state. Arkansas State Hospital is experiencing increased pressures to administer and complete more forensic evaluations and re-evaluations. The number of evaluations administered by Arkansas State Hospital has grown steadily over the years (from 1,236 in 2009 to nearly 1,800 in 2012) without an increase in resources dedicated to the task. There is also a trend of increasing requests for Arkansas State Hospital personnel to actually perform initial evaluations and re-evaluations. The number of patients treated at Arkansas State Hospital who require re-evaluation has grown as our efficiency at treating such patients has improved.

The Division is requesting \$2,800,000 in general revenue funding in each year of the biennium to maintain the staffing services for the Forensic Program. The intensity of the behaviors of the forensic supervision requires more direct supervision and one to one staffing.

The Division is requesting \$500,000 in general revenue funding in each year of the biennium for Outpatient Forensic Restoration Services. 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 by reducing bed stays and jail holds. The waiting list for admission to Arkansas State Hospital is at times adversely impacted by admitting persons who could be treated safely in alternate settings. The program is currently being provided in six community mental health centers and has made a significant impact on the waiting list for those needing services.

An additional \$2,297,000 in general revenue funding in each year of the biennium is needed to convert 30 Adult beds to Forensic beds to supplement the loss of revenue in making this programmatic change.

DBHS requests unfunded appropriation shall additional funding become available for the following programs:

- Community Alcohol Safety Operations
- Grants / Patient Services
- Alcohol and Drug Abuse Prevention
- Mental Health Block Grant

DBHS requests funding and appropriation of \$178,219, all of which is general revenue, for state assistance to Community Mental Health Centers to restore to the previous authorized funding and appropriation level.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

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

**State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012**

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		
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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
193 State Operations	20,242,008	0	20,424,313	0	26,995,487	0	20,424,313	0	23,424,313	0	23,424,313	0	20,424,313	0	23,424,313	0	23,424,313	0
196 Community Mental Health Centers	8,602,381	0	8,602,384	0	8,780,603	0	8,602,384	0	8,780,603	0	8,780,603	0	8,602,384	0	8,780,603	0	8,780,603	0
1EN Community Alcohol Safety	3,172,558	2	3,615,410	2	3,637,792	2	3,593,153	2	4,093,153	2	4,093,153	2	3,593,153	2	4,093,153	2	4,093,153	2
1ET Alcohol & Drug Abuse Prevention	19,506,289	0	19,658,057	0	21,114,814	0	19,775,777	0	21,775,777	0	21,775,777	0	19,775,777	0	21,775,777	0	21,775,777	0
2MN Mental Health Block Grant	5,566,719	0	5,951,312	0	6,068,799	0	5,951,312	0	6,551,312	0	6,551,312	0	5,951,312	0	6,551,312	0	6,551,312	0
655 Acute Mental Health Services-Per Capita	5,567,382	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	5,633,293	0	5,633,293	0
896 Division of Behavioral Health Services	94,279,608	1,135	90,002,691	1,062	103,833,404	1,156	87,324,423	1,058	104,052,354	1,170	104,052,354	1,170	87,363,071	1,058	104,091,385	1,170	104,091,385	1,170
937 Canteen - Cash in Treasury	154,001	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	29,315	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>157,120,261</b>	<b>1,137</b>	<b>154,136,508</b>	<b>1,064</b>	<b>176,313,240</b>	<b>1,158</b>	<b>151,553,703</b>	<b>1,060</b>	<b>174,559,853</b>	<b>1,172</b>	<b>174,559,853</b>	<b>1,172</b>	<b>151,592,351</b>	<b>1,060</b>	<b>174,598,884</b>	<b>1,172</b>	<b>174,598,884</b>	<b>1,172</b>

Funding Sources		%		%		%		%		%		%		%		%		%	
General Revenue	4000010	76,515,788	48.7	78,502,870	50.9			79,138,892	52.3	85,789,111	56.0	82,617,111	54.3	79,152,744	52.3	85,802,963	56.0	82,630,963	54.3
Federal Revenue	4000020	22,535,440	14.3	23,378,562	15.2			23,458,520	15.5	24,058,520	15.7	24,058,520	15.8	23,467,954	15.5	24,067,954	15.7	24,067,954	15.8
Special Revenue	4000030	1,195,948	0.8	2,529,078	1.6			2,496,400	1.6	2,496,400	1.6	2,496,400	1.6	2,496,400	1.6	2,496,400	1.6	2,496,400	1.6
Cash Fund	4000045	183,316	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
Merit Adjustment Fund	4000055	326,821	0.2	508,162	0.3			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
State Administration of Justice	4000470	2,567,004	1.6	1,622,612	1.1			1,622,612	1.1	1,622,612	1.1	1,622,612	1.1	1,622,612	1.1	1,622,612	1.1	1,622,612	1.1
Various Program Support	4000730	53,795,944	34.2	47,346,176	30.7			44,460,090	29.4	38,863,090	25.4	41,160,090	27.0	44,475,452	29.4	38,878,452	25.4	41,175,452	27.0
<b>Total Funds</b>		<b>157,120,261</b>	<b>100.0</b>	<b>154,136,508</b>	<b>100.0</b>			<b>151,425,562</b>	<b>100.0</b>	<b>153,078,781</b>	<b>100.0</b>	<b>152,203,781</b>	<b>100.0</b>	<b>151,464,210</b>	<b>100.0</b>	<b>153,117,429</b>	<b>100.0</b>	<b>152,242,429</b>	<b>100.0</b>
Excess Appropriation/(Funding)		0		0				128,141		21,481,072		22,356,072		128,141		21,481,455		22,356,455	
<b>Grand Total</b>		<b>157,120,261</b>		<b>154,136,508</b>				<b>151,553,703</b>		<b>174,559,853</b>		<b>174,559,853</b>		<b>151,592,351</b>		<b>174,598,884</b>		<b>174,598,884</b>	

Behavioral Health (1EN; 1ET) FY13 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base Level appropriations reflect the maximum allocations authorized by Act 281 of 2012.

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
1,167	1042	0	1042	125	10.71 %	1,158	1045	0	1045	113	9.76 %	1,158	1050	14	1064	94	9.33 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 157 of 2012 section 16(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).



## **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 Section 14 of Act 251 of 2012 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 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 by the Department of Human Services, Behavioral Health Services Division; 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 for persons with long-term, severe mental illness as defined.

Funding for this appropriation is comprised of 100% general revenue (DBA - Behavioral Health Services Fund Account).

The Agency Base Level request for this appropriation is \$8,602,384 each year of the biennium.

The Agency Change Level request provides for appropriation and general revenue funding of \$178,219 in each year of the biennium to restore funding to the currently authorized maximum allocation to participating CMHCs.

The Executive Recommendation provides for the Agency Request.

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

- \$178,219 to restore funding to the currently authorized maximum allocation to participating CMHCs.

## 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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	8,602,381	8,602,384	8,780,603	8,602,384	8,780,603	8,780,603	8,602,384	8,780,603	8,780,603
Total		8,602,381	8,602,384	8,780,603	8,602,384	8,780,603	8,780,603	8,602,384	8,780,603	8,780,603
<b>Funding Sources</b>										
General Revenue	4000010	8,602,381	8,602,384		8,602,384	8,780,603	8,780,603	8,602,384	8,780,603	8,780,603
Total Funding		8,602,381	8,602,384		8,602,384	8,780,603	8,780,603	8,602,384	8,780,603	8,780,603
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		8,602,381	8,602,384		8,602,384	8,780,603	8,780,603	8,602,384	8,780,603	8,780,603

## Change Level by Appropriation

**Appropriation:** 196 - Community Mental Health Centers  
**Funding Sources:** DBA - Mental Health Services Fund Account

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>8,602,384</b>	<b>0</b>	<b>8,602,384</b>	<b>100.0</b>	<b>8,602,384</b>	<b>0</b>	<b>8,602,384</b>	<b>100.0</b>
C01	Existing Program	178,219	0	8,780,603	102.1	178,219	0	8,780,603	102.1

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>8,602,384</b>	<b>0</b>	<b>8,602,384</b>	<b>100.0</b>	<b>8,602,384</b>	<b>0</b>	<b>8,602,384</b>	<b>100.0</b>
C01	Existing Program	178,219	0	8,780,603	102.1	178,219	0	8,780,603	102.1

### Justification

C01	\$178,219 in funding and appropriation is requested to bring the State Assistance to Community Mental Health Centers Allocation to 100% of the total amount allocated.
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## **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.

Funding for this appropriation includes the State Administration of Justice Fund and Special Revenues. The Special Revenue received is derived from the Drug and Alcohol Safety Education Program. 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.

The Agency Base Level request for this appropriation is \$3,593,153 in each year of the biennium with 2 budgeted base level positions.

The Agency Change Level request for this appropriation is \$500,000 in each year of the biennium in the Community Alcohol Safety Grants and Aid line item in anticipation of future funding increases.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	48,674	95,384	103,129	68,476	68,476	68,476	68,476	68,476	68,476
<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	20,083	31,509	35,725	25,739	25,739	25,739	25,739	25,739	25,739
Operating Expenses	5020002	23,244	84,774	95,195	95,195	95,195	95,195	95,195	95,195	95,195
Conference & Travel Expenses	5050009	0	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	3,080,557	3,395,445	3,395,445	3,395,445	3,895,445	3,895,445	3,395,445	3,895,445	3,895,445
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>3,172,558</b>	<b>3,615,410</b>	<b>3,637,792</b>	<b>3,593,153</b>	<b>4,093,153</b>	<b>4,093,153</b>	<b>3,593,153</b>	<b>4,093,153</b>	<b>4,093,153</b>
<b>Funding Sources</b>										
Special Revenue	4000030	1,195,948	2,529,078		2,496,400	2,496,400	2,496,400	2,496,400	2,496,400	2,496,400
State Administration of Justice	4000470	1,976,610	1,086,332		1,086,332	1,086,332	1,086,332	1,086,332	1,086,332	1,086,332
<b>Total Funding</b>		<b>3,172,558</b>	<b>3,615,410</b>		<b>3,582,732</b>	<b>3,582,732</b>	<b>3,582,732</b>	<b>3,582,732</b>	<b>3,582,732</b>	<b>3,582,732</b>
Excess Appropriation/(Funding)		0	0		10,421	510,421	510,421	10,421	510,421	510,421
<b>Grand Total</b>		<b>3,172,558</b>	<b>3,615,410</b>		<b>3,593,153</b>	<b>4,093,153</b>	<b>4,093,153</b>	<b>3,593,153</b>	<b>4,093,153</b>	<b>4,093,153</b>

FY13 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base Level appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.

## Change Level by Appropriation

**Appropriation:** 1EN - Community Alcohol Safety  
**Funding Sources:** MHS - Highway Safety Special Fund

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,593,153</b>	<b>2</b>	<b>3,593,153</b>	<b>100.0</b>	<b>3,593,153</b>	<b>2</b>	<b>3,593,153</b>	<b>100.0</b>
C05	Unfunded Appropriation	500,000	0	4,093,153	113.9	500,000	0	4,093,153	113.9

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,593,153</b>	<b>2</b>	<b>3,593,153</b>	<b>100.0</b>	<b>3,593,153</b>	<b>2</b>	<b>3,593,153</b>	<b>100.0</b>
C05	Unfunded Appropriation	500,000	0	4,093,153	113.9	500,000	0	4,093,153	113.9

### Justification

C05	Unfunded appropriation for Grants and Aid if additional funding becomes available.
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## **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 - Behavioral Health Services Fund Account), federal, Administration of Justice funds and other revenue. 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, City of Little Rock funds, Robert Wood Johnson funds, court costs and fees.

The Agency Base Level request for this appropriation is \$19,775,777 each year of the biennium.

The Agency Change Level request for this appropriation is \$2,000,000 in each year of the biennium of to be used in the event that additional funding becomes available.

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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	19,506,289	19,658,057	21,114,814	19,775,777	21,775,777	21,775,777	19,775,777	21,775,777	21,775,777
Total		19,506,289	19,658,057	21,114,814	19,775,777	21,775,777	21,775,777	19,775,777	21,775,777	21,775,777
<b>Funding Sources</b>										
General Revenue	4000010	2,231,943	2,231,943		2,231,943	2,231,943	2,231,943	2,231,943	2,231,943	2,231,943
Federal Revenue	4000020	15,799,905	16,254,834		16,254,834	16,254,834	16,254,834	16,254,834	16,254,834	16,254,834
State Administration of Justice	4000470	590,394	536,280		536,280	536,280	536,280	536,280	536,280	536,280
Various Program Support	4000730	884,047	635,000		635,000	635,000	635,000	635,000	635,000	635,000
Total Funding		19,506,289	19,658,057		19,658,057	19,658,057	19,658,057	19,658,057	19,658,057	19,658,057
Excess Appropriation/(Funding)		0	0		117,720	2,117,720	2,117,720	117,720	2,117,720	2,117,720
Grand Total		19,506,289	19,658,057		19,775,777	21,775,777	21,775,777	19,775,777	21,775,777	21,775,777

FY13 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base Level appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.



## Change Level by Appropriation

**Appropriation:** 1ET - Alcohol & Drug Abuse Prevention  
**Funding Sources:** MDA - Drug Abuse Prevention and Treatment Fund

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>19,775,777</b>	<b>0</b>	<b>19,775,777</b>	<b>100.0</b>	<b>19,775,777</b>	<b>0</b>	<b>19,775,777</b>	<b>100.0</b>
C05	Unfunded Appropriation	2,000,000	0	21,775,777	110.1	2,000,000	0	21,775,777	110.1

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>19,775,777</b>	<b>0</b>	<b>19,775,777</b>	<b>100.0</b>	<b>19,775,777</b>	<b>0</b>	<b>19,775,777</b>	<b>100.0</b>
C05	Unfunded Appropriation	2,000,000	0	21,775,777	110.1	2,000,000	0	21,775,777	110.1

### Justification

C05	Unfunded appropriation for grants and aid if additional funding becomes available.
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## **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 request for this appropriation is \$5,951,312 each year of the biennium.

The Agency Change Level request for this appropriation is \$600,000 in each year of the biennium for possible increases of future grant awards.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	5,566,719	5,951,312	6,068,799	5,951,312	6,551,312	6,551,312	5,951,312	6,551,312	6,551,312
Total		5,566,719	5,951,312	6,068,799	5,951,312	6,551,312	6,551,312	5,951,312	6,551,312	6,551,312
<b>Funding Sources</b>										
Federal Revenue	4000020	5,566,719	5,951,312		5,951,312	6,551,312	6,551,312	5,951,312	6,551,312	6,551,312
Total Funding		5,566,719	5,951,312		5,951,312	6,551,312	6,551,312	5,951,312	6,551,312	6,551,312
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		5,566,719	5,951,312		5,951,312	6,551,312	6,551,312	5,951,312	6,551,312	6,551,312

## Change Level by Appropriation

**Appropriation:** 2MN - Mental Health Block Grant  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,951,312</b>	<b>0</b>	<b>5,951,312</b>	<b>100.0</b>	<b>5,951,312</b>	<b>0</b>	<b>5,951,312</b>	<b>100.0</b>
C01	Existing Program	600,000	0	6,551,312	110.1	600,000	0	6,551,312	110.1

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,951,312</b>	<b>0</b>	<b>5,951,312</b>	<b>100.0</b>	<b>5,951,312</b>	<b>0</b>	<b>5,951,312</b>	<b>100.0</b>
C01	Existing Program	600,000	0	6,551,312	110.1	600,000	0	6,551,312	110.1

### Justification

C01	Appropriation for additional federal grants and aid.
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## **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 251 of 2012. 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 - Behavioral 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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	5,567,382	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293
Total		5,567,382	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293
<b>Funding Sources</b>										
General Revenue	4000010	5,567,382	5,633,293		5,633,293	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293
Total Funding		5,567,382	5,633,293		5,633,293	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		5,567,382	5,633,293		5,633,293	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293

## **Analysis of Budget Request**

**Appropriation:** 896 - DHS–Admin Paying Account

**Funding Sources:** PWP - Administration Paying

Reorganization of the Department of Human Services in 1985 by Act 348 created the Division of Mental Health Services (DMHS) and included responsibility for the Arkansas State Hospital and two other 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 - Behavioral 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 includes sources such as Medicaid and Medicare reimbursements, refunds, patient collections and rent.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

**Base Level:**

896 DHS - Administrative Paying Account

The Agency Base Level request for the Administration appropriation is \$87,324,423 in FY2014 and \$87,363,071 in FY2015 with 1,058 budgeted base level positions.

193 DHS - State Operations

The Agency Base Level request for the Grants/Patient Services line item is \$17,824,931 each year of the biennium.

The Agency Base Level and total request for the Mental Health Center Transfer line item is \$2,599,382 each year of the biennium.

**Change Level:**

896 DHS - Administrative Paying Account

The Agency Change level request for the Administration appropriation is \$16,727,931 in FY2014 and \$16,728,314 in FY2015, with general revenue funding requests of \$6,472,000 in each year of the biennium. The general revenue request consists of the following components:

- \$125,000 each year of the biennium in new general revenue to provide additional operating support for the Forensic Program. The intensity of the behaviors of the forensic supervision requires more direct supervision and one to one staffing.
- \$750,000 each year of the biennium in new general revenue to increase the Forensic Reimbursement rate to ensure better quality evaluations are performed across the state.
- \$2,800,000 each year of the biennium in new general revenue to support the ASH Forensic Staff funded by one time set-aside funds from the Session Projects Account of the General Improvement fund and supplemental funds made available pursuant to Act 224 of 2012.
- \$500,000 each year of the biennium in new general revenue to continue the Forensic Outpatient program funded by one time set-aside funds from the Session Projects Account of the General Improvement fund and supplemental funds made available pursuant to Act 224 of 2012. This program is intended to reduce the number of bed stays and jail holds.
- \$2,297,000 each year of the biennium in new general revenue to convert 30 Adult beds to Forensic beds to supplement the loss of revenue in making this programmatic change.



The following delineates the agency's appropriation request:

- Restoration of 100 positions that are authorized but not budgeted with salary and matching to assist in meeting established staffing patterns.
- Restoration of four (4) Growth Pool positions and associated salary and matching appropriation. These positions are critical in giving the Division the ability to provide quality and continuity of care, to administer medications and provide complex wound care, to increase staff coverage to meet staffing rations, and to ensure the health and safety of clients.
- Transfer of seven (7) positions with associated salary and matching appropriation from the Division of Children and Family Services to be utilized at the Arkansas State Hospital to implement a stronger incident management and investigation system.
- Transfer of one (1) position with associated salary and matching appropriation from the Division of Developmental Disabilities as a result of restructuring the nursing department.
- Reclassification of four (4) positions due to the immediate need to implement organizational changes within the division to meet state and federal guidelines.
- \$2,200,000 each year of the biennium in the Extra Help line item to allow the division to provide better continuity of care for clients.
- \$1,500,000 each year of the biennium in the Overtime line item to provide better continuity of care.
- \$2,875,000 each year of the biennium in the Operating Expenses line item for drugs, medicines, and technical services.
- \$1,000,000 each year of the biennium in the Professional Fees line item to provide for unexpected contract increases that may occur during the biennium.
- \$3,000,000 each year of the biennium in the Capital Outlay line item for unexpected equipment expenditures.

193 DHS - State Operations

The Agency Change Level request for the Grants/Patient Services line item is \$3,000,000 in each year of the biennium in anticipation of future funding increases.

**Executive Recommendation:**

896 DHS - Administrative Paying Account

The Executive Recommendation provides for the Agency Request for appropriation with the exception on one (1) of the reclassifications where a title change is recommended. \$3,300,000 in new general revenue in each year of the biennium has been recommended.

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

- \$2,800,000 each year of the biennium in new general revenue to support the ASH Forensic Staff currently funded by one time set-aside funds from the Session Projects Account of the General Improvement fund and supplemental funds made available pursuant to Act 224 of 2012.

- \$500,000 each year of the biennium in new general revenue to continue the Forensic Outpatient program currently funded by one time set-aside funds from the Session Projects Account of the General Improvement fund and supplemental funds made available pursuant to Act 224 of 2012. This program is intended to reduce the number of bed stays and jail holds.

#### 193 DHS - State Operations

The Executive Recommendation provides for the Agency request in the Grants/Patients Services line item.

The Executive Recommendation provides for the Agency request in the Mental Health Center Transfer line item.

# Appropriation Summary

**Appropriation:** 896 - DHS--Admin Paying Account

**Funding Sources:** PWP - Administration Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	40,377,914	37,406,729	43,912,490	37,500,500	40,894,072	40,894,072	37,530,100	40,923,772	40,923,772
<b>#Positions</b>		<b>1,135</b>	<b>1,062</b>	<b>1,156</b>	<b>1,058</b>	<b>1,170</b>	<b>1,170</b>	<b>1,058</b>	<b>1,170</b>	<b>1,170</b>
Extra Help	5010001	6,408,211	4,427,619	5,768,889	4,427,619	6,627,619	6,627,619	4,427,619	6,627,619	6,627,619
<b>#Extra Help</b>		<b>334</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	15,593,224	14,677,432	15,912,792	14,933,280	16,817,639	16,817,639	14,942,328	16,826,970	16,826,970
Overtime	5010006	3,938,159	2,727,283	3,586,342	2,727,283	4,227,283	4,227,283	2,727,283	4,227,283	4,227,283
Operating Expenses	5020002	19,232,626	19,327,916	24,917,115	19,327,916	22,327,916	22,327,916	19,327,916	22,327,916	22,327,916
Conference & Travel Expenses	5050009	57,567	67,515	105,515	67,515	67,515	67,515	67,515	67,515	67,515
Professional Fees	5060010	8,310,783	8,340,310	9,630,261	8,340,310	10,090,310	10,090,310	8,340,310	10,090,310	10,090,310
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants/Patient Services	5100004	17,642,626	17,824,931	24,396,104	17,824,931	20,824,931	20,824,931	17,824,931	20,824,931	20,824,931
Capital Outlay	5120011	361,124	3,027,887	0	0	3,000,000	3,000,000	0	3,000,000	3,000,000
Mental Hlth Center Transfer	5900046	2,599,382	2,599,382	2,599,383	2,599,382	2,599,382	2,599,382	2,599,382	2,599,382	2,599,382
<b>Total</b>		<b>114,521,616</b>	<b>110,427,004</b>	<b>130,828,891</b>	<b>107,748,736</b>	<b>127,476,667</b>	<b>127,476,667</b>	<b>107,787,384</b>	<b>127,515,698</b>	<b>127,515,698</b>

Funding Sources										
General Revenue	4000010	60,114,082	62,035,250		62,671,272	69,143,272	65,971,272	62,685,124	69,157,124	65,985,124
Federal Revenue	4000020	1,168,816	1,172,416		1,252,374	1,252,374	1,252,374	1,261,808	1,261,808	1,261,808
Merit Adjustment Fund	4000055	326,821	508,162		0	0	0	0	0	0
Various Program Support	4000730	52,911,897	46,711,176		43,825,090	38,228,090	40,525,090	43,840,452	38,243,452	40,540,452
<b>Total Funding</b>		<b>114,521,616</b>	<b>110,427,004</b>		<b>107,748,736</b>	<b>108,623,736</b>	<b>107,748,736</b>	<b>107,787,384</b>	<b>108,662,384</b>	<b>107,787,384</b>
Excess Appropriation/(Funding)		0	0		0	18,852,931	19,727,931	0	18,853,314	19,728,314
<b>Grand Total</b>		<b>114,521,616</b>	<b>110,427,004</b>		<b>107,748,736</b>	<b>127,476,667</b>	<b>127,476,667</b>	<b>107,787,384</b>	<b>127,515,698</b>	<b>127,515,698</b>

Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

## Change Level by Appropriation

**Appropriation:** 896 - DHS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>87,324,423</b>	<b>1,058</b>	<b>87,324,423</b>	<b>100.0</b>	<b>87,363,071</b>	<b>1,058</b>	<b>87,363,071</b>	<b>100.0</b>
C01	Existing Program	875,000	0	88,199,423	101.0	875,000	0	88,238,071	101.0
C05	Unfunded Appropriation	15,253,471	100	103,452,894	118.5	15,253,731	100	103,491,802	118.5
C06	Restore Position/Approp	295,611	4	103,748,505	118.8	295,734	4	103,787,536	118.8
C07	Agency Transfer	303,849	8	104,052,354	119.2	303,849	8	104,091,385	119.1
C10	Reclass	0	0	104,052,354	119.2	0	0	104,091,385	119.1

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>87,324,423</b>	<b>1,058</b>	<b>87,324,423</b>	<b>100.0</b>	<b>87,363,071</b>	<b>1,058</b>	<b>87,363,071</b>	<b>100.0</b>
C01	Existing Program	875,000	0	88,199,423	101.0	875,000	0	88,238,071	101.0
C05	Unfunded Appropriation	15,253,471	100	103,452,894	118.5	15,253,731	100	103,491,802	118.5
C06	Restore Position/Approp	295,611	4	103,748,505	118.8	295,734	4	103,787,536	118.8
C07	Agency Transfer	303,849	8	104,052,354	119.2	303,849	8	104,091,385	119.1
C10	Reclass	0	0	104,052,354	119.2	0	0	104,091,385	119.1
C14	Title Change	0	0	104,052,354	119.2	0	0	104,091,385	119.1

### Justification

C01	\$125,000 in funding and appropriation is needed to continue to support the State Hospital for Forensic staff. \$750,000 in funding and appropriation is needed to increase the Forensic Evaluation Reimbursement Rate to ensure better quality evaluations are performed across the state.
C05	The Division of Behavioral Health Services is requesting appropriation only in the first year of the biennium and appropriation only the second year of the biennium for Extra Help. The Division of Behavioral Health Services is in need of additional Extra Help appropriation which 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. Additional unfunded appropriation is requested for Overtime, Operating Expenses, Professional Fees, and Capital Outlay if additional funding becomes available. Additional unfunded appropriation is requested for restoration of 100 positions, as well as four (4) growth pool positions which are critical in giving the Division the ability to provide quality and continuity of care, to administer medications and provide complex wound care, to increase staff coverage to meet staffing ratios, and to ensure the health and safety of clients.
C06	Unfunded appropriation is requested for restoration of pool positions which are critical in giving the Division the ability to provide quality and continuity of care, to administer medications and provide complex wound care, to increase staff coverage to meet staffing ratios, and to ensure the health and safety of clients.
C07	7 positions to be transferred from the Division of Children and Family Services to be utilized at the Arkansas State Hospital to implement a stronger incident management and investigation system. 1 Position to be transferred from the Division of Developmental Disabilities as a result of restructuring the Nursing Department.
C10	DBHS is requesting the reclassification of four (4) positions due to the immediate need to implement organizational changes within the division to meet state and federal guidelines.
C14	In order to align with the established titling structure within DHS, the title for classification 073X Program Improvement and Investigations was changed to DHS Director of Program Improvement.

## Change Level by Appropriation

**Appropriation:** 193 - State Operations

**Funding Sources:** DBA - Mental Health Services Fund Account

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>20,424,313</b>	<b>0</b>	<b>20,424,313</b>	<b>100.0</b>	<b>20,424,313</b>	<b>0</b>	<b>20,424,313</b>	<b>100.0</b>
C05	Unfunded Appropriation	3,000,000	0	23,424,313	114.7	3,000,000	0	23,424,313	114.7

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>20,424,313</b>	<b>0</b>	<b>20,424,313</b>	<b>100.0</b>	<b>20,424,313</b>	<b>0</b>	<b>20,424,313</b>	<b>100.0</b>
C05	Unfunded Appropriation	3,000,000	0	23,424,313	114.7	3,000,000	0	23,424,313	114.7

### Justification

C05	Unfunded appropriation for Grants and Aid if additional funding becomes available.								
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## **Analysis of Budget Request**

**Appropriation:** 937 - Canteen – Cash in Treasury

**Funding Sources:** NHS - Cash in Treasury

This cash funded appropriation is for the operation of the canteen located at the Arkansas State Hospital. The canteen is stocked with food items and beverages, with the purchases made by visitors providing the funding for this appropriation.

The Agency Base Level and total request for this appropriation is \$174,048 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## 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		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	154,001	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>154,001</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	154,001	174,048		174,048	174,048	174,048	174,048	174,048	174,048
<b>Total Funding</b>	<b>154,001</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>154,001</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.

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	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Patient Benefit Fund 5900046	29,315	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
<b>Total</b>	29,315	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Funding Sources									
Cash Fund 4000045	29,315	75,000		75,000	75,000	75,000	75,000	75,000	75,000
<b>Total Funding</b>	29,315	75,000		75,000	75,000	75,000	75,000	75,000	75,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	29,315	75,000		75,000	75,000	75,000	75,000	75,000	75,000

**BIENNIAL BUDGET SUMMARY**

Ouachita Regional - Community Counseling

(Name of CMHC)

LINE ITEM TITLE	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 7,915,785.78	\$ 8,344,650.00	\$ 8,511,543.00	\$ 8,596,658.43
Fringe Benefits	\$ 1,756,565.52	\$ 1,844,609.00	\$ 1,881,501.18	\$ 1,900,316.19
<b>Total Personal Services</b>	<b>\$ 9,672,351.30</b>	<b>\$ 10,189,259.00</b>	<b>\$ 10,393,044.18</b>	<b>\$ 10,496,974.62</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 1,914,920.58	\$ 2,022,780.00	\$ 2,144,146.80	\$ 2,176,309.00
Conference Fees & Travel	\$ 64,278.30	\$ 94,248.00	\$ 95,661.72	\$ 97,096.65
Professional Fees	\$ 1,447,636.79	\$ 1,646,804.00	\$ 1,738,307.71	\$ 1,754,473.07
Capital Outlay	\$ 517,907.55	\$ 551,604.00	\$ 559,878.06	\$ 568,276.23
<b>Total Maint. &amp; Operation</b>	<b>\$ 3,944,743.22</b>	<b>\$ 4,315,436.00</b>	<b>\$ 4,537,994.29</b>	<b>\$ 4,596,154.95</b>
<b>TOTAL EXPENSES</b>	<b>\$ 13,617,094.52</b>	<b>\$ 14,504,695.00</b>	<b>\$ 14,931,038.47</b>	<b>\$ 15,093,129.57</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 2,008,687.88	\$ 2,012,208.00	\$ 2,012,208.00	\$ 2,012,208.00
Federal Revenues	\$ 10,724,105.30	\$ 11,774,625.00	\$ 11,922,551.79	\$ 12,019,518.71
Fees for Service	\$ 684,536.52	\$ 877,897.00	\$ 781,216.76	\$ 842,521.11
Other Contracts	\$ 39,013.50	\$ 36,179.00	\$ 37,596.25	\$ 36,887.63
Other Revenues	\$ 34,220.35	\$ 25,946.00	\$ 30,083.18	\$ 28,014.59
<b>TOTAL FUNDING</b>	<b>\$ 13,490,563.55</b>	<b>\$ 14,726,855.00</b>	<b>\$ 14,783,655.98</b>	<b>\$ 14,939,150.03</b>

FUNDING SOURCES DETAIL				
Ouachita Regional - Community Counseling				
(Name of CMHC)				
FUNDING SOURCES	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 472,004	\$ 472,004	\$ 472,004	\$ 472,004
CSP Part B	\$ 141,745	\$ 141,745	\$ 141,745	\$ 141,745
Per Capita	\$ 509,549	\$ 509,549	\$ 509,549	\$ 509,549
State Match	\$ -	\$ -	\$ -	\$ -
Forensic Evaluations	\$ -	\$ -	\$ -	\$ -
CASSP	\$ 68,579	\$ 68,579	\$ 68,579	\$ 68,579
Youth Services Contracts	\$ -	\$ -	\$ -	\$ -
Other General Revenue	\$ 816,811	\$ 820,331	\$ 820,331	\$ 820,331
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 202,621	\$ 201,471	\$ 202,046	\$ 201,758
Medicaid	\$ 9,144,973	\$ 10,066,580	\$ 10,167,246	\$ 10,268,918
Medicare	\$ 169,357	\$ 141,063	\$ 155,210	\$ 148,137
Title XX	\$ 47,606	\$ 47,606	\$ 47,606	\$ 47,606
AR Kids	\$ 936,487	\$ 1,145,199	\$ 1,156,651	\$ 1,168,217
Homeless Grant	\$ -	\$ -	\$ -	\$ -
HUD	\$ -	\$ -	\$ -	\$ -
USDA	\$ 128,299	\$ 129,206	\$ 130,113	\$ 131,020
Title III	\$ -	\$ -	\$ -	\$ -
FEMA	\$ -	\$ -	\$ -	\$ -
RSVP & VA	\$ -	\$ -	\$ -	\$ -
Food Program	\$ 12,440	\$ 18,000	\$ 18,180	\$ 18,362
Transitional Housing	\$ -	\$ -	\$ -	\$ -
Other Federal Revenue	\$ 82,323	\$ 25,500	\$ 45,500	\$ 35,500
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 302,205	\$ 254,101	\$ 278,153	\$ 278,153
Self Pay	\$ 186,708	\$ 185,457	\$ 186,083	\$ 186,708
Other	\$ 195,623	\$ 438,339	\$ 316,981	\$ 377,660
<b>OTHER CONTRACTS:</b>				
	\$ 39,014	\$ 36,179	\$ 37,596	\$ 36,888
<b>OTHER REVENUES:</b>				
	\$ 34,220	\$ 25,946	\$ 30,083	\$ 28,015
<b>TOTAL FUNDING:</b>	\$ 13,490,564	\$ 14,726,855	\$ 14,783,656	\$ 14,939,150

<b>BIENNIAL BUDGET SUMMARY</b>				
Counseling Associates, Inc.				
(Name of CMHC)				
LINE ITEM TITLE	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 6,199,704.00	\$ 6,473,588.00	\$ 6,603,058.00	\$ 6,735,119.00
Fringe Benefits	\$ 982,755.00	\$ 1,109,253.00	\$ 1,130,418.00	\$ 1,153,026.00
<b>Total Personal Services</b>	<b>\$ 7,182,459.00</b>	<b>\$ 7,582,841.00</b>	<b>\$ 7,733,476.00</b>	<b>\$ 7,888,145.00</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 1,853,119.00	\$ 1,601,276.00	\$ 1,602,525.00	\$ 1,616,625.00
Conference Fees & Travel	\$ 215,617.00	\$ 213,200.00	\$ 214,000.00	\$ 214,000.00
Professional Fees	\$ 2,307,044.00	\$ 2,426,612.00	\$ 2,473,500.00	\$ 2,521,300.00
Capital Outlay	\$ 201,224.00	\$ 230,271.00	\$ 230,300.00	\$ 230,300.00
<b>Total Maint. &amp; Operation</b>	<b>\$ 4,577,004.00</b>	<b>\$ 4,471,359.00</b>	<b>\$ 4,520,325.00</b>	<b>\$ 4,582,225.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 11,759,463.00</b>	<b>\$ 12,054,200.00</b>	<b>\$ 12,253,801.00</b>	<b>\$ 12,470,370.00</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 3,351,256.00	\$ 3,507,798.00	\$ 3,507,798.00	\$ 3,507,798.00
Federal Revenues	\$ 6,769,230.00	\$ 7,119,242.00	\$ 7,301,642.00	\$ 7,489,142.00
Fees for Service	\$ 1,414,805.00	\$ 1,109,400.00	\$ 1,142,500.00	\$ 1,176,500.00
Other Contracts	\$ 200,488.00	\$ 145,910.00	\$ 145,910.00	\$ 145,910.00
Other Revenues	\$ 137,933.00	\$ 171,850.00	\$ 171,850.00	\$ 171,850.00
<b>TOTAL FUNDING</b>	<b>\$ 11,873,712.00</b>	<b>\$ 12,054,200.00</b>	<b>\$ 12,269,700.00</b>	<b>\$ 12,491,200.00</b>

FUNDING SOURCES DETAIL				
Counseling Associates, Inc.				
(Name of CMHC)				
FUNDING SOURCES	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 402,664	\$ 402,664	\$ 402,664	\$ 402,664
CSP Part B	\$ 165,849	\$ 165,849	\$ 165,849	\$ 165,849
Per Capita	\$ 750,617	\$ 750,617	\$ 750,617	\$ 750,617
State Match				
Forensic Evaluations	\$ 35,500	\$ 36,000	\$ 36,000	\$ 36,000
CASSP	\$ 90,623	\$ 90,623	\$ 90,623	\$ 90,623
Youth Services Contracts				
Other General Revenue	\$ 1,906,003	\$ 2,062,045	\$ 2,062,045	\$ 2,062,045
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 305,280	\$ 305,281	\$ 305,281	\$ 305,281
Medicaid	\$ 5,474,000	\$ 5,844,300	\$ 6,019,500	\$ 6,200,000
Medicare	\$ 223,738	\$ 235,800	\$ 243,000	\$ 250,000
Title XX	\$ 81,660	\$ 81,696	\$ 81,696	\$ 81,696
AR Kids				
Homeless Grant				
HUD	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500
USDA				
Title III				
FEMA				
RSVP & VA				
Food Program	\$ 31,259	\$ 31,500	\$ 31,500	\$ 31,500
Transitional Housing				
Other Federal Revenue	\$ 638,793	\$ 606,165	\$ 606,165	\$ 606,165
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 896,362	\$ 622,400	\$ 641,000	\$ 660,000
Self Pay	\$ 518,443	\$ 487,000	\$ 501,500	\$ 516,500
Other				
<b>OTHER CONTRACTS:</b>				
School case management	\$ 83,003	\$ 85,350	\$ 85,350	\$ 85,350
Miscellaneous	\$ 117,485	\$ 60,560	\$ 60,560	\$ 60,560
<b>OTHER REVENUES:</b>				
Miscellaneous	\$ 55,582	\$ 89,050	\$ 89,050	\$ 89,050
Contributions	\$ 82,351	\$ 82,800	\$ 82,800	\$ 82,800
<b>TOTAL FUNDING:</b>	<b>\$ 11,873,712</b>	<b>\$ 12,054,200</b>	<b>\$ 12,269,700</b>	<b>\$ 12,491,200</b>

**BIENNIAL BUDGET SUMMARY**

Counseling Clinic, Inc.

LINE ITEM TITLE	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 4,171,253.00	\$ 4,281,237.00	\$ 4,581,605.83	\$ 4,673,237.95
Fringe Benefits	\$ 1,060,471.00	\$ 1,093,535.00	\$ 1,126,341.05	\$ 1,160,131.28
<b>Total Personal Services</b>	\$ 5,231,724.00	\$ 5,374,772.00	\$ 5,707,946.88	\$ 5,833,369.23
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 991,647.00	\$ 1,007,389.00	\$ 1,018,114.82	\$ 1,030,950.12
Conference Fees & Travel	\$ 34,749.00	\$ 34,984.00	\$ 36,000.00	\$ 36,000.00
Professional Fees	\$ 1,002,952.00	\$ 984,469.00	\$ 989,713.72	\$ 1,002,047.99
Capital Outlay	\$ 256,793.00	\$ 269,223.00	\$ 275,000.00	\$ 275,000.00
<b>Total Maint. &amp; Operation</b>	\$ 2,286,141.00	\$ 2,296,065.00	\$ 2,318,828.54	\$ 2,343,998.11
<b>TOTAL EXPENSES</b>	\$ 7,517,865.00	\$ 7,670,837.00	\$ 8,026,775.42	\$ 8,177,367.34
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 1,903,586.00	\$ 1,710,782.00	\$ 1,712,408.00	\$ 1,714,908.00
Federal Revenues	\$ 3,831,339.00	\$ 4,020,403.00	\$ 4,083,900.00	\$ 4,098,900.00
Fees for Service	\$ 263,118.00	\$ 275,685.00	\$ 280,000.00	\$ 289,000.00
Other Contracts	\$ 669,000.00	\$ 669,000.00	\$ 669,000.00	\$ 669,000.00
Other Revenues	\$ 1,111,457.00	\$ 1,166,833.00	\$ 1,260,000.00	\$ 1,272,000.00
<b>TOTAL FUNDING</b>	\$ 7,778,500.00	\$ 7,842,703.00	\$ 8,005,308.00	\$ 8,043,808.00

FUNDING SOURCES DETAIL				
Counseling Clinic, Inc.				
FUNDING SOURCES	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 204,721	\$ 204,721	\$ 204,721	\$ 204,721
CSP Part B	\$ 61,765	\$ 61,765	\$ 61,765	\$ 61,765
Per Capita	\$ 316,014	\$ 316,014	\$ 316,014	\$ 316,014
State Match				
Forensic Evaluations	\$ 17,400	\$ 19,900	\$ 20,000	\$ 20,000
CASSP	\$ 193,343	\$ 193,651	\$ 193,651	\$ 193,651
Youth Services Contracts	\$ 939,121	\$ 843,757	\$ 843,757	\$ 843,757
Other General Revenue	\$ 171,222	\$ 70,974	\$ 72,500	\$ 75,000
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 128,684	\$ 128,684	\$ 128,684	\$ 128,684
Medicaid	\$ 3,544,904	\$ 3,696,525	\$ 3,750,000	\$ 3,765,000
Medicare	\$ 58,977	\$ 90,515	\$ 100,000	\$ 100,000
Title XX	\$ 18,216	\$ 18,216	\$ 18,216	\$ 18,216
AR Kids				
Homeless Grant				
HUD	\$ 23,740	\$ 23,347	\$ 24,000	\$ 24,000
USDA				
Title III				
FEMA				
RSVP & VA				
Food Program	\$ 56,818	\$ 63,116	\$ 63,000	\$ 63,000
Transitional Housing				
Other Federal Revenue				
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 149,505	\$ 149,505	\$ 150,000	\$ 155,000
Self Pay	\$ 105,798	\$ 105,798	\$ 109,000	\$ 112,000
Other	\$ 7,815	\$ 20,382	\$ 21,000	\$ 22,000
<b>OTHER CONTRACTS:</b>				
Saline Memorial Hospital Generation	\$ 669,000	\$ 669,000	\$ 669,000	\$ 669,000
<b>OTHER REVENUES:</b>				
Other	\$ 745,079	\$ 771,768	\$ 780,000	\$ 785,000
Community Housing	\$ 163,458	\$ 183,700	\$ 260,000	\$ 262,000
RCF Revenue	\$ 202,920	\$ 211,365	\$ 220,000	\$ 225,000
<b>TOTAL FUNDING:</b>	<b>\$ 7,778,500</b>	<b>\$ 7,842,703</b>	<b>\$ 8,005,308</b>	<b>\$ 8,043,808</b>

<b>BIENNIAL BUDGET SUMMARY</b>				
OZARK GUIDANCE CENTER, INC.				
(Name of CMHC)				
LINE ITEM TITLE	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 17,991,942.00	\$ 18,545,207.86	\$ 19,101,564.10	\$ 19,674,611.02
Fringe Benefits	\$ 4,701,903.00	\$ 4,752,714.00	\$ 4,895,295.42	\$ 5,042,154.28
<b>Total Personal Services</b>	<b>\$ 22,693,845.00</b>	<b>\$ 23,297,921.86</b>	<b>\$ 23,996,859.52</b>	<b>\$ 24,716,765.30</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 3,532,766.00	\$ 3,383,683.00	\$ 3,485,193.49	\$ 3,589,749.29
Conference Fees & Travel	\$ 138,715.00	\$ 86,303.00	\$ 88,892.09	\$ 91,558.85
Professional Fees	\$ 2,873,835.00	\$ 2,672,587.00	\$ 2,752,764.61	\$ 2,835,347.55
Capital Outlay	\$ 824,218.00	\$ 658,117.00	\$ 671,111.86	\$ 684,496.57
<b>Total Maint. &amp; Operation</b>	<b>\$ 7,369,534.00</b>	<b>\$ 6,800,690.00</b>	<b>\$ 6,997,962.05</b>	<b>\$ 7,201,152.26</b>
<b>TOTAL EXPENSES</b>	<b>\$ 30,063,379.00</b>	<b>\$ 30,098,611.86</b>	<b>\$ 30,994,821.57</b>	<b>\$ 31,917,917.56</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 4,374,256.00	\$ 4,380,964.00	\$ 4,380,964.00	\$ 4,380,964.00
Federal Revenues	\$ 21,216,478.00	\$ 22,116,258.00	\$ 22,921,274.96	\$ 23,789,692.60
Fees for Service	\$ 626,134.00	\$ 1,592,005.00	\$ 1,655,685.20	\$ 1,721,912.61
Other Contracts	\$ 793,119.00	\$ 873,460.00	\$ 908,398.40	\$ 944,734.34
Other Revenues	\$ 1,546,338.00	\$ 1,220,975.00	\$ 1,269,814.00	\$ 1,269,814.00
<b>TOTAL FUNDING</b>	<b>\$ 28,556,325.00</b>	<b>\$ 30,183,662.00</b>	<b>\$ 31,136,136.56</b>	<b>\$ 32,107,117.54</b>



FUNDING SOURCES DETAIL				
Delta Counseling Associates, Inc.				
(Name of CMHC)				
FUNDING SOURCES	2012	2013 Allocation	2014 Estimate	2015 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 407,264	\$ 407,264	\$ 407,264	\$ 407,264
CSP Part B	\$ 80,564	\$ 80,564	\$ 80,564	\$ 80,564
Per Capita	\$ 226,211	\$ 226,211	\$ 226,211	\$ 226,211
State Match				
Forensic Evaluations				
CASSP	\$ 103,542	\$ 90,623	\$ 90,623	\$ 90,623
Youth Services Contracts	\$ 154,410	\$ 160,000	\$ 165,000	\$ 165,000
Other General Revenue (DASEP)	\$ 139,818	\$ 156,769	\$ 156,769	\$ 156,769
System of Care Funds	\$ 157,500	\$ 155,500	\$ 155,500	\$ 155,500
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 91,888	\$ 91,888	\$ 91,888	\$ 91,888
Medicaid	\$ 2,117,059	\$ 2,109,000	\$ 2,130,090	\$ 2,151,390
Medicare	\$ 66,808	\$ 70,000	\$ 65,000	\$ 72,000
Title XX	\$ 33,001	\$ 33,001	\$ 33,001	\$ 33,001
AR Kids	\$ 1,592,445	\$ 1,591,000	\$ 1,606,910	\$ 1,622,979
Homeless Grant				
HUD				
USDA				
Title III				
FEMA				
RSVP & VA				
Food Program	\$ 65,310	\$ 66,000	\$ 65,000	\$ 68,000
Transitional Housing				
Other Federal Revenue				
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 76,928	\$ 80,000	\$ 75,000	\$ 75,000
Self Pay	\$ 178,341	\$ 175,000	\$ 180,000	\$ 175,000
Other				
<b>OTHER CONTRACTS:</b>				
Local Acute Care Funds	\$ 292,170	\$ 292,170	\$ 292,170	\$ 292,170
	\$ -			
<b>OTHER REVENUES:</b>				
Miscellaneous	\$ 71,373	\$ 59,000	\$ 63,000	\$ 60,000
<b>TOTAL FUNDING:</b>	\$ 5,854,632	\$ 5,843,990	\$ 5,883,990	\$ 5,923,359

<b>BIENNIAL BUDGET SUMMARY</b>				
Health Resources of Arkansas				
(Name of CMHC)				
<b>LINE ITEM TITLE</b>	<b>2012 Actual</b>	<b>2013 Allocation</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>Personal Services:</b>				
Regular Salaries	\$ 9,329,448.00	\$ 9,330,360.95	\$ 9,796,878.99	\$ 10,286,722.94
Fringe Benefits	\$ 2,247,975.00	\$ 2,360,374.00	\$ 2,478,392.00	\$ 2,602,312.00
<b>Total Personal Services</b>	<b>\$ 11,577,423.00</b>	<b>\$ 11,690,734.95</b>	<b>\$ 12,275,270.99</b>	<b>\$ 12,889,034.94</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 4,322,998.00	\$ 4,836,116.00	\$ 5,115,670.85	\$ 5,371,455.00
Conference Fees & Travel	\$ 313,275.00	\$ 328,939.00	\$ 345,386.00	\$ 380,374.00
Professional Fees	\$ 3,660,447.00	\$ 3,543,501.00	\$ 3,586,926.00	\$ 3,954,589.00
Capital Outlay	\$ 409,762.00	\$ 430,250.00	\$ 451,762.00	\$ 498,067.00
<b>Total Maint. &amp; Operation</b>	<b>\$ 8,706,482.00</b>	<b>\$ 9,138,806.00</b>	<b>\$ 9,499,744.85</b>	<b>\$ 10,204,485.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 20,283,905.00</b>	<b>\$ 20,829,540.95</b>	<b>\$ 21,775,015.84</b>	<b>\$ 23,093,519.94</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 5,000,703.00	\$ 5,103,703.00	\$ 5,306,173.00	\$ 5,506,998.00
Federal Revenues	\$ 10,835,205.00	\$ 11,307,381.00	\$ 11,852,155.00	\$ 12,424,228.00
Fees for Service	\$ 948,544.00	\$ 1,167,341.00	\$ 1,225,708.00	\$ 1,286,993.00
Other Contracts	\$ 2,678,584.00	\$ 2,812,513.00	\$ 2,953,139.00	\$ 3,100,796.00
Other Revenues	\$ 1,482,658.00	\$ 1,506,791.00	\$ 1,582,130.00	\$ 1,661,237.00
<b>TOTAL FUNDING</b>	<b>\$ 20,945,694.00</b>	<b>\$ 21,897,729.00</b>	<b>\$ 22,919,305.00</b>	<b>\$ 23,980,252.00</b>

FUNDING SOURCES DETAIL				
Health Resources of Arkansas				
(Name of CMHC)				
FUNDING SOURCES	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 909,966	\$ 909,966	\$ 955,464	\$ 1,003,237
CSP Part B	\$ 293,097	\$ 293,097	\$ 307,752	\$ 323,140
Per Capita	\$ 1,002,600	\$ 1,002,600	\$ 1,002,600	\$ 1,002,600
State Match	\$ 51,693	\$ 51,693	\$ 51,693	\$ 51,693
Forensic Evaluations	\$ 42,000	\$ 45,000	\$ 47,250	\$ 47,250
CASSP	\$ 179,202	\$ 179,202	\$ 188,162	\$ 188,162
Youth Services Contracts	\$ 1,115,706	\$ 1,215,706	\$ 1,276,491	\$ 1,340,316
Other General Revenue	\$ 1,406,439	\$ 1,406,439	\$ 1,476,761	\$ 1,550,600
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 425,449	\$ 425,449	\$ 446,721	\$ 469,057
Medicaid	\$ 9,010,814	\$ 9,461,355	\$ 9,934,423	\$ 10,431,144
Medicare	\$ 372,703	\$ 391,338	\$ 410,905	\$ 431,450
Title XX	\$ 115,899	\$ 115,899	\$ 121,634	\$ 127,716
AR Kids				
Homeless Grant				
HUD	\$ 437,640	\$ 437,640	\$ 459,522	\$ 482,498
USDA				
Title III				
FEMA				
RSVP & VA	\$ 62,000	\$ 65,000	\$ 68,250	\$ 71,663
Food Program				
Transitional Housing				
Other Federal Revenue	\$ 410,700	\$ 410,700	\$ 410,700	\$ 410,700
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 289,472	\$ 353,946	\$ 371,643	\$ 390,225
Self Pay	\$ 659,072	\$ 813,395	\$ 854,065	\$ 896,768
Other				
<b>OTHER CONTRACTS:</b>				
	\$ 2,678,584	\$ 2,812,513	\$ 2,953,139	\$ 3,100,796
<b>OTHER REVENUES:</b>				
Interest	\$ 60,900	\$ 63,945	\$ 67,142	\$ 70,499
Rent and Subdy	\$ 1,143,723	\$ 1,150,910	\$ 1,208,455	\$ 1,268,878
Misc	\$ 278,035	\$ 291,936	\$ 306,533	\$ 321,860
<b>TOTAL FUNDING:</b>	\$ 20,945,694	\$ 21,897,729	\$ 22,919,305	\$ 23,980,252

**BIENNIAL BUDGET SUMMARY**

Little Rock Community Mental Health Center, Inc.

(Name of CMHC)

LINE ITEM TITLE	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 3,330,391.03	\$ 3,330,151.70	\$ 3,321,920.00	\$ 3,336,920.00
Fringe Benefits	\$ 597,464.15	\$ 607,753.00	\$ 631,165.00	\$ 642,357.00
<b>Total Personal Services</b>	<b>\$ 3,927,855.18</b>	<b>\$ 3,937,904.70</b>	<b>\$ 3,953,085.00</b>	<b>\$ 3,979,277.00</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 4,367,673.22	\$ 4,441,366.96	\$ 4,440,455.96	\$ 4,372,855.96
Conference Fees & Travel	\$ 84,419.15	\$ 82,500.00	\$ 82,500.00	\$ 82,500.00
Professional Fees	\$ 4,450,466.50	\$ 4,471,661.00	\$ 4,471,660.00	\$ 4,471,660.00
Capital Outlay	\$ 57,451.12	\$ 104,000.00	\$ 85,000.00	\$ 105,000.00
<b>Total Maint. &amp; Operation</b>	<b>\$ 8,960,009.99</b>	<b>\$ 9,099,547.96</b>	<b>\$ 9,079,615.96</b>	<b>\$ 9,032,015.96</b>
<b>TOTAL EXPENSES</b>	<b>\$ 12,887,865.17</b>	<b>\$ 13,037,452.66</b>	<b>\$ 13,032,700.96</b>	<b>\$ 13,011,292.96</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 3,362,184.81	\$ 3,367,582.37	\$ 3,397,582.00	\$ 3,397,582.00
Federal Revenues	\$ 9,401,417.77	\$ 9,391,574.72	\$ 9,342,885.00	\$ 9,342,885.00
Fees for Service	\$ 180,738.72	\$ 188,240.00	\$ 188,240.00	\$ 188,240.00
Other Contracts	\$ -	\$ -	\$ -	\$ -
Other Revenues	\$ 114,162.17	\$ 107,360.00	\$ 107,360.00	\$ 107,360.00
<b>TOTAL FUNDING</b>	<b>\$ 13,058,503.47</b>	<b>\$ 13,054,757.09</b>	<b>\$ 13,036,067.00</b>	<b>\$ 13,036,067.00</b>

<b>FUNDING SOURCES DETAIL</b>				
Little Rock Community Mental Health Center, Inc.				
(Name of CMHC)				
FUNDING SOURCES	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 593,040	\$ 593,040	\$ 593,040	\$ 593,040
CSP Part B	\$ 279,076	\$ 279,076	\$ 279,076	\$ 279,076
Per Capita	\$ 564,581	\$ 564,581	\$ 564,581	\$ 564,581
State Match	\$ -	\$ -	\$ -	\$ -
Forensic Evaluations	\$ 48,000	\$ 50,000	\$ 80,000	\$ 80,000
CASSP	\$ 65,264	\$ 65,264	\$ 65,264	\$ 65,264
Youth Services Contracts	\$ -	\$ -	\$ -	\$ -
Other General Revenue	\$ 1,812,223	\$ 1,815,621	\$ 1,815,621	\$ 1,815,621
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 229,323	\$ 229,323	\$ 229,323	\$ 229,323
Medicaid	\$ 2,695,552	\$ 2,980,000	\$ 2,980,000	\$ 2,980,000
Medicare	\$ 2,706,747	\$ 2,668,848	\$ 2,668,000	\$ 2,668,000
Title XX	\$ 111,775	\$ 111,775	\$ 111,775	\$ 111,775
AR Kids	\$ -	\$ -	\$ -	\$ -
Homeless Grant	\$ 123,342	\$ 148,511	\$ 148,511	\$ 148,511
HUD	\$ 3,103,820	\$ 2,804,442	\$ 2,756,600	\$ 2,756,600
USDA	\$ -	\$ -	\$ -	\$ -
Title III	\$ -	\$ -	\$ -	\$ -
FEMA	\$ -	\$ -	\$ -	\$ -
RSVP & VA	\$ -	\$ -	\$ -	\$ -
Food Program	\$ 27,586	\$ 30,000	\$ 30,000	\$ 30,000
Transitional Housing	\$ 52,897	\$ 45,896	\$ 45,896	\$ 45,896
Other Federal Revenue	\$ 350,376	\$ 372,780	\$ 372,780	\$ 372,780
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 26,324	\$ 15,240	\$ 15,240	\$ 15,240
Self Pay	\$ 154,415	\$ 173,000	\$ 173,000	\$ 173,000
Other	\$ -	\$ -	\$ -	\$ -
<b>OTHER CONTRACTS:</b>				
<b>OTHER REVENUES:</b>				
Rental Income	\$ 71,995	\$ 72,360	\$ 72,360	\$ 72,360
Miscellaneous Other	\$ 42,168	\$ 35,000	\$ 35,000	\$ 35,000
<b>TOTAL FUNDING:</b>	\$ 13,058,503	\$ 13,054,757	\$ 13,036,067	\$ 13,036,067

**BIENNIAL BUDGET SUMMARY**

Northeast Arkansas Community Mental Health Center, Inc dba/Mid-South Health Systems, Inc

(Name of CMHC)

LINE ITEM TITLE	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 19,039,862.92	\$ 19,230,261.55	\$ 19,230,261.55	\$ 19,614,866.79
Fringe Benefits	\$ 5,227,103.00	\$ 5,480,005.00	\$ 5,500,000.00	\$ 5,500,000.00
<b>Total Personal Services</b>	<b>\$ 24,266,965.92</b>	<b>\$ 24,710,266.55</b>	<b>\$ 24,730,261.55</b>	<b>\$ 25,114,866.79</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 11,940,780.50	\$ 11,309,318.00	\$ 11,166,801.00	\$ 11,265,251.00
Conference Fees & Travel	\$ 757,574.00	\$ 615,000.00	\$ 720,000.00	\$ 720,000.00
Professional Fees	\$ 2,975,768.00	\$ 3,490,491.00	\$ 3,155,000.00	\$ 3,155,000.00
Capital Outlay	\$ 579,299.00	\$ 669,031.00	\$ 670,000.00	\$ 670,000.00
<b>Total Maint. &amp; Operation</b>	<b>\$ 16,253,421.50</b>	<b>\$ 16,083,840.00</b>	<b>\$ 15,711,801.00</b>	<b>\$ 15,810,251.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 40,520,387.42</b>	<b>\$ 40,794,106.55</b>	<b>\$ 40,442,062.55</b>	<b>\$ 40,925,117.79</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 8,365,795.00	\$ 8,331,709.00	\$ 8,165,620.00	\$ 8,170,620.00
Federal Revenues	\$ 27,447,570.00	\$ 26,982,420.00	\$ 27,002,856.00	\$ 27,595,856.00
Fees for Service	\$ 4,077,155.00	\$ 4,088,550.00	\$ 4,138,000.00	\$ 4,113,000.00
Other Contracts	\$ 783,890.00	\$ 663,420.00	\$ 685,000.00	\$ 695,000.00
Other Revenues	\$ 844,971.00	\$ 317,180.00	\$ 350,000.00	\$ 350,000.00
<b>TOTAL FUNDING</b>	<b>\$ 41,519,381.00</b>	<b>\$ 40,383,279.00</b>	<b>\$ 40,341,476.00</b>	<b>\$ 40,924,476.00</b>

<b>FUNDING SOURCES DETAIL</b>				
<b>Northeast Arkansas Community Mental Health Center, Inc dba/Mid-South Health Systems, Inc</b>				
<b>(Name of CMHC)</b>				
<b>FUNDING SOURCES</b>	<b>2012 Actual</b>	<b>2013 Allocation</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 1,075,402	\$ 1,075,402	\$ 1,075,402	\$ 1,075,402.00
CSP Part B	\$ 475,061	\$ 475,061	\$ 475,061	\$ 475,061.00
Per Capita	\$ 1,175,405	\$ 1,175,405	\$ 1,175,405	\$ 1,175,405.00
State Match	\$ -	\$ -	\$ -	\$ -
Forensic Evaluations	\$ 58,000	\$ 60,000	\$ 75,000	\$ 80,000.00
CASSP	\$ 622,936	\$ 624,936	\$ 625,000	\$ 625,000.00
Youth Services Contracts	\$ 2,649,197	\$ 2,463,509	\$ 2,400,000	\$ 2,400,000.00
Other General Revenue	\$ 820,033	\$ 967,644	\$ 850,000	\$ 850,000.00
Local Acute Care Funds	\$ 1,489,761	\$ 1,489,752	\$ 1,489,752	\$ 1,489,752.00
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 482,856	\$ 482,856	\$ 482,856	\$ 482,856.00
Medicaid	\$ 25,660,062	\$ 25,416,358	\$ 25,400,000	\$ 26,000,000.00
Medicare	\$ 396,429	\$ 425,000	\$ 450,000	\$ 450,000.00
Title XX	\$ 128,586	\$ 127,706	\$ 128,000	\$ 128,000.00
AR Kids				
Homeless Grant	\$ 118,842	\$ 113,500	\$ 125,000	\$ 125,000.00
HUD				
USDA				
Title III				
FEMA				
RSVP & VA				
Food Program	\$ 320,633	\$ 312,000	\$ 312,000	\$ 325,000.00
Transitional Housing	\$ 320,912	\$ 85,000	\$ 85,000	\$ 65,000.00
Other Federal Revenue	\$ 19,250	\$ 20,000	\$ 20,000	\$ 20,000.00
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 231,325	\$ 225,000	\$ 250,000	\$ 250,000.00
Self Pay	\$ 3,561,799	\$ 3,588,550	\$ 3,588,000	\$ 3,588,000.00
Other	\$ 284,031	\$ 275,000	\$ 300,000	\$ 275,000.00
<b>OTHER CONTRACTS:</b>				
Rental Income	\$ 444,765	\$ 452,220	\$ 475,000	\$ 485,000.00
Project Reach	\$ 88,742	\$ -	\$ -	\$ -
Emergency Screenings	\$ 76,700	\$ 75,000	\$ 75,000	\$ 80,000.00
Local Contracts	\$ 173,683	\$ 136,200	\$ 135,000	\$ 130,000.00
<b>OTHER REVENUES:</b>				
Retirement Forfeiture	\$ 694,791	\$ 200,000	\$ 200,000	\$ 200,000.00
Other Misc Income	\$ 150,180	\$ 117,180	\$ 150,000	\$ 150,000.00
<b>TOTAL FUNDING:</b>	<b>\$ 41,519,381</b>	<b>\$ 40,383,279</b>	<b>\$ 40,341,476</b>	<b>\$ 40,924,476</b>

<b>BIENNIAL BUDGET SUMMARY</b>				
OZARK GUIDANCE CENTER, INC.				
(Name of CMHC)				
LINE ITEM TITLE	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 17,991,942.00	\$ 18,545,207.86	\$ 19,101,564.10	\$ 19,674,611.02
Fringe Benefits	\$ 4,701,903.00	\$ 4,752,714.00	\$ 4,895,295.42	\$ 5,042,154.28
<b>Total Personal Services</b>	<b>\$ 22,693,845.00</b>	<b>\$ 23,297,921.86</b>	<b>\$ 23,996,859.52</b>	<b>\$ 24,716,765.30</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 3,532,766.00	\$ 3,383,683.00	\$ 3,485,193.49	\$ 3,589,749.29
Conference Fees & Travel	\$ 138,715.00	\$ 86,303.00	\$ 88,892.09	\$ 91,558.85
Professional Fees	\$ 2,873,835.00	\$ 2,672,587.00	\$ 2,752,764.61	\$ 2,835,347.55
Capital Outlay	\$ 824,218.00	\$ 658,117.00	\$ 671,111.86	\$ 684,496.57
<b>Total Maint. &amp; Operation</b>	<b>\$ 7,369,534.00</b>	<b>\$ 6,800,690.00</b>	<b>\$ 6,997,962.05</b>	<b>\$ 7,201,152.26</b>
<b>TOTAL EXPENSES</b>	<b>\$ 30,063,379.00</b>	<b>\$ 30,098,611.86</b>	<b>\$ 30,994,821.57</b>	<b>\$ 31,917,917.56</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 4,374,256.00	\$ 4,380,964.00	\$ 4,380,964.00	\$ 4,380,964.00
Federal Revenues	\$ 21,216,478.00	\$ 22,116,258.00	\$ 22,921,274.96	\$ 23,789,692.60
Fees for Service	\$ 626,134.00	\$ 1,592,005.00	\$ 1,655,685.20	\$ 1,721,912.61
Other Contracts	\$ 793,119.00	\$ 873,460.00	\$ 908,398.40	\$ 944,734.34
Other Revenues	\$ 1,546,338.00	\$ 1,220,975.00	\$ 1,269,814.00	\$ 1,269,814.00
<b>TOTAL FUNDING</b>	<b>\$ 28,556,325.00</b>	<b>\$ 30,183,662.00</b>	<b>\$ 31,136,136.56</b>	<b>\$ 32,107,117.54</b>



**FUNDING SOURCES DETAIL**  
**OZARK GUIDANCE CENTER, INC.**  
(Name of CMHC)

<b>FUNDING SOURCES</b>	<b>2012 Actual</b>	<b>2013 Allocation</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 658,934	\$ 658,934	\$ 658,934	\$ 658,934
CSP Part B	\$ 240,044	\$ 240,044	\$ 240,044	\$ 240,044
Per Capita	\$ 1,379,391	\$ 1,379,388	\$ 1,379,388	\$ 1,379,388
State Match	\$ -	\$ -	\$ -	\$ -
Forensic Evaluations	\$ 155,500	\$ 150,000	\$ 150,000	\$ 150,000
CASSP	\$ 69,679	\$ 90,612	\$ 90,612	\$ 90,612
CASSP (TXX)	\$ 49,928	\$ 51,420	\$ 51,420	\$ 51,420
Youth Services Contracts	\$ -	\$ -	\$ -	\$ -
Other General Revenue	\$ 1,820,780	\$ 1,810,566	\$ 1,810,566	\$ 1,810,566
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 570,507	\$ 570,504	\$ 570,504	\$ 570,504
Medicaid	\$ 19,676,057	\$ 20,611,921	\$ 21,436,398	\$ 22,293,854
Medicare	\$ 153,656	\$ 263,503	\$ 274,043	\$ 285,005
Title XX	\$ 56,501	\$ 77,776	\$ 77,776	\$ 77,776
AR Kids	\$ -	\$ -	\$ -	\$ -
PATH Grant - Homeless	\$ 52,515	\$ 30,000	\$ -	\$ -
HUD				
USDA				
Title III				
FEMA				
RSVP & VA				
Food Program	\$ 115,666	\$ 114,780	\$ 114,780	\$ 114,780
Transitional Housing				
Other Federal Revenue	\$ 591,576	\$ 447,774	\$ 447,774	\$ 447,774
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 374,491	\$ 739,077	\$ 768,640	\$ 799,386
Self Pay	\$ 243,176	\$ 798,794	\$ 830,746	\$ 863,976
Other	\$ 8,467	\$ 54,134	\$ 56,299	\$ 58,551
<b>OTHER CONTRACTS:</b>				
Various	\$ 793,119	\$ 873,460	\$ 908,398	\$ 944,734
<b>OTHER REVENUES:</b>				
	\$ 1,546,338	\$ 1,220,975	\$ 1,269,814	\$ 1,269,814
<b>TOTAL FUNDING:</b>	\$ 28,556,325	\$ 30,183,662	\$ 31,136,137	\$ 32,107,118

**BIENNIAL BUDGET SUMMARY**

Professional Counseling Associates

(Name of CMHC)

LINE ITEM TITLE	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 3,061,801.28	\$ 3,573,923.40	\$ 3,677,283.10	\$ 3,783,743.60
Fringe Benefits	\$ 733,374.15	\$ 949,256.00	\$ 1,029,639.27	\$ 1,059,448.21
<b>Total Personal Services</b>	\$ 3,795,175.43	\$ 4,523,179.40	\$ 4,706,922.37	\$ 4,843,191.81
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 1,411,047.66	\$ 1,638,797.00	\$ 1,707,960.91	\$ 1,738,599.74
Conference Fees & Travel	\$ 77,787.54	\$ 91,653.00	\$ 94,402.59	\$ 97,234.67
Professional Fees	\$ 170,664.42	\$ 184,788.00	\$ 170,331.64	\$ 175,441.59
Capital Outlay	\$ 228,171.77	\$ 244,731.00	\$ 252,072.93	\$ 259,635.12
<b>Total Maint. &amp; Operation</b>	\$ 1,887,671.39	\$ 2,159,969.00	\$ 2,224,768.07	\$ 2,270,911.11
<b>TOTAL EXPENSES</b>	\$ 5,682,846.82	\$ 6,683,148.40	\$ 6,931,690.44	\$ 7,114,102.92
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 3,232,843.44	\$ 3,166,225.00	\$ 3,166,225.00	\$ 3,166,225.00
Federal Revenues	\$ 2,603,411.62	\$ 3,153,843.00	\$ 3,402,385.00	\$ 3,584,797.92
Fees for Service	\$ 222,415.30	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
Other Contracts	\$ 77,085.10	\$ 29,080.00	\$ 29,080.00	\$ 29,080.00
Other Revenues	\$ 40,275.04	\$ 34,000.00	\$ 34,000.00	\$ 34,000.00
<b>TOTAL FUNDING</b>	\$ 6,176,030.50	\$ 6,683,148.00	\$ 6,931,690.00	\$ 7,114,102.92

<b>FUNDING SOURCES DETAIL</b>				
Professional Counseling Associates				
(Name of CMHC)				
FUNDING SOURCES	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 555,730	\$ 555,730	\$ 555,730	\$ 555,730
CSP Part B	\$ 216,737	\$ 216,737	\$ 216,737	\$ 216,737
Per Capita	\$ 791,951	\$ 791,952	\$ 791,952	\$ 791,952
State Match				\$ -
Forensic Evaluations	\$ 63,500	\$ 60,000	\$ 60,000	\$ 60,000
CASSP	\$ 90,622	\$ 90,623	\$ 90,623	\$ 90,623
Youth Services Contracts	\$ 424,463	\$ 378,506	\$ 378,506	\$ 378,506
Other General Revenue	\$ 1,089,840	\$ 1,072,677	\$ 1,072,677	\$ 1,072,677
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 323,730	\$ 323,729	\$ 323,729	\$ 323,729
Medicaid	\$ 2,077,796	\$ 2,607,774	\$ 2,856,316	\$ 3,038,729
Medicare	\$ 107,876	\$ 137,251	\$ 137,251	\$ 137,251
Title XX	\$ 70,089	\$ 70,089	\$ 70,089	\$ 70,089
AR Kids				\$ -
Homeless Grant				
HUD				
USDA				
Title III				
FEMA				
RSVP & VA				
Food Program	\$ 16,996	\$ 15,000	\$ 15,000	\$ 15,000
Transitional Housing				
Other Federal Revenue	\$ 6,925			
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 42,151	\$ 75,000	\$ 75,000	\$ 75,000
Self Pay	\$ 150,010	\$ 225,000	\$ 225,000	\$ 225,000
Other	\$ 30,255			
<b>OTHER CONTRACTS:</b>				
Headstart				
Misc Contracts	\$ 62,085	\$ 14,080	\$ 14,080	\$ 14,080
Gambling	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
DCFS Foster Parenting				
<b>OTHER REVENUES:</b>				
Interest Income	\$ 23,544	\$ 20,000	\$ 20,000	\$ 20,000
Donations(cash & inkind)	\$ 16,731	\$ 14,000	\$ 14,000	\$ 14,000
<b>TOTAL FUNDING:</b>	<b>\$ 6,176,031</b>	<b>\$ 6,683,148</b>	<b>\$ 6,931,690</b>	<b>\$ 7,114,103</b>

**BIENNIAL BUDGET SUMMARY**

South Arkansas Regional Health Center, Inc.

LINE ITEM TITLE	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>Personal Services:</b>				
Regular Salaries	\$ 3,864,100.80	\$ 3,825,021.00	\$ 4,180,595.10	\$ 4,598,654.61
Fringe Benefits	\$ 1,071,528.37	\$ 1,266,263.00	\$ 1,392,889.30	\$ 1,532,178.23
<b>Total Personal Services</b>	\$ 4,935,629.17	\$ 5,091,284.00	\$ 5,573,484.40	\$ 6,130,832.84
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 1,161,564.00	\$ 1,225,168.00	\$ 1,347,684.80	\$ 1,482,453.28
Conference Fees & Travel	\$ 17,845.50	\$ 16,550.00	\$ 18,205.00	\$ 20,025.50
Professional Fees	\$ 265,385.00	\$ 291,924.00	\$ 321,116.40	\$ 353,228.04
Capital Outlay	\$ 294,952.00	\$ 250,000.00	\$ 275,000.00	\$ 302,500.00
<b>Total Maint. &amp; Operation</b>	\$ 1,739,546.50	\$ 1,783,642.00	\$ 1,962,006.20	\$ 2,158,206.82
<b>TOTAL EXPENSES</b>	\$ 6,675,175.67	\$ 6,874,926.00	\$ 7,535,490.60	\$ 8,289,039.66
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 1,783,493.00	\$ 1,790,466.00	\$ 1,790,466.00	\$ 2,005,321.92
Federal Revenues	\$ 4,018,865.00	\$ 4,518,843.00	\$ 4,957,038.70	\$ 5,553,023.82
Fees for Service	\$ 454,680.00	\$ 546,500.00	\$ 601,150.00	\$ 691,322.50
Other Contracts	\$ -	\$ -	\$ -	\$ -
Other Revenues	\$ 532,650.00	\$ 473,300.00	\$ 520,630.00	\$ 598,724.50
<b>TOTAL FUNDING</b>	\$ 6,789,688.00	\$ 7,329,109.00	\$ 7,869,284.70	\$ 8,848,392.74

FUNDING SOURCES DETAIL				
South Arkansas Regional Health Center, Inc.				
FUNDING SOURCES	2012 Actual	2013 Allocation	2014 Estimate	2015 Estimate
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 533,256	\$ 533,256	\$ 533,256	\$ 597,247
CSP Part B	\$ 203,479	\$ 203,479	\$ 203,479	\$ 227,896
Per Capita	\$ 338,653	\$ 338,653	\$ 338,653	\$ 379,291
State Match	\$ -	\$ -	\$ -	\$ -
Forensic Evaluations	\$ 31,500	\$ 31,500	\$ 31,500	\$ 35,280
CASSP	\$ 68,578	\$ 68,578	\$ 68,578	\$ 76,807
Youth Services Contracts				
Other General Revenue	\$ 608,027	\$ 615,000	\$ 615,000	\$ 688,800
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 136,886	\$ 136,886	\$ 136,886	\$ 153,312
Medicaid	\$ 3,319,108	\$ 3,810,000	\$ 4,191,000	\$ 4,693,920
Medicare	\$ 174,392	\$ 197,000	\$ 216,700	\$ 242,704
Title XX	\$ 46,168	\$ 46,456	\$ 51,102	\$ 57,234
AR Kids	\$ 144,713	\$ 173,000	\$ 190,300	\$ 213,136
Homeless Grant				
HUD				
USDA				
Title III				
FEMA				
RSVP & VA	\$ 165,689	\$ 120,941	\$ 133,035	\$ 148,999
Food Program	\$ 31,909	\$ 34,560	\$ 38,016	\$ 43,718
Transitional Housing				
Other Federal Revenue				
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 171,575	\$ 206,000	\$ 226,600	\$ 260,590
Self Pay	\$ 209,418	\$ 250,000	\$ 275,000	\$ 316,250
Other	\$ 73,667	\$ 90,500	\$ 99,550	\$ 114,483
<b>OTHER CONTRACTS:</b>				
<b>OTHER REVENUES:</b>				
	\$ 532,650	\$ 473,300	\$ 520,630	\$ 598,725
<b>TOTAL FUNDING:</b>				
	\$ 6,789,688	\$ 7,329,109	\$ 7,869,285	\$ 8,848,393

<b>BIENNIAL BUDGET SUMMARY</b>				
Southeast AR Behavioral Healthcare System, Inc.				
(Name of CMHC)				
<b>LINE ITEM TITLE</b>	<b>2012 Actual</b>	<b>2013 Allocation</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>Personal Services:</b>				
Regular Salaries	\$ 4,249,082.00	\$ 4,438,890.00	\$ 4,438,890.00	\$ 4,438,890.00
Fringe Benefits	\$ 925,804.00	\$ 1,002,437.00	\$ 1,002,437.00	\$ 1,002,437.00
<b>Total Personal Services</b>	\$ 5,174,886.00	\$ 5,441,327.00	\$ 5,441,327.00	\$ 5,441,327.00
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 1,047,257.00	\$ 1,002,286.00	\$ 1,002,286.00	\$ 1,002,286.00
Conference Fees & Travel	\$ 15,125.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Professional Fees	\$ 86,791.00	\$ 26,280.00	\$ 26,280.00	\$ 26,280.00
Capital Outlay	\$ 203,597.00	\$ 217,000.00	\$ 217,000.00	\$ 217,000.00
<b>Total Maint. &amp; Operation</b>	\$ 1,352,770.00	\$ 1,255,566.00	\$ 1,255,566.00	\$ 1,255,566.00
<b>TOTAL EXPENSES</b>	\$ 6,527,656.00	\$ 6,696,893.00	\$ 6,696,893.00	\$ 6,696,893.00
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 1,154,261.00	\$ 1,148,261.00	\$ 1,148,261.00	\$ 1,148,261.00
Federal Revenues	\$ 3,814,866.00	\$ 4,575,953.00	\$ 4,575,953.00	\$ 4,575,953.00
Fees for Service	\$ 424,948.00	\$ 387,500.00	\$ 387,500.00	\$ 387,500.00
Other Contracts	\$ 436,796.00	\$ 372,179.00	\$ 372,179.00	\$ 372,179.00
Other Revenues	\$ 309,173.00	\$ 213,000.00	\$ 213,000.00	\$ 213,000.00
<b>TOTAL FUNDING</b>	\$ 6,140,044.00	\$ 6,696,893.00	\$ 6,696,893.00	\$ 6,696,893.00

<b>FUNDING SOURCES DETAIL</b>				
<b>Southeast AR Behavioral Healthcare System, Inc.</b>				
<b>(Name of CMHC)</b>				
<b>FUNDING SOURCES</b>	<b>2012 Actual</b>	<b>2013 Allocation</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 515,123	\$ 515,123	\$ 515,123	\$ 515,123
CSP Part B	\$ 137,005	\$ 137,005	\$ 137,005	\$ 137,005
Per Capita	\$ 404,554	\$ 404,554	\$ 404,554	\$ 404,554
State Match		\$ -	\$ -	\$ -
Forensic Evaluations	\$ 29,000	\$ 23,000	\$ 23,000	\$ 23,000
CASSP	\$ 68,579	\$ 68,579	\$ 68,579	\$ 68,579
Youth Services Contracts				
Other General Revenue				
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 163,401	\$ 163,401	\$ 163,401	\$ 163,401
Medicaid	\$ 3,334,136	\$ 4,083,713	\$ 4,083,713	\$ 4,083,713
Medicare	\$ 200,421	\$ 210,000	\$ 210,000	\$ 210,000
Title XX	\$ 50,118	\$ 51,372	\$ 51,372	\$ 51,372
CASSP SSBG	\$ 18,408	\$ 21,110	\$ 21,110	\$ 21,110
AR Kids				
Homeless Grant				
HUD				
USDA	\$ 48,382	\$ 46,357	\$ 46,357	\$ 46,357
Title III				
FEMA				
RSVP & VA				
Food Program				
Transitional Housing				
Other Federal Revenue				
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 224,091	\$ 165,000	\$ 165,000	\$ 165,000
Self Pay	\$ 176,483	\$ 200,000	\$ 200,000	\$ 200,000
Other	\$ 24,374	\$ 22,500	\$ 22,500	\$ 22,500
<b>OTHER CONTRACTS:</b>				
Acute Inpatient Admin Fee	\$ 15,822	\$ 17,916	\$ 17,916	\$ 17,916
Drug Contract	\$ 67,759	\$ 67,763	\$ 67,763	\$ 67,763
Adolescent Substance Abu	\$ 49,995	\$ 30,500	\$ 30,500	\$ 30,500
Acute Inpatient Revenue	\$ 181,106	\$ 127,500	\$ 127,500	\$ 127,500
System of Care	\$ 122,114	\$ 128,500	\$ 128,500	\$ 128,500
<b>OTHER REVENUES:</b>				
United Way	\$ 76,576	\$ 75,000	\$ 75,000	\$ 75,000
Misc.	\$ 232,597	\$ 138,000	\$ 138,000	\$ 138,000
<b>TOTAL FUNDING:</b>	<b>\$ 6,140,044</b>	<b>\$ 6,696,893</b>	<b>\$ 6,696,893</b>	<b>\$ 6,696,893</b>

<b>BIENNIAL BUDGET SUMMARY</b>				
Southeast AR Behavioral Healthcare System, Inc.				
(Name of CMHC)				
<b>LINE ITEM TITLE</b>	<b>2012 Actual</b>	<b>2013 Allocation</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>Personal Services:</b>				
Regular Salaries	\$ 4,249,082.00	\$ 4,438,890.00	\$ 4,438,890.00	\$ 4,438,890.00
Fringe Benefits	\$ 925,804.00	\$ 1,002,437.00	\$ 1,002,437.00	\$ 1,002,437.00
<b>Total Personal Services</b>	<b>\$ 5,174,886.00</b>	<b>\$ 5,441,327.00</b>	<b>\$ 5,441,327.00</b>	<b>\$ 5,441,327.00</b>
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 1,047,257.00	\$ 1,002,286.00	\$ 1,002,286.00	\$ 1,002,286.00
Conference Fees & Travel	\$ 15,125.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Professional Fees	\$ 86,791.00	\$ 26,280.00	\$ 26,280.00	\$ 26,280.00
Capital Outlay	\$ 203,597.00	\$ 217,000.00	\$ 217,000.00	\$ 217,000.00
<b>Total Maint. &amp; Operation</b>	<b>\$ 1,352,770.00</b>	<b>\$ 1,255,566.00</b>	<b>\$ 1,255,566.00</b>	<b>\$ 1,255,566.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 6,527,656.00</b>	<b>\$ 6,696,893.00</b>	<b>\$ 6,696,893.00</b>	<b>\$ 6,696,893.00</b>
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 1,154,261.00	\$ 1,148,261.00	\$ 1,148,261.00	\$ 1,148,261.00
Federal Revenues	\$ 3,814,866.00	\$ 4,575,953.00	\$ 4,575,953.00	\$ 4,575,953.00
Fees for Service	\$ 424,948.00	\$ 387,500.00	\$ 387,500.00	\$ 387,500.00
Other Contracts	\$ 436,796.00	\$ 372,179.00	\$ 372,179.00	\$ 372,179.00
Other Revenues	\$ 309,173.00	\$ 213,000.00	\$ 213,000.00	\$ 213,000.00
<b>TOTAL FUNDING</b>	<b>\$ 6,140,044.00</b>	<b>\$ 6,696,893.00</b>	<b>\$ 6,696,893.00</b>	<b>\$ 6,696,893.00</b>



<b>FUNDING SOURCES DETAIL</b>				
<b>Southwest Arkansas Counseling &amp; Mental Health Center, Inc</b>				
<b>FUNDING SOURCES</b>	<b>2012 Actual</b>	<b>2013 Allocation</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 331,217	\$ 301,274	\$ 322,363	\$ 344,929
CSP Part B	\$ 106,015	\$ 105,236	\$ 112,603	\$ 120,485
Per Capita	\$ 347,331	\$ 355,798	\$ 380,704	\$ 407,353
State Match	\$ -	\$ 18,344	\$ 19,628	\$ 21,002
Forensic Evaluations	\$ 13,500	\$ 23,000	\$ 23,000	\$ 23,000
CASSP	\$ 17,880	\$ 17,880	\$ 17,880	\$ 17,880
Youth Services Contracts	\$ 924,079	\$ 876,099	\$ 937,426	\$ 1,003,046
Other General Revenue				
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 142,653	\$ 155,399	\$ 155,399	\$ 155,399
Medicaid	\$ 5,764,788	\$ 6,900,000	\$ 7,383,000	\$ 7,500,000
Medicare	\$ 163,613	\$ 89,000	\$ 95,230	\$ 101,896
Title XX	\$ 38,878	\$ 38,878	\$ 38,878	\$ 38,878
AR Kids	\$ 693,826	\$ 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	\$ 101,212	\$ 109,752	\$ 140,000	\$ 160,000
Self Pay	\$ 134,385	\$ 240,958	\$ 250,000	\$ 250,000
Other	\$ 392,362	\$ 376,965	\$ 380,000	\$ 400,000
<b>OTHER CONTRACTS:</b>				
	\$ 1,315,107	\$ 1,525,000	\$ 1,600,000	\$ 1,650,000
<b>OTHER REVENUES:</b>				
	\$ 274,728	\$ 355,000	\$ 365,000	\$ 375,000
<b>TOTAL FUNDING:</b>	<b>\$ 10,762,384</b>	<b>\$ 12,578,583</b>	<b>\$ 13,321,111</b>	<b>\$ 13,769,867</b>

<b>BIENNIAL BUDGET SUMMARY</b>				
Western Arkansas Counseling & Guidance Center, Inc.				
(Name of CMHC)				
<b>LINE ITEM TITLE</b>	<b>2012 Actual</b>	<b>2013 Allocation</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>Personal Services:</b>				
Regular Salaries	\$ 6,604,555.00	\$ 6,799,614.00	\$ 6,845,573.00	\$ 6,858,563.00
Fringe Benefits	\$ 1,229,660.00	\$ 1,423,583.00	\$ 1,327,093.00	\$ 1,368,819.00
<b>Total Personal Services</b>	\$ 7,834,215.00	\$ 8,223,197.00	\$ 8,172,666.00	\$ 8,227,382.00
<b>Maintenance &amp; Operation:</b>				
Operating Expense	\$ 2,609,883.00	\$ 2,485,770.00	\$ 2,540,900.00	\$ 2,578,600.00
Conference Fees & Travel	\$ -	\$ -	\$ -	\$ -
Professional Fees	\$ 1,584,694.00	\$ 1,570,690.00	\$ 1,578,000.00	\$ 1,583,000.00
Capital Outlay	\$ 279,502.00	\$ 368,604.00	\$ 345,000.00	\$ 325,000.00
<b>Total Maint. &amp; Operation</b>	\$ 4,474,079.00	\$ 4,425,064.00	\$ 4,463,900.00	\$ 4,486,600.00
<b>TOTAL EXPENSES</b>	\$ 12,308,294.00	\$ 12,648,261.00	\$ 12,636,566.00	\$ 12,713,982.00
<b>Funding Sources:</b>				
Fund Balances				
General Revenues	\$ 2,772,058.00	\$ 2,777,653.00	\$ 2,777,653.00	\$ 2,777,653.00
Federal Revenues	\$ 6,985,204.00	\$ 7,318,603.00	\$ 7,311,347.00	\$ 7,321,347.00
Fees for Service	\$ 1,378,758.00	\$ 1,004,267.00	\$ 1,064,004.00	\$ 1,073,250.00
Other Contracts	\$ 922,191.00	\$ 921,933.00	\$ 926,738.00	\$ 931,982.00
Other Revenues	\$ 98,928.00	\$ 88,000.00	\$ 88,000.00	\$ 88,000.00
<b>TOTAL FUNDING</b>	\$ 12,157,139.00	\$ 12,110,456.00	\$ 12,167,742.00	\$ 12,192,232.00

**FUNDING SOURCES DETAIL**

Western Arkansas Counseling & Guidance Center, Inc.

(Name of CMHC)

<b>FUNDING SOURCES</b>	<b>2012 Actual</b>	<b>2013 Allocation</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>GENERAL REVENUES:</b>				
CSP Part A	\$ 497,922	\$ 497,922	\$ 497,922	\$ 497,922
CSP Part B	\$ 182,366	\$ 198,945	\$ 198,945	\$ 198,945
Per Capita	\$ 733,788	\$ 767,230	\$ 767,230	\$ 767,230
State Match	\$ -	\$ -	\$ -	\$ -
Forensic Evaluations				
CASSP	\$ 92,500	\$ 90,623	\$ 90,623	\$ 90,623
TFC	\$ 283,629	\$ 241,080	\$ 241,080	\$ 241,080
Other General Revenue	\$ 974,353	\$ 974,353	\$ 974,353	\$ 974,353
RSVP State Aid	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
<b>FEDERAL REVENUES:</b>				
Mental Health Block Grant	\$ 350,991	\$ 350,991	\$ 350,991	\$ 350,991
Medicaid	\$ 6,396,297	\$ 6,613,750	\$ 6,620,000	\$ 6,630,000
Medicare	\$ 105,220	\$ 163,506	\$ 150,000	\$ 150,000
Title XX	\$ 66,606	\$ 66,606	\$ 66,606	\$ 66,606
AR Kids				
Homeless Grant				
HUD				
USDA				
Title III				
FEMA				
RSVP & VA	\$ 66,090	\$ 123,750	\$ 123,750	\$ 123,750
Food Program				
Transitional Housing				
Other Federal Revenue				
<b>FEES FOR SERVICE:</b>				
Private Insurance	\$ 178,127	\$ 237,093	\$ 218,000	\$ 220,750
Self Pay	\$ 505,180	\$ 206,670	\$ 280,500	\$ 281,750
Other	\$ 695,451	\$ 560,504	\$ 565,504	\$ 570,750
<b>OTHER CONTRACTS:</b>				
ADAP and DASEP	\$ 802,548	\$ 802,548	\$ 802,548	\$ 802,548
UAFS Clinic Ops	\$ 113,643	\$ 114,385	\$ 119,190	\$ 124,434
City of Ft Smith CBIG	\$ 6,000	\$ 5,000	\$ 5,000	\$ 5,000
<b>OTHER REVENUES:</b>				
Donations	\$ 27,400	\$ 37,200	\$ 37,200	\$ 37,200
Investment and Sales	\$ 63,247	\$ 50,000	\$ 50,000	\$ 50,000
Rentals	\$ 8,281	\$ 800	\$ 800	\$ 800
<b>TOTAL FUNDING:</b>	\$ 12,157,139	\$ 12,110,456	\$ 12,167,742	\$ 12,192,232

# DHS - County Operations

## Enabling Laws

Act 278 of 2012  
Act 52 of 2012

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; The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 ( HEARTH Act) Emergency Solutions Grants Program Regulations (24 CFR part 576).

## **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 (Expired September 30, 2010) - The ARRA funds were 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.

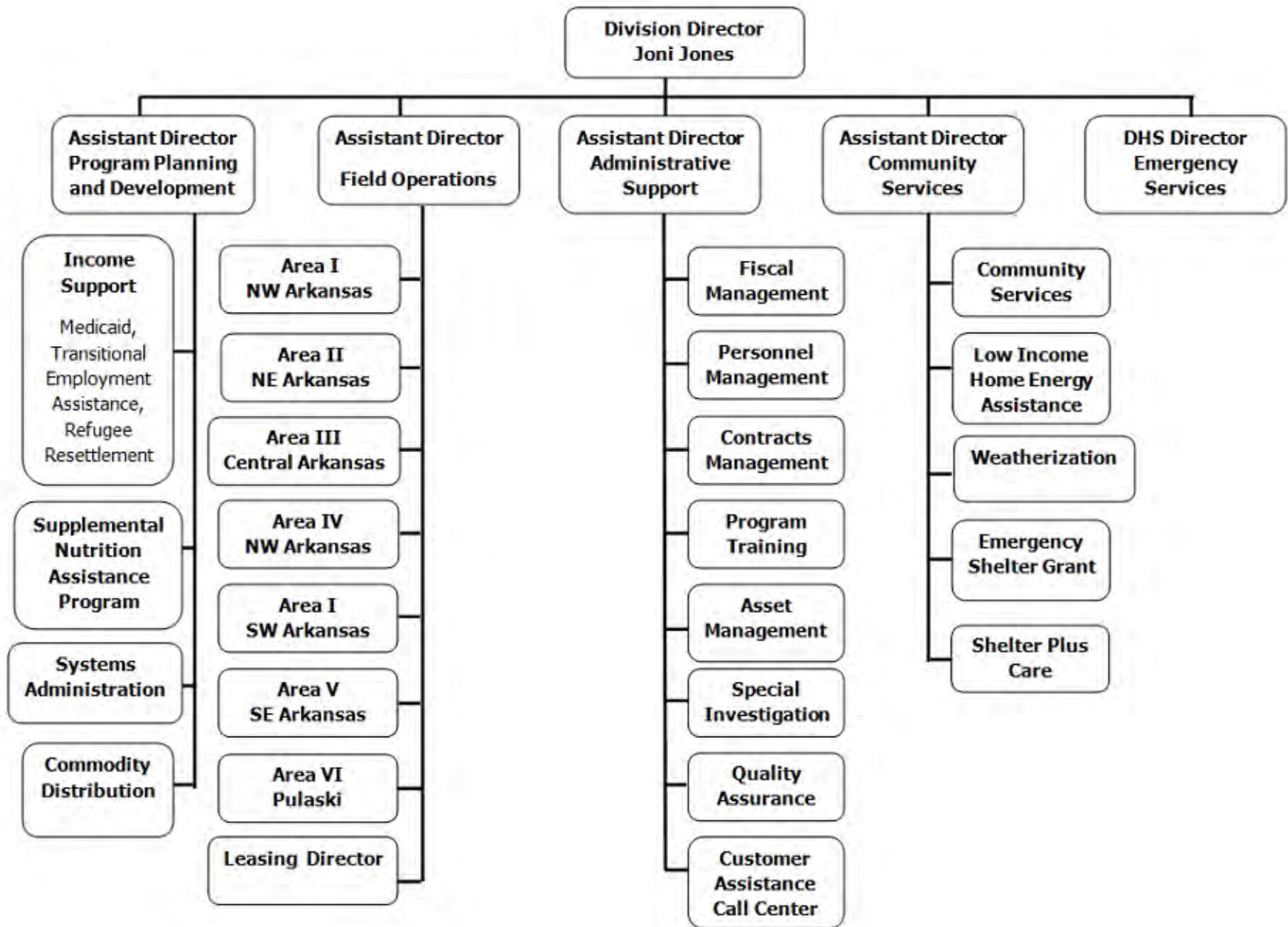
Homelessness Prevention and Rapid Re-Housing Program (Expired August 6, 2012) - The ARRA funds provided financial assistance and services to prevent individuals and families from becoming homeless and helps those who are experiencing homelessness to be quickly re-housed and stabilized.

Weatherization Assistance Program (Expires March 31, 2013) - 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 - 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 (Expired September 30, 2010) - The ARRA provided 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) Food Purchases and Administration (Expired September 30, 2010) - The ARRA increased the state's allocation for TEFAP food purchases. States were offered a wide variety of food items starting in March 2009. The ARRA also provides States an administrative allocation to store and distribute the additional food at the local level.





## 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 through a higher level of IT modernization. Accomplishments include document imaging, electronic records, on-line applications and processing center technology. The Agency is issuing Requests for Proposals in State Fiscal Year 2013 to replace the current system used to establish eligibility for the 1.3 million Arkansans that receive public assistance benefits.

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 the Division of County Operations is the restoration of positions left unbudgeted due to insufficient funding. The Agency is requesting that 69 positions be restored without funding in the 2013 - 2015 Biennium. These positions 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, 2013. 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 100% of the 69 positions reinstated in the 2011-2013 Legislative Session while managing within budget restrictions. DCO provides access to over \$5.1 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 \$25.5 Billion in taxable revenue each year, and provide critical services to our very poorest citizens.

POSITION RECLASSIFICATIONS (Unfunded Appropriation) - The Division is requesting revised job titles for five (5) Computer Support Technician positions and four (4) Information Systems Coordination Specialist positions being used in the DCO Information Systems Unit. We have experienced difficulty in filling these positions because of the existing Minimum Qualifications. Additional justification has been sent to the Office of Personnel Management.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) SALARIES/FRINGE - The Agency requests the elimination of funded appropriation for six positions established through a Miscellaneous Federal Grant 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. The funding expired in State Fiscal Year 2013.

OPERATING EXPENSES INCREASES (Unfunded Appropriation) - The Division of County Operations is requesting additional unfunded appropriation of \$150,000 in each year of the biennium in the event we receive reallocated federal funds that can be used for the storage and distribution of food to food banks and non-profit agencies. Even though the commodities are free to the State, there are warehouse distribution costs which are incurred to store and ship the food.

PROFESSIONAL FEES AND SERVICES (Funded Appropriation) - The Division is requesting funded appropriation in 2014 and in 2015 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 funded appropriation of \$14,830 in 2014 and \$15,126 in 2015 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 funded appropriation of \$385 in 2014 and \$393 in 2015 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 funded appropriation of \$48,845 in 2014 and \$50,299 in 2015 to support the expenditure of 100% Federal funds for these contracts.

INFORMATION TECHNOLOGY (Funded Appropriation) - The Division of County Operations requests State General Revenue (SGR) of \$574,375 in 2014 and \$555,375 in 2015 for increases related to the replacement of the current system used to establish eligibility for 1.3 million Arkansans that receive public assistance benefits. The current system is outdated and inefficient, which makes it costly to run and labor intensive to change. The replacement of the current system will allow the Agency to handle growing caseloads and workloads by using new technologies including off-the-shelf software products and data matches from other agencies to automatically populate and verify information used to determine eligibility. The total appropriation request is \$1,148,750 in 2014 and \$1,110,750 in 2015.

The Agency also requests State General Revenue of \$269,500 in 2014 and \$269,500 in 2015 to pay for the cost of replacing aging computer equipment and the purchase of the associated software licenses. As the computer equipment ages, it cannot be supported by our network and the staff will be without IT equipment. The use of current computer equipment that can process high volume work is critical to the timely and accurate provision of services. The total appropriation request is \$550,000 in 2014 and \$550,000 in 2015.

The total SGR request for these two IT initiatives is \$843,875 in 2014 and \$824,875 in 2015. The total appropriation request is \$1,698,750 in 2014 and \$1,660,750 in 2015. This request is on page(s) 32, 33 and 38 of the Agency's IT Plan for 2014 and 2015.

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 \$2,400 in 2014 and \$2,400 in 2015 to pay for the vehicle sales tax. The Department of Finance and Administration will provide the appropriation to purchase the vehicles.

The Commodity Distribution Unit is requesting funded appropriation in the amount of \$120,000 in 2014 to pay for the cost of replacing a refrigerated truck that is used to deliver frozen foods to local school districts, food banks and non-profit agencies. Use of the refrigerated truck has increased dramatically and it is increasingly in need of costly repairs. This truck is also used to deliver food to communities in the event of a disaster. The cost will be paid for with 100% Federal funds.

No State General Revenue is being requested for these capital outlay requests.

### **SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) 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 \$734.9 Million in SNAP benefits were issued to Arkansans in the last twelve months. The Division issues SNAP benefits through a Statewide Electronic Benefits Transfer (EBT) System. According to USDA, every \$5 in new SNAP benefits generates \$9.00 in total community spending. Because the majority of SNAP benefits are redeemed the month they are issued, SNAP acts as an immediate economic stimulus to struggling local economies. New SNAP benefits also generate additional economic activity as families are able to increase their overall food purchasing power. 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 is conducting additional program outreach, especially to the elderly, and is improving access to services 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 2011, the Agency spent more than \$4.3 Billion in Medicaid services. The Medicaid Program is a major economic driver for the State generating over \$25 Billion in taxable revenue each year. There were 817,750 Arkansans receiving Medicaid in State Fiscal Year 2011.

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 2011, there were 407,471 children who received ARKids Medicaid.

### **ARRA ADMINISTRATION - Appropriation 896X**

American Recovery and Reinvestment Act (Appro. 896X) - The Agency requests the discontinuation of Federal appropriation for American Recovery and Reinvestment Act (ARRA) Funds used for administrative costs. These funds expired in State Fiscal Year 2013.

### **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 is covered through a Federal waiver program which provides eligible small employers with health coverage for employees. Coverage has been extended to eligible sole proprietors.

### **TRANSITIONAL EMPLOYMENT ASSISTANCE (TEA) - Appropriation 897**

TRANSITIONAL EMPLOYMENT ASSISTANCE (TEA) PROGRAM (PWD7600 - TEA Cash Assistance and PWD7500 - TEA Employment Services) - The Transitional Employment Assistance (TEA) Program was implemented on July 1, 1997, in accordance with Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and Arkansas Act 1058, the Arkansas Personal Responsibility and Public Assistance Reform Act of 1997. The TEA Program replaced the Aid to Families with Dependent Children (AFDC) Program as the focal

point of the State's welfare reform effort and plays a critical role in the Division's mission to strengthen the well-being of children, families and adults. Act 1567 of 1999 amended Act 1058 of 1997 by establishing the Arkansas Transitional Employment Board. Act 1264 of 2001 and Act 1306 of 2003 enacted other provisions to strengthen the Arkansas TEA Program. Arkansas Act 1705 of 2005 transferred responsibility for the program to the Department of Workforce Services (DWS). Under this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remains with the Division of County Operations (DCO), while DWS is responsible for the provision of case management services and overall administration of the program. Act 1705 also created the Work Pays program which is an extension of the TEA program for former TEA recipients who are working. DWS 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) - Appropriation 396**

This program provides supplementary payments to individuals residing in Arkansas who are, or would be except for their income, eligible for basic Federal Supplemental Security Income (SSI) payments. These payments are made in accordance with Section 1616 of the Social Security Act and Section 212 of Public Law 93-66.

In the early 1970s, an amendment to the Medicaid State Plan allowed individuals in the Aged, Blind and Disabled (AABD) categories that were not eligible under SSI criteria, but meet the State Medicaid eligibility criteria, to receive SSI benefits.

Through an agreement entered into between the Social Security Administration (SSA) and the Department of Human Services, SSA makes these payments to individuals determined eligible by SSA. The State has budgeted \$4,000 per fiscal year to be paid to the Social Security Administration for the purpose of making the payments to eligible individuals and for administrative fees for determining eligibility.

### **COMMUNITY SERVICES/SOCIAL SERVICES BLOCK GRANT - Appropriation 898**

COMMUNITY SERVICES/SOCIAL SERVICES BLOCK GRANT PROGRAM (PWE9700) - The Community Services Block Grant 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.

Social Services Block Grant (SSBG) funds are used to provide supportive services to help low-income children and families achieve and maintain self-sufficiency. These services include case management, employment services, nutrition, emergency assistance, and other social services to address the needs of families in crisis. SSBG funds also provide special services and supportive activities for the disabled through job placement, employment counseling, and referrals to community resources and opportunities.

### **SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) - Appropriation 898**

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (PWE9400) - The purpose of the SNAP Employment and Training (E & T) Program (formerly the Food Stamp Employment and Training 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.

The Farmers Market Program has been established by USDA to allow consumers to have access to locally grown, farm fresh produce, enable farmers the opportunity to expand their customer base, and cultivate consumer loyalty with the farmers who grows the produce. In order to participate in the Electronic Benefits Transfer (EBT) Farmers Market Program, each market must be authorized by the United States Department of Agriculture ([USDA](http://www.fns.usda.gov/fns/)) Food and Nutrition Service (FNS) <<http://www.fns.usda.gov/fns/>> to accept [Supplemental Nutrition Assistance Program \(SNAP\)](http://www.fns.usda.gov/snap/snap.htm) <<http://www.fns.usda.gov/snap/snap.htm>> benefits. The USDA provides funds for the purchase of Point of Sale devices and monthly wireless fees so fresh fruits and vegetables can be purchased by SNAP recipients with their Electronic Benefits Transfer

card. The Agency is requesting funded appropriation of \$43,235 in 2014 and in 2015 which will be granted to authorized farmers markets. The grants are paid with 100% Federal funds.

### **HOMELESS ASSISTANCE PROGRAM - Appropriation 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. Funds can also be used to address the needs of homeless people in emergency or transitional shelters to quickly assist people to regain stability in permanent housing after experiencing a housing crisis and/or homelessness. These funds are distributed each year on a competitive basis. The Agency is requesting funded appropriation in 2014 and 2015 in the amount of \$1,501,487 each year of the biennium. These are 100% Federal funds.

### **ARRA HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM - Appropriation 426X**

The Agency requests the discontinuation of Federal appropriation for American Recovery and Reinvestment Act (ARRA) Funds used for the Homelessness Prevention and Rapid Re-Housing Program. These funds expired in State Fiscal Year 2013.

### **LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM - Appropriation 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 funding is 100% Federal funds.

### **WEATHERIZATION ASSISTANCE PROGRAM - Appropriation 409**

The Weatherization Assistance 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 funding is 100% Federal funds.

### **ARRA WEATHERIZATION ASSISTANCE PROGRAM - Appropriation 409X**

The Agency requests the discontinuation of Federal appropriation for American Recovery and Reinvestment Act (ARRA) Funds used for the Weatherization Assistance Program. These funds expired in State Fiscal Year 2013.



## **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 of \$55,542 in 2014 and \$57,208 in 2015 to address projected additional Federal funding granted as a result of increased 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 the Department of Human Services 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. Agencies such as Food Banks and Community Action Agencies have sub-grant agreements with the Division of County Operations 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 of \$40,000 in 2014 and \$80,000 in 2015 to address projected increases in Federal funding for the CSFP Program. The funding is 100% Federal funds.

**SALVAGE AND CONTAINER FUND - APPROPRIATION 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.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 DEPARTMENT OF HUMAN SERVICES  
 FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

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

**State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012**

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		
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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1DK Cty-Shelter Plus Care Program	1,783,751	0	1,851,390	0	1,930,811	0	1,851,390	0	1,906,932	0	1,906,932	0	1,851,390	0	1,908,598	0	1,908,598	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	17,721,312	0	15,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0
410 Cty-Emergency Food Program	671,261	0	739,219	0	793,566	0	739,219	0	779,219	0	779,219	0	739,219	0	819,219	0	819,219	0
411 Cty-Low Income Energy Assistance Prgm	31,905,429	0	29,480,110	0	39,735,151	0	29,480,110	0	29,480,110	0	29,480,110	0	29,480,110	0	29,480,110	0	29,480,110	0
412 Cty-Refugee Resettlement Program	1,296	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	2,653,465	0	1,520,000	0	1,445,000	0	1,345,000	0	2,846,487	0	2,846,487	0	1,345,000	0	2,846,487	0	2,846,487	0
59H Hunger Coalition	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0
642 Medicaid Expansion-County Ops	1,660,254	46	2,830,189	60	2,781,886	60	2,844,711	60	2,844,711	60	2,844,711	60	2,846,314	60	2,846,314	60	2,846,314	60
896 Division of County Operations	121,967,452	1,882	119,417,678	1,818	127,025,429	1,882	119,278,172	1,812	123,936,179	1,881	123,935,110	1,881	119,351,099	1,812	123,853,624	1,881	123,852,533	1,881
897 TANF Block Grant	17,035,388	0	18,477,000	0	24,565,650	0	18,477,000	0	22,117,650	0	22,117,650	0	18,477,000	0	22,117,650	0	22,117,650	0
898 Community Svcs. Block Grant	9,149,335	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0
898 Supplemental Nutrition Assist(SNAP)	194,927	0	300,000	0	300,000	0	300,000	0	343,235	0	343,235	0	300,000	0	343,235	0	343,235	0
930 Cty-Commodity Distrib & Salvage Container	31,773	0	175,000	0	274,086	0	175,000	0	175,000	0	175,000	0	175,000	0	175,000	0	175,000	0
<b>Total</b>	<b>205,770,756</b>	<b>1,928</b>	<b>199,939,089</b>	<b>1,878</b>	<b>217,000,082</b>	<b>1,942</b>	<b>192,639,105</b>	<b>1,872</b>	<b>202,578,026</b>	<b>1,941</b>	<b>202,576,957</b>	<b>1,941</b>	<b>192,713,635</b>	<b>1,872</b>	<b>202,538,740</b>	<b>1,941</b>	<b>202,537,649</b>	<b>1,941</b>

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	47,991,637	23.3	47,348,467	23.7	48,430,574	25.1	49,274,449	25.1	48,430,574	24.9	48,453,761	25.1	49,278,636	25.1	48,453,761	24.9	
Federal Revenue	4000020	131,635,891	64.0	129,427,091	64.7	130,217,234	67.6	132,898,833	67.7	132,043,958	67.9	130,261,696	67.6	132,847,719	67.7	132,011,844	67.9	
Cash Fund	4000045	31,773	0.0	175,000	0.1	175,000	0.1	175,000	0.1	175,000	0.1	175,000	0.1	175,000	0.1	175,000	0.1	
Merit Adjustment Fund	4000055	1,410,719	0.7	895,789	0.4	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Federal Funds-ARRA	4000244	15,725,508	7.6	8,332,550	4.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Tobacco Settlement	4000495	830,127	0.4	1,415,094	0.7	1,422,355	0.7	1,422,355	0.7	1,422,355	0.7	1,423,157	0.7	1,423,157	0.7	1,423,157	0.7	
Transfer From DWS	4000527	800,000	0.4	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	7,345,101	3.6	12,345,098	6.2	12,393,942	6.4	12,393,942	6.3	12,393,942	6.4	12,400,021	6.4	12,400,021	6.3	12,400,021	6.4	
<b>Total Funds</b>		<b>205,770,756</b>	<b>100.0</b>	<b>199,939,089</b>	<b>100.0</b>	<b>192,639,105</b>	<b>100.0</b>	<b>196,164,579</b>	<b>100.0</b>	<b>194,465,829</b>	<b>100.0</b>	<b>192,713,635</b>	<b>100.0</b>	<b>196,124,533</b>	<b>100.0</b>	<b>194,463,783</b>	<b>100.0</b>	
Excess Appropriation/(Funding)		0		0		0		6,413,447		8,111,128		0		6,414,207		8,073,866		
<b>Grand Total</b>		<b>205,770,756</b>		<b>199,939,089</b>		<b>192,639,105</b>		<b>202,578,026</b>		<b>202,576,957</b>		<b>192,713,635</b>		<b>202,538,740</b>		<b>202,537,649</b>		

County Operations (409; 426) Budget exceeds Authorized Appropriation due to transfers from the Miscellaneous Federal Grant Holding Account.

County Operations (642) Budgeted amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2011-2013 Biennium.

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	1845	37	1882	61	5.04 %	1,949	1844	36	1880	69	5.39 %	1,942	1849	29	1878	64	4.79 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 157 of 2012 section 16(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).

## **Analysis of Budget Request**

**Appropriation:** 1DK - Cty-Shelter Plus Care Program

**Funding Sources:** FWF - DHS Federal

The Shelter Plus Care Program initially began in 1995 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 outreach, 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 \$1,851,390 each year of the biennium.

The Agency Change Level request for this appropriation is \$55,542 in FY2014 and \$57,208 in FY2015 to allow for projected increases in federal funding granted as a result of increased housing costs.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,783,751	1,851,390	1,930,811	1,851,390	1,906,932	1,906,932	1,851,390	1,908,598	1,908,598
Total		1,783,751	1,851,390	1,930,811	1,851,390	1,906,932	1,906,932	1,851,390	1,908,598	1,908,598
<b>Funding Sources</b>										
Federal Revenue	4000020	1,783,751	1,851,390		1,851,390	1,906,932	1,906,932	1,851,390	1,908,598	1,908,598
Total Funding		1,783,751	1,851,390		1,851,390	1,906,932	1,906,932	1,851,390	1,908,598	1,908,598
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,783,751	1,851,390		1,851,390	1,906,932	1,906,932	1,851,390	1,908,598	1,908,598

## Change Level by Appropriation

**Appropriation:** 1DK - Cty-Shelter Plus Care Program  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,851,390</b>	<b>0</b>	<b>1,851,390</b>	<b>100.0</b>	<b>1,851,390</b>	<b>0</b>	<b>1,851,390</b>	<b>100.0</b>
C01	Existing Program	55,542	0	1,906,932	103.0	57,208	0	1,908,598	103.1

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,851,390</b>	<b>0</b>	<b>1,851,390</b>	<b>100.0</b>	<b>1,851,390</b>	<b>0</b>	<b>1,851,390</b>	<b>100.0</b>
C01	Existing Program	55,542	0	1,906,932	103.0	57,208	0	1,908,598	103.1

### Justification

C01	The Agency is requesting funded appropriation of \$55,542 in 2014 and \$57,208 in 2015 to address projected additional Federal funding granted as a result of increased housing costs in the Shelter Plus Care Program, which provides rental assistance for hard-to-serve homeless persons with disabilities. The funding is 100% Federal funds.
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## **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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	0	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total		0	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
<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 of 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 weather strip doors and windows.
- Insulate uninsulated ceilings, walls and floors.
- Install storm windows, thermostats and conduct furnace tune-ups.
- Check health and safety standards prior to weatherizing the house.

### **Measures installed on mobile homes include:**

- Replace broken windows.
- Caulk and weather strip doors and windows
- Install thermostats and conduct furnace tune-ups.
- Check health and safety standards 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 \$8,000,000 each year of the biennium.

The Agency Change Level request for this appropriation is to discontinue the American Recovery and Reinvestment Act (ARRA) line item. These funds will expire in FY2013.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 409 - Cty-Weatherization Program

**Funding Sources:** FWF - DHS Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	4,908,250	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Weatherization Program - ARRA 5900052	12,813,062	7,000,000	0	0	0	0	0	0	0
<b>Total</b>	<b>17,721,312</b>	<b>15,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	4,908,250	8,000,000		8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Federal Funds-ARRA 4000244	12,813,062	7,000,000		0	0	0	0	0	0
<b>Total Funding</b>	<b>17,721,312</b>	<b>15,000,000</b>		<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</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>17,721,312</b>	<b>15,000,000</b>		<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>

Appropriation was established through the authority of the Miscellaneous Federal Program Act.  
ARRA of 2009 appropriation and/or positions have been removed from Base Level and are not requested for the 2013 – 2015 Biennium.

## Change Level by Appropriation

**Appropriation:** 409 - Cty-Weatherization Program  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>8,000,000</b>	<b>0</b>	<b>8,000,000</b>	<b>100.0</b>	<b>8,000,000</b>	<b>0</b>	<b>8,000,000</b>	<b>100.0</b>
C03	Discontinue Program	(7,000,000)	0	1,000,000	12.5	(7,000,000)	0	1,000,000	12.5
C16	ARRA	7,000,000	0	8,000,000	100.0	7,000,000	0	8,000,000	100.0

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>8,000,000</b>	<b>0</b>	<b>8,000,000</b>	<b>100.0</b>	<b>8,000,000</b>	<b>0</b>	<b>8,000,000</b>	<b>100.0</b>
C03	Discontinue Program	(7,000,000)	0	1,000,000	12.5	(7,000,000)	0	1,000,000	12.5
C16	ARRA	7,000,000	0	8,000,000	100.0	7,000,000	0	8,000,000	100.0

### Justification

C03	The Agency requests the discontinuation of Federal appropriation for American Recovery and Reinvestment Act (ARRA) Funds used for the Weatherization Assistance Program. These funds expire in State Fiscal Year 2013.
C16	This request was approved for the 2013 Budget for American Recovery and Reinvestment Act (ARRA) funding provided 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.

This appropriation also includes the Commodity Supplemental Food Program which provides food to seniors in need on a monthly basis. The caseload level can be adjusted each Federal Fiscal year based on availability of food products and administrative funding. Community Action Agencies throughout the State have agreements with DCO to distribute food to this client base.

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 \$739,219 each year of the biennium.

The Agency Change Level request for this appropriation is \$40,000 in FY2014 and \$80,000 in FY2015 to allow for additional federal funds for the Commodity Supplemental Food Program due to an expected caseload increase during the biennium.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	671,261	739,219	793,566	739,219	779,219	779,219	739,219	819,219	819,219
Total		671,261	739,219	793,566	739,219	779,219	779,219	739,219	819,219	819,219
<b>Funding Sources</b>										
Federal Revenue	4000020	671,261	739,219		739,219	779,219	779,219	739,219	819,219	819,219
Total Funding		671,261	739,219		739,219	779,219	779,219	739,219	819,219	819,219
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		671,261	739,219		739,219	779,219	779,219	739,219	819,219	819,219

## Change Level by Appropriation

**Appropriation:** 410 - Cty-Emergency Food Program  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>739,219</b>	<b>0</b>	<b>739,219</b>	<b>100.0</b>	<b>739,219</b>	<b>0</b>	<b>739,219</b>	<b>100.0</b>
C01	Existing Program	40,000	0	779,219	105.4	80,000	0	819,219	110.8

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>739,219</b>	<b>0</b>	<b>739,219</b>	<b>100.0</b>	<b>739,219</b>	<b>0</b>	<b>739,219</b>	<b>100.0</b>
C01	Existing Program	40,000	0	779,219	105.4	80,000	0	819,219	110.8

### Justification

C01	The Agency is requesting funded appropriation of \$40,000 in 2014 and \$80,000 in 2015 to address projected increases in Federal funding for the Commodity Supplemental Food Program (CSFP) Program. The funding is 100% Federal funds.								
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## **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 Programs. Both programs offer regular and crisis assistance in the form of a one-time payment per year either 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 60% of State's median income.

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 and total request for this appropriation is \$29,480,110 each year of 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	31,905,429	29,480,110	39,735,151	29,480,110	29,480,110	29,480,110	29,480,110	29,480,110	29,480,110
Total		31,905,429	29,480,110	39,735,151	29,480,110	29,480,110	29,480,110	29,480,110	29,480,110	29,480,110
<b>Funding Sources</b>										
Federal Revenue	4000020	31,905,429	29,480,110		29,480,110	29,480,110	29,480,110	29,480,110	29,480,110	29,480,110
Total Funding		31,905,429	29,480,110		29,480,110	29,480,110	29,480,110	29,480,110	29,480,110	29,480,110
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		31,905,429	29,480,110		29,480,110	29,480,110	29,480,110	29,480,110	29,480,110	29,480,110

## **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) continue to be available through the county offices to any new arrivals entering the state. 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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,296	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Total		1,296	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
<b>Funding Sources</b>										
Federal Revenue	4000020	1,296	12,000		12,000	12,000	12,000	12,000	12,000	12,000
Total Funding		1,296	12,000		12,000	12,000	12,000	12,000	12,000	12,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,296	12,000		12,000	12,000	12,000	12,000	12,000	12,000

## **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 (HUD). This program is designed to assist local communities in helping to improve the quality of life for the homeless by providing competitive grants for renovation, rehabilitation or conversion of buildings to be used as emergency shelters. Funds may also be used to address the needs of homeless people in emergency or transitional shelters to quickly assist people to regain stability in permanent housing after experiencing a housing crisis and/or homelessness. These funds are distributed each year on a competitive basis. 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 \$1,501,487 each year of the biennium for projected increases in federal funding during the biennium. Additionally, the agency is requesting to discontinue the American Recovery and Reinvestment Act (ARRA) line item. ARRA funds will expire in FY2013.

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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	1,192,282	1,345,000	1,345,000	1,345,000	2,846,487	2,846,487	1,345,000	2,846,487	2,846,487
Homeless Assistance Grant - ARF 5900052	1,461,183	175,000	100,000	0	0	0	0	0	0
<b>Total</b>	<b>2,653,465</b>	<b>1,520,000</b>	<b>1,445,000</b>	<b>1,345,000</b>	<b>2,846,487</b>	<b>2,846,487</b>	<b>1,345,000</b>	<b>2,846,487</b>	<b>2,846,487</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	1,192,282	1,345,000		1,345,000	2,846,487	2,846,487	1,345,000	2,846,487	2,846,487
Federal Funds-ARRA 4000244	1,461,183	175,000		0	0	0	0	0	0
<b>Total Funding</b>	<b>2,653,465</b>	<b>1,520,000</b>		<b>1,345,000</b>	<b>2,846,487</b>	<b>2,846,487</b>	<b>1,345,000</b>	<b>2,846,487</b>	<b>2,846,487</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>2,653,465</b>	<b>1,520,000</b>		<b>1,345,000</b>	<b>2,846,487</b>	<b>2,846,487</b>	<b>1,345,000</b>	<b>2,846,487</b>	<b>2,846,487</b>

Budget exceeds Authorized Appropriation in ARRA line item due to a transfer from the Miscellaneous Federal Grant Holding Account.  
ARRA of 2009 appropriation and/or positions have been removed from Base Level and are not requested for the 2013 – 2015 Biennium.

## Change Level by Appropriation

**Appropriation:** 426 - Cty-Homeless Assistance Grant  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	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>
C01	Existing Program	1,501,487	0	2,846,487	211.6	1,501,487	0	2,846,487	211.6
C03	Discontinue Program	(175,000)	0	2,671,487	198.6	(175,000)	0	2,671,487	198.6
C16	ARRA	175,000	0	2,846,487	211.6	175,000	0	2,846,487	211.6

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	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>
C01	Existing Program	1,501,487	0	2,846,487	211.6	1,501,487	0	2,846,487	211.6
C03	Discontinue Program	(175,000)	0	2,671,487	198.6	(175,000)	0	2,671,487	198.6
C16	ARRA	175,000	0	2,846,487	211.6	175,000	0	2,846,487	211.6

### Justification

C01	The Agency is requesting funded appropriation in 2014 and 2015 in the amount of \$1,501,487 each year of the biennium for the Homeless Assistance Program. These are 100% Federal funds. This program provides Federal funds for homeless shelters and can also be used to assist people to regain stability in permanent housing after experiencing a housing crisis and/or homelessness.
C03	The Agency requests the discontinuation of Federal appropriation for American Recovery and Reinvestment Act (ARRA) Funds used for the Homelessness Prevention and Rapid Re-Housing Program. These funds expire in State Fiscal Year 2013.
C16	This request was approved in the 2013 Budget for American Recovery and Reinvestment Act (ARRA) funding provided to support the Homelessness Prevention and Rapid Re-Housing Program (HPRP) through August 6, 2012.

## **Analysis of Budget Request**

**Appropriation:** 59H - Hunger Coalition

**Funding Sources:** DCO - County Operations Account

This appropriation was originally authorized by Act 1385 of 2009. 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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	995,113	995,113	995,113	995,113	995,113	995,113	995,113	995,113	995,113
Total		995,113	995,113	995,113	995,113	995,113	995,113	995,113	995,113	995,113
<b>Funding Sources</b>										
General Revenue	4000010	995,113	995,113		995,113	995,113	995,113	995,113	995,113	995,113
Total Funding		995,113	995,113		995,113	995,113	995,113	995,113	995,113	995,113
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		995,113	995,113		995,113	995,113	995,113	995,113	995,113	995,113



## **Analysis of Budget Request**

**Appropriation:** 642 - DHS Medicaid Expansion Program

**Funding Sources:** PTA - Medicaid Expansion Program Account

This appropriation is for the additional administrative costs to the Division of County Operations associated with the Medicaid Expansion Programs established by Initiated Act 1 of 2000. The expanded Medicaid programs are as follows:

1. Expansion of Medicaid coverage and benefits to pregnant women with incomes up to 200 percent of the Federal Poverty Level (approved for implementation November 1, 2001);
2. Expansion of inpatient and outpatient hospital reimbursements and benefits to adults age 19 to 64 to reduce coinsurance payment from 22 percent to 10 percent of the cost of the first Medicaid covered day of each admission and cover additional medically necessary days in the hospital from 20 days up to 24 allowed days per State Fiscal Year (approved for implementation November 1, 2001);
3. Expansion of non-institutional coverage and benefits to adults aged 65 and over. Referred to as ARSeniors, this program extends full Medicaid benefits to adults age 65 and over who have been identified as Qualified Medicare Beneficiaries (QMB) and meet specific income limits (approved for implementation October 1, 2002). The Alternatives Plus (A+) Program is an extension of the non-institutional coverage by facilitating the transition of low care Medicaid enrollees age 65 and older from nursing facilities, to home and community based services (implemented in August 2011); 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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level and total request for this appropriation is \$2,844,711 in FY2014 and \$2,846,314 in FY2015 with 60 budgeted Base Level positions.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 642 - DHS Medicaid Expansion Program  
**Funding Sources:** PTA - Medicaid Expansion Program Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,103,687	1,788,334	1,779,730	1,788,434	1,788,434	1,788,434	1,789,734	1,789,734	1,789,734
<b>#Positions</b>		<b>46</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>
Personal Services Matching	5010003	515,568	696,060	656,361	710,482	710,482	710,482	710,785	710,785	710,785
Operating Expenses	5020002	40,701	295,795	195,795	295,795	295,795	295,795	295,795	295,795	295,795
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	100,000	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
Data Processing Services	5900044	298	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total</b>		<b>1,660,254</b>	<b>2,830,189</b>	<b>2,781,886</b>	<b>2,844,711</b>	<b>2,844,711</b>	<b>2,844,711</b>	<b>2,846,314</b>	<b>2,846,314</b>	<b>2,846,314</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	830,127	1,415,095		1,422,356	1,422,356	1,422,356	1,423,157	1,423,157	1,423,157
Tobacco Settlement	4000495	830,127	1,415,094		1,422,355	1,422,355	1,422,355	1,423,157	1,423,157	1,423,157
<b>Total Funding</b>		<b>1,660,254</b>	<b>2,830,189</b>		<b>2,844,711</b>	<b>2,844,711</b>	<b>2,844,711</b>	<b>2,846,314</b>	<b>2,846,314</b>	<b>2,846,314</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>1,660,254</b>	<b>2,830,189</b>		<b>2,844,711</b>	<b>2,844,711</b>	<b>2,844,711</b>	<b>2,846,314</b>	<b>2,846,314</b>	<b>2,846,314</b>

Tobacco Settlement Funds do not carry forward into the new biennium unless criteria is met as prescribed in Initiated Act 1 of 2000.  
 FY13 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2011-2013 Biennium.  
 Budget exceeds Authorized Appropriation in Operating Expenses by authority of Transfers of Appropriations pursuant to section 10 of Act 52 of 2012.

## **Analysis of Budget Request**

**Appropriation:** 896 - DHS–Admin Paying Account

**Funding Sources:** PWP - Administration Paying

The Division of County Operations was established originally in Act 348 of 1985 in the reorganization of the Department of Human Services under the title of Program Operations. Act 164 of 1995 amended Arkansas Code Annotated §25-10-102 and created the Division of Medical Services, renamed 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 seventy-five (75) counties, and the Access Arkansas Processing Center (AAPC) that was opened in Batesville in June 2011. The Division of County Operations processes approximately 72,000 applications, 20,000 Medicaid re-evaluations, and 19,000 Annual/Semi-Annual SNAP reviews each month. The AAPC is processing approximately 30% to 35% of these case actions so the County Offices can focus on the more difficult cases. Many of these applications are being filed online through the Access Arkansas portal, <https://access.arkansas.gov/Welcome.aspx>. The AAPC in Batesville is responsible for processing all Medicaid re-evaluations involving Medicare Savings Categories including any related SNAP case, Medicare Savings Applications filed online, Low Income Subsidy (LIS) applications received from Social Security, and Medicaid applications filed online that do not have a related SNAP case.

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 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 through 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 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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$119,278,172 in FY2014 and \$119,351,099 in FY2015 with 1,812 budgeted Base Level positions.

The Agency Change Level request for this appropriation is \$4,658,007 in FY2014 and \$4,502,525 in FY2015, which includes general revenue requests of \$843,875 in FY2014 and \$824,875 in FY2015. The general revenue request consists of the following components:

- \$574,375 in FY2014 and \$555,375 in FY2015 in new general revenue for replacement of the eligibility and enrollment system for the supplemental nutrition assistance program (SNAP);
- \$245,000 each year of the biennium in new general revenue to replace computer equipment; and
- \$24,500 each year of the biennium in new general revenue for the purchase of the computer software licenses.

The following delineates the agency 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.
- Discontinue six (6) American Recovery and Reinvestment Act (ARRA) positions each year of the biennium and the associated salary and matching appropriation.
- Reclassification on nine (9) positions due to the difficulty in filling the information technology positions that are used in DCO information system unit.
- \$150,000 each year of the biennium 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.
- \$64,060 in FY2014 and \$65,818 in FY2015 for the Professional Fees line item to address increases in contracted services for the supplemental nutrition assistance program (SNAP).

- \$122,400 in FY2014 and \$2,400 in FY2015 for the Capital Outlay line item. This includes increases for replacing one (1) existing vehicles each year of the biennium. Only appropriation for the cost of the sales tax is being requested each year. Also, included in FY2014 is appropriation requested to replace a refrigerated truck for the commodity distribution unit.
- \$1,698,750 in FY2014 and \$1,660,750 in FY2015 for the Data Processing Services line item for replacement of the eligibility and enrollment system for the supplemental nutrition assistance program (SNAP), computer equipment and software licenses.

The Executive Recommendation provides for the Agency Request with the exception of the reclassifications, and no new general revenue. The Capital Outlay 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--Admin Paying Account

**Funding Sources:** PWP - Administration Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	63,231,980	59,928,558	66,162,827	60,403,679	62,255,844	62,255,844	60,462,479	62,315,244	62,315,244
<b>#Positions</b>		<b>1,882</b>	<b>1,818</b>	<b>1,882</b>	<b>1,812</b>	<b>1,881</b>	<b>1,881</b>	<b>1,812</b>	<b>1,881</b>	<b>1,881</b>
Extra Help	5010001	303,112	234,052	234,052	234,052	234,052	234,052	234,052	234,052	234,052
<b>#Extra Help</b>		<b>27</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	21,758,586	22,422,684	22,665,088	22,967,407	23,738,039	23,736,970	22,981,534	23,752,326	23,751,235
Overtime	5010006	240	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	20,735,889	22,971,923	22,818,816	22,971,923	23,121,923	23,121,923	22,971,923	23,121,923	23,121,923
Conference & Travel Expenses	5050009	111,370	178,831	178,831	178,831	178,831	178,831	178,831	178,831	178,831
Professional Fees	5060010	8,122,364	6,086,147	9,906,249	6,086,147	6,150,207	6,150,207	6,086,147	6,151,965	6,151,965
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,742,760	1,800	1,800	0	122,400	122,400	0	2,400	2,400
Data Processing Services	5900044	4,509,888	6,411,133	4,981,064	6,411,133	8,109,883	8,109,883	6,411,133	8,071,883	8,071,883
ARRA of 2009	5900052	1,451,263	1,157,550	51,702	0	0	0	0	0	0
<b>Total</b>		<b>121,967,452</b>	<b>119,417,678</b>	<b>127,025,429</b>	<b>119,278,172</b>	<b>123,936,179</b>	<b>123,935,110</b>	<b>119,351,099</b>	<b>123,853,624</b>	<b>123,852,533</b>

Funding Sources										
General Revenue	4000010	46,895,622	46,195,915		47,278,022	48,121,897	47,278,022	47,301,209	48,126,084	47,301,209
Federal Revenue	4000020	64,898,667	58,823,326		59,606,208	60,647,543	59,792,668	59,649,869	60,553,962	59,718,087
Merit Adjustment Fund	4000055	1,410,719	895,789		0	0	0	0	0	0
Federal Funds-ARRA	4000244	1,451,263	1,157,550		0	0	0	0	0	0
Various Program Support	4000730	7,311,181	12,345,098		12,393,942	12,393,942	12,393,942	12,400,021	12,400,021	12,400,021
<b>Total Funding</b>		<b>121,967,452</b>	<b>119,417,678</b>		<b>119,278,172</b>	<b>121,163,382</b>	<b>119,464,632</b>	<b>119,351,099</b>	<b>121,080,067</b>	<b>119,419,317</b>
Excess Appropriation/(Funding)		0	0		0	2,772,797	4,470,478	0	2,773,557	4,433,216
<b>Grand Total</b>		<b>121,967,452</b>	<b>119,417,678</b>		<b>119,278,172</b>	<b>123,936,179</b>	<b>123,935,110</b>	<b>119,351,099</b>	<b>123,853,624</b>	<b>123,852,533</b>

Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

Budget exceeds Authorized Appropriation in ARRA line item due to a transfer from the Miscellaneous Federal Grant Holding Account.

ARRA of 2009 appropriation and/or positions have been removed from Base Level and are not requested for the 2013 – 2015 Biennium.

## Change Level by Appropriation

**Appropriation:** 896 - DHS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	119,278,172	1,812	119,278,172	100.0	119,351,099	1,812	119,351,099	100.0
C01	Existing Program	186,460	0	119,464,632	100.2	68,218	0	119,419,317	100.1
C03	Discontinue Program	(1,344,498)	(6)	118,120,134	99.0	(1,344,498)	(6)	118,074,819	98.9
C05	Unfunded Appropriation	2,771,728	69	120,891,862	101.4	2,772,466	69	120,847,285	101.3
C08	Technology	1,698,750	0	122,590,612	102.8	1,660,750	0	122,508,035	102.6
C10	Reclass	1,069	0	122,591,681	102.8	1,091	0	122,509,126	102.6
C16	ARRA	1,344,498	6	123,936,179	103.9	1,344,498	6	123,853,624	103.8

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	119,278,172	1,812	119,278,172	100.0	119,351,099	1,812	119,351,099	100.0
C01	Existing Program	186,460	0	119,464,632	100.2	68,218	0	119,419,317	100.1
C03	Discontinue Program	(1,344,498)	(6)	118,120,134	99.0	(1,344,498)	(6)	118,074,819	98.9
C05	Unfunded Appropriation	2,771,728	69	120,891,862	101.4	2,772,466	69	120,847,285	101.3
C08	Technology	1,698,750	0	122,590,612	102.8	1,660,750	0	122,508,035	102.6
C10	Reclass	0	0	122,590,612	102.8	0	0	122,508,035	102.6
C16	ARRA	1,344,498	6	123,935,110	103.9	1,344,498	6	123,852,533	103.8

### Justification

C01	The Agency requests federally funded appropriation of \$64,060 in 2014 and \$65,818 in 2015 for increased costs associated with contracts for client services in 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 Commodity Distribution Unit is requesting federally funded appropriation in the amount of \$120,000 in 2014 to pay for the cost of replacing a refrigerated truck that is used to deliver frozen foods to local school districts, food banks and non-profit agencies. Use of the refrigerated truck has increased dramatically and it is increasingly in need of costly repairs. This truck is also used to deliver food to communities in the event of a disaster. This cost will be paid for with 100% Federal funds. The Office of Community Services is also requesting federally funded appropriation of \$2,400 in 2014 and \$2,400 in 2015 to pay for the sales tax associated with the replacement of two vehicles (one each year of the biennium). DFA provides the appropriation for the vehicles purchase. These costs are paid for with 100% Federal funds.
C03	The Agency requests the discontinuation of Federal appropriation for American Recovery and Reinvestment Act (ARRA) Funds used for administrative costs. These funds expire in State Fiscal Year 2013.
C05	The Agency requests unfunded appropriation for the restoration of 69 positions left unbudgeted in State Fiscal Year 2013 due to insufficient funding. These positions are used 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, 2013. Restoration of these positions allows the division to more efficiently manage vacancies and reduce delays in customer services by operating in a continuous hiring/training mode. The Agency also requests unfunded appropriation of \$150,000 in 2014 and 2015 for the storage and distribution of food to food banks and non-profit agencies.



## Change Level by Appropriation

<b>Justification</b>	
C08	The Division of County Operations requests State General Revenue (SGR) of \$574,375 in 2014 and \$555,375 in 2015 for increases related to the replacement of the current system used to establish eligibility for 1.3 million Arkansans that receive public assistance benefits. The current system is outdated and inefficient, which makes it costly to run and labor intensive to change. The replacement of the current system will allow the Agency to handle growing caseloads and workloads by using new technologies including off-the-shelf software products and data matches from other agencies to automatically populate and verify information used to determine eligibility. The total appropriation request is \$1,148,750 in 2014 and \$1,110,750 in 2015. The Agency also requests State General Revenue of \$269,500 in 2014 and \$269,500 in 2015 to pay for the cost of replacing aging computer equipment and the purchase of the associated software licenses. As the computer equipment ages, it cannot be supported by our network and the staff will be without IT equipment. The use of current computer equipment that can process high volume work is critical to the timely and accurate provision of services. The total appropriation request is \$550,000 in 2014 and \$550,000 in 2015. The total SGR request for these two IT initiatives is \$843,875 in 2014 and \$824,875 in 2015. The total appropriation request is \$1,698,750 in 2014 and \$1,660,750 in 2015. This request is on page(s) 32, 33 and 38 of the Agency's IT Plan for 2014 and 2015.
C10	The Division is requesting revised job titles for five (5) Computer Support Technician positions and four (4) Information Systems Coordination Specialist positions being used in the DCO Information Systems Unit.
C16	This request was approved for the 2013 Budget through a Miscellaneous Federal Grant funded with the American Recovery and Reinvestment Act (ARRA) funds for the Homelessness Prevention and Rapid Re-Housing Program (HPRP) and the Weatherization Assistance Program. The funding expires in State Fiscal Year 2013.

## **Analysis of Budget Request**

**Appropriation:** 897 - DHS-Grants Paying Account

**Funding Sources:** PWD - Grants Paying

With the enactment of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and the Arkansas Personal Responsibility and Public Assistance Reform Act of 1997, open-ended entitlement for Aid to Families with Dependent Children (AFDC) was replaced with federal block grant funding to states. The Arkansas program is entitled Transitional Employment Assistance (TEA). The Arkansas 81<sup>st</sup> General Assembly passed Act 1058 of 1997 declaring 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 ongoing 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 70% 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 Section 9 of Act 952 of 2011 for FY2012 and Section 9 of Act 278 of 2012 for FY2013. 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 \$18,477,000 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-Grants Paying Account

**Funding Sources:** PWD - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
TANF Block Grant	5100004	17,035,388	18,477,000	24,565,650	18,477,000	22,117,650	22,117,650	18,477,000	22,117,650	22,117,650
Total		17,035,388	18,477,000	24,565,650	18,477,000	22,117,650	22,117,650	18,477,000	22,117,650	22,117,650
<b>Funding Sources</b>										
Federal Revenue	4000020	16,201,468	18,477,000		18,477,000	18,477,000	18,477,000	18,477,000	18,477,000	18,477,000
Transfer From DWS	4000527	800,000	0		0	0	0	0	0	0
Various Program Support	4000730	33,920	0		0	0	0	0	0	0
Total Funding		17,035,388	18,477,000		18,477,000	18,477,000	18,477,000	18,477,000	18,477,000	18,477,000
Excess Appropriation/(Funding)		0	0		0	3,640,650	3,640,650	0	3,640,650	3,640,650
Grand Total		17,035,388	18,477,000		18,477,000	22,117,650	22,117,650	18,477,000	22,117,650	22,117,650

## Change Level by Appropriation

**Appropriation:** 897 - DHS-Grants Paying Account  
**Funding Sources:** PWD - Grants Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>18,477,000</b>	<b>0</b>	<b>18,477,000</b>	<b>100.0</b>	<b>18,477,000</b>	<b>0</b>	<b>18,477,000</b>	<b>100.0</b>
C05	Unfunded Appropriation	3,640,650	0	22,117,650	119.7	3,640,650	0	22,117,650	119.7

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>18,477,000</b>	<b>0</b>	<b>18,477,000</b>	<b>100.0</b>	<b>18,477,000</b>	<b>0</b>	<b>18,477,000</b>	<b>100.0</b>
C05	Unfunded Appropriation	3,640,650	0	22,117,650	119.7	3,640,650	0	22,117,650	119.7

### Justification

C05	The Agency requests \$3,640,650 in unfunded appropriation in SFY 2014 and \$3,640,650 in 2015 for services provided to Transitional Employment Assistance (TEA) program participants. This additional appropriation will provide for the transfer of State General Revenue funds from the Department of Workforce Services (DWS) to the Department of Human Services to pay TEA client benefits.
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## **Analysis of Budget Request**

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

The Community Services Block Grant program helps low-income persons become more independent by providing a range of services through local Community Action Agencies. The services are designed to impact the causes of poverty and assist low-income persons gain the skills necessary for employment, offer better educational and training activities to handle finances, improve housing, make use of social services available to them and become involved in community activities. Additionally, the program provides funds for involvement of low-income persons in community development activities, essential services to homeless persons and development of innovative approaches, at both the local and state level, to meet the nutritional needs of low-income persons. Eligibility is based on current OMB poverty income guidelines.

Social Services Block Grant (SSBG) funds are used to provide supportive services to help low-income children and families achieve and maintain self-sufficiency. These services include case management, employment services, nutrition, emergency assistance, and other social services to address the needs of families in crisis. SSBG funds also provide special services and supportive activities for the disabled through job placement, employment counseling, and referrals to community resources and opportunities.

Supplemental Nutrition Assistance Program (SNAP) - The Employment and Training (E & T) Program (formerly the Food Stamp Employment and Training Program) provides 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.

Supplemental Nutrition Assistance Program (SNAP) - The Farmers Market Program has been established by U.S. Department of Agriculture (USDA) to allow consumers to have access to locally grown farm fresh produce, enable farmers the opportunity to expand their customer base, and cultivate consumer loyalty with the farmers who grow the produce. In order to participate in the Electronic Benefits Transfer (EBT) Farmers Market Program, each market must be authorized by the USDA Food and Nutrition Service (FNS) to accept Supplemental Nutrition Assistance Program (SNAP) benefits. The USDA provides funds for the purchase of Point of Sale devices and monthly wireless fees so fruits and vegetables can be purchased by SNAP recipients with their Electronic Benefits Transfer card. The grants are paid with 100% Federal funds.

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, federal Social Services Block Grant (SSBG) funds, federal USDA funds 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)(ii) and §19-5-306(10)(A)(xi).

The Division is requesting to separate the SNAP component from the Community Services component creating a Supplemental Nutrition Assistance Program line item.

The Agency Base Level request for the Supplemental Nutrition Assistance Program line item is \$300,000 each year of the biennium.

The Agency Base Level and total request for the Community Services Block Grant line item is \$9,137,390 each year of the biennium.

The Agency Change Level request for the Supplemental Nutrition Assistance Program line item is \$43,235 in appropriation only each year of the biennium to allow for grants under the Farmers Market Program.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Suppl Nutrition Assist(SNAP) 5100004	194,927	300,000	300,000	300,000	343,235	343,235	300,000	343,235	343,235
Community Svcs. Block Grant 5100004	9,149,335	9,137,390	9,137,390	9,137,390	9,137,390	9,137,390	9,137,390	9,137,390	9,137,390
<b>Total</b>	<b>9,344,262</b>	<b>9,437,390</b>	<b>9,437,390</b>	<b>9,437,390</b>	<b>9,480,625</b>	<b>9,480,625</b>	<b>9,437,390</b>	<b>9,480,625</b>	<b>9,480,625</b>
<b>Funding Sources</b>									
General Revenue 4000010	100,902	153,439		153,439	153,439	153,439	153,439	153,439	153,439
Federal Revenue 4000020	9,243,360	9,283,951		9,283,951	9,327,186	9,327,186	9,283,951	9,327,186	9,327,186
<b>Total Funding</b>	<b>9,344,262</b>	<b>9,437,390</b>		<b>9,437,390</b>	<b>9,480,625</b>	<b>9,480,625</b>	<b>9,437,390</b>	<b>9,480,625</b>	<b>9,480,625</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>9,344,262</b>	<b>9,437,390</b>		<b>9,437,390</b>	<b>9,480,625</b>	<b>9,480,625</b>	<b>9,437,390</b>	<b>9,480,625</b>	<b>9,480,625</b>

The Division is requesting to separate the SNAP component from the Community Services component creating a Supplemental Nutrition Assistance Program line item.



## Change Level by Appropriation

**Appropriation:** 898 - DHS-Grants Paying Account  
**Funding Sources:** PWE - Grants Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	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>
C01	Existing Program	43,235	0	9,480,625	100.5	43,235	0	9,480,625	100.5

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	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>
C01	Existing Program	43,235	0	9,480,625	100.5	43,235	0	9,480,625	100.5

### Justification

C01	The Agency is requesting federally funded appropriation of \$43,235 in 2014 and 2015 for the new Supplemental Nutrition Assistance Program (SNAP) Farmers' Market program. These funds will be granted to farmers markets authorized to accept benefits through the Electronic Benefits Transfer process. The funds pay for the purchase of Point of Sale devices and monthly wireless fees so SNAP recipients can purchase fresh fruits and vegetables. The grants are paid with 100% Federal funds.
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## **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 and/or recipient agency, 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 and total request for this appropriation is \$175,000 each year of the biennium.

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

## Appropriation Summary

**Appropriation:** 930 - Cty-Commodity Distrib & Salvage Container

**Funding Sources:** NHS - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	7,669	165,510	264,596	165,510	165,510	165,510	165,510	165,510	165,510
Conference & Travel Expenses	5050009	6,429	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	17,675	0	0	0	0	0	0	0	0
<b>Total</b>		<b>31,773</b>	<b>175,000</b>	<b>274,086</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>
<b>Funding Sources</b>										
Cash Fund	4000045	31,773	175,000		175,000	175,000	175,000	175,000	175,000	175,000
<b>Total Funding</b>		<b>31,773</b>	<b>175,000</b>		<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>31,773</b>	<b>175,000</b>		<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>

# DHS - Developmental Disabilities Services

## **Enabling Laws**

Act 219 of 2012  
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.

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.

### **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.

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.

Risk Assessment is responsible for the development, maintenance, revision and monitoring of the divisions risk assessment plan in accordance with established rules and regulations; and serves as the divisions' liaison with the department level risk assessment coordination unit.

## **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 five (5) programs: Part C Early Intervention; Part B Early Childhood; 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 of IDEA- Early Intervention (E.I.) was originally enacted by Congress in 1975 to ensure that children with disabilities have the opportunity to receive a free appropriate public education. The most recent amendments were passed by Congress in December 2004, with Part C final regulations published in September 2011. DDS serves as the Lead Agency in the Department of Human Services for Part C Early Intervention. The EI program serves infants and toddlers, birth to three years of age, with a developmental delay. The Lead Agency assures access to appropriate services. 12 Program Coordinators provide coordination activities for eligible children and families throughout the state.

Part B Early Childhood is responsible for monitoring compliance with federal and contractual regulations and requirements relative to education and related services for children 3 to 5. 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 4,143 individuals served at any given time with approximately 4,000 unduplicated persons served on a fiscal year basis. Within the 4,143 capitation, there are 95 Human Development Center/Arkansas State Hospital (HDC/ACS) and 60 Division of Children and Family Services (DCFS) reserved capacity.

This Section is organized into four (4) Units: Administration, Waiver Applications/Technical Support inclusive of staff and programmatic training, Waiver Program/Technical Support and Policy and Procedure/Technical Support specifically in the areas of information technology and reporting. All Units provide technical assistance and support to individuals, families, providers and other persons as requested or needed.

The Administration Unit is responsible to oversee all Section operations and activities, assure business functions, serve as the final DDS appeals body for all Waiver issues and coordinate and assure effective cross Sectional and Divisional communications.

The Applications Unit has primary responsibility 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. Training development needs are met across all Unit levels.

The Program Unit has primary responsibility to implement and coordinate 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 are exercised. It is responsible for tracking, trending, discovery and remediation of the Division of Medical Services audit outcomes.

The Policy/Procedure Unit has primary responsibility 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 includes the intake, outreach, eligibility, and regulatory units for DDS. The Quality Assurance section also participates in various quality improvement activities, such as the state's Payment Improvement initiative and DD Assessment Project.

The DDS Certification and Licensure Unit perform licensure and certification of DDS Providers-licensure of Center-based Services and certification of Waiver Providers who serve individuals with developmental disabilities. Staff conducts monitoring activities for Developmental Day Treatment Clinic Services (DDTCS) and ACS Waiver. The unit also conducts interviews with persons served by the ACS Waiver and Intermediate Care Facilities for Persons with Intellectual and Developmental Disabilities, using the National Core Indicators (NCI) survey tool, to determine satisfaction with their services.

The DDS Adult Intake and Referral unit in QA is responsible for intake and referral for all adults seeking DDS services and assists individuals and families with respite and other service needs. The QA Medicaid Income Eligibility Unit reviews thousands of files for financial eligibility each year.

Units in QA also include psychological eligibility determination. Foster Grandparents program, Ombudsman program, investigation of service concerns, incident reporting, policy development, and technical assistance for provider organizations.

## **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 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 four (534), 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.

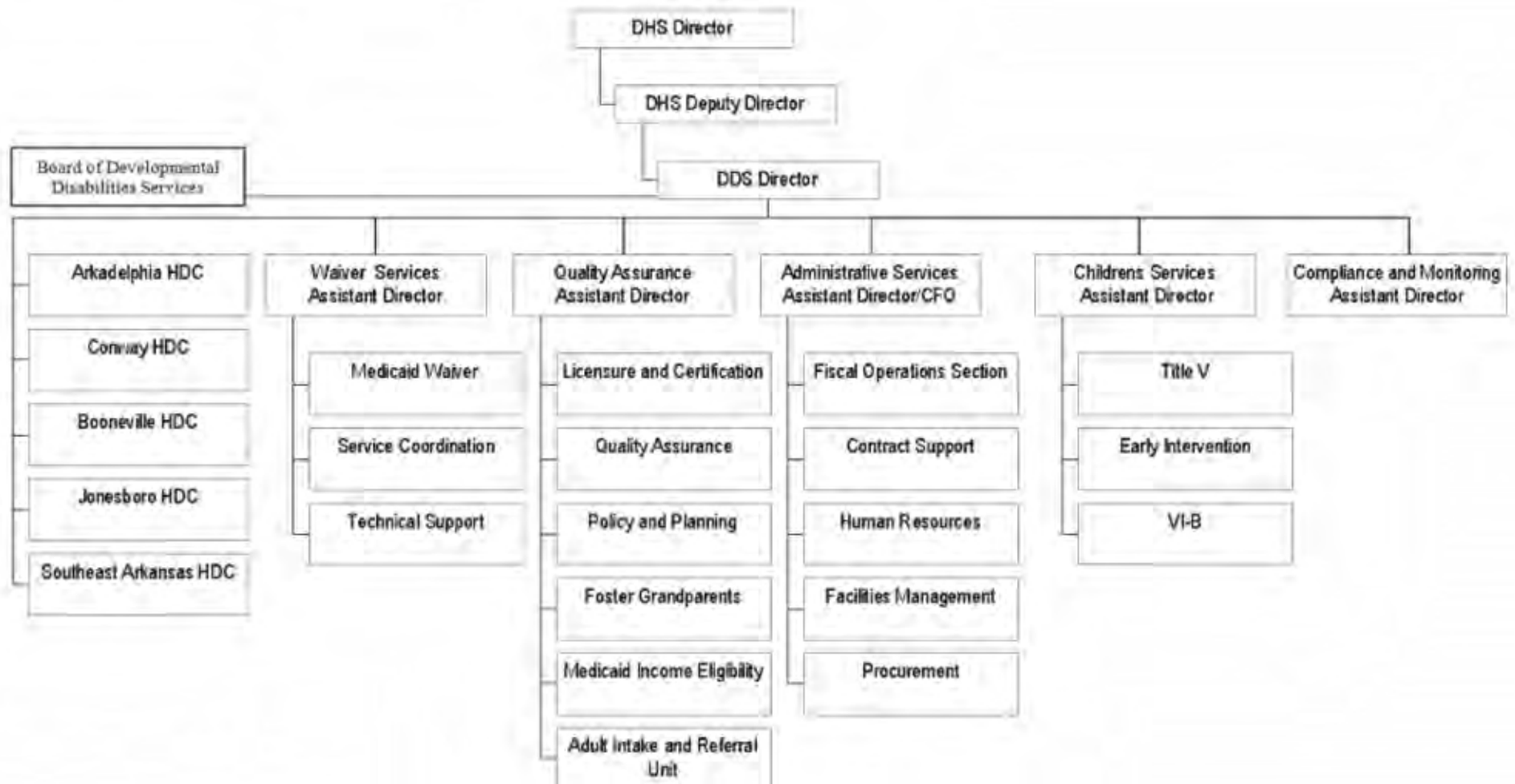
### **BOONEVILLE HUMAN DEVELOPMENT CENTER**

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

Southeast Arkansas Human Development Center (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.



## **Agency Commentary**

The Division of Developmental Disabilities Services (DDS) is submitting a change level request for both years of the 2013-2015 biennium.

Unfunded appropriation is requested in the Regular Salaries and Personal Services Matching line items and the restoration of 258 positions. These positions 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 the HDC residents and services recipients residing in the community.

Transfer one (1) position, as well as unfunded appropriation in Regular Salaries and Personal Services Matching to the Division of Childcare and Early Childhood Education.

Transfer one (1) position, as well as unfunded appropriation in Regular Salaries and Personal Services Matching to the Division of Behavioral Health Services.

The Division requests the reclassification of two (2) positions to more clearly align the job title with the related job duties and to make the position equitable with others performing the same functions.

Funded appropriation is requested in Operating Expenses to address the statewide crisis intervention needs through the use of specialized supports.

Funded appropriation is requested in Capital Outlay to permit the replacement of equipment not cost effective to repair at the HDC's.

Unfunded appropriation is requested to provide for the increased costs associated with ongoing Operating Expenses; Overtime due to nursing and direct care coverage needs; Extra Help to insure coverage due to turnover and hard to fill positions; Professional Fees for processing of required provider fees for intermediate care facilities for individuals with developmental disabilities; and Purchase of Services for the delivery of services by the federally funded Early Intervention Program.

Funding only, is requested to cover the loss of the Title XIX match rate funding in both years of the biennium. The federal match rate is adjusted annually on October 1. As a result of the decrease in the federal rate, additional General Revenue is required to replace the loss of the federal funds.

Unfunded appropriation requested to allow for an increase in federal grant funds received for Children's Medical Services.

Unfunded appropriation is requested for the Foster Grandparents Stipends line to support the federally funded Foster Grandparent program.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

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

### State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

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		
None	N/A	N	N	0	N/A

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
147 Special Olympics	159,036	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0
397 Children's Medical Services	1,717,524	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	1,060,435	0	1,144,083	0	1,446,205	0	1,144,083	0	1,446,205	0	1,446,205	0	1,144,083	0	1,446,205	0	1,446,205	0
59J Autism Treat/Coord	1,130,064	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	1,492,500	0	1,492,500	0
653 DDS-State Operations	5,932,279	0	7,087,642	0	7,099,242	0	7,087,642	0	7,099,242	0	7,099,242	0	7,087,642	0	7,099,242	0	7,099,242	0
657 Community Programs	28,740	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	15,755,504	0	15,892,045	0	18,590,045	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 Svcs	132,313,334	2,648	133,208,669	2,455	157,484,805	2,725	134,007,895	2,455	155,374,654	2,711	155,374,654	2,711	134,095,112	2,455	156,471,318	2,711	156,471,318	2,711
982 Inter-Divisional Programs	53,620	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0
<b>NOT REQUESTED FOR THE BIENNIUM</b>																		
86V Autism Treatment	0	0	20,000	0	20,000	0	20,000	0	0	0	0	0	20,000	0	0	0	0	0
<b>Total</b>	<b>158,150,536</b>	<b>2,648</b>	<b>160,911,630</b>	<b>2,455</b>	<b>188,199,488</b>	<b>2,725</b>	<b>161,710,856</b>	<b>2,455</b>	<b>183,371,337</b>	<b>2,711</b>	<b>183,371,337</b>	<b>2,711</b>	<b>161,798,073</b>	<b>2,455</b>	<b>184,468,001</b>	<b>2,711</b>	<b>184,468,001</b>	<b>2,711</b>

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	63,719,168	40.3	63,502,943	39.5	64,227,762	39.7	67,534,546	41.2	67,534,546	41.2	64,244,844	39.7	67,702,036	41.3	67,702,036	41.3	
Federal Revenue	4000020	16,648,831	10.5	22,669,161	14.1	23,223,866	14.4	23,525,988	14.3	23,525,988	14.3	23,249,774	14.4	23,551,896	14.4	23,551,896	14.4	
Special Revenue	4000030	28,740	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	
Cash Fund	4000045	0	0.0	20,000	0.0	20,000	0.0	0	0.0	0	0.0	20,000	0.0	0	0.0	0	0.0	
Merit Adjustment Fund	4000055	785,928	0.5	656,690	0.4	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Federal Funds-ARRA	4000244	200,119	0.1	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	(11,451,348)	(7.2)	(11,617,735)	(7.2)	(11,617,735)	(7.2)	(11,617,735)	(7.1)	(11,617,735)	(7.1)	(11,617,735)	(7.2)	(11,617,735)	(7.1)	(11,617,735)	(7.1)	
Various Program Support	4000730	88,219,098	55.8	85,630,571	53.2	85,806,963	53.1	84,564,742	51.5	84,564,742	51.5	85,851,190	53.1	84,324,222	51.4	84,324,222	51.4	
Total Funds		158,150,536	100.0	160,911,630	100.0	161,710,856	100.0	164,057,541	100.0	164,057,541	100.0	161,798,073	100.0	164,010,419	100.0	164,010,419	100.0	
Excess Appropriation/(Funding)		0		0		0		19,313,796		19,313,796		0		20,457,582		20,457,582		
Grand Total		158,150,536		160,911,630		161,710,856		183,371,337		183,371,337		161,798,073		184,468,001		184,468,001		

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
2,726	2402	145	2547	179	11.89 %	2,725	2448	0	2448	277	10.17 %	2,725	2438	17	2455	270	10.53 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 157 of 2012 section 16(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).

## **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	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	159,036	178,768	178,768	178,768	178,768	178,768	178,768	178,768	178,768
<b>Total</b>	<b>159,036</b>	<b>178,768</b>	<b>178,768</b>	<b>178,768</b>	<b>178,768</b>	<b>178,768</b>	<b>178,768</b>	<b>178,768</b>	<b>178,768</b>
<b>Funding Sources</b>									
General Revenue 4000010	159,036	178,768		178,768	178,768	178,768	178,768	178,768	178,768
<b>Total Funding</b>	<b>159,036</b>	<b>178,768</b>		<b>178,768</b>	<b>178,768</b>	<b>178,768</b>	<b>178,768</b>	<b>178,768</b>	<b>178,768</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>159,036</b>	<b>178,768</b>		<b>178,768</b>	<b>178,768</b>	<b>178,768</b>	<b>178,768</b>	<b>178,768</b>	<b>178,768</b>

## **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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,717,524	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		1,717,524	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	1,717,524	1,729,279		1,729,279	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279
Total Funding		1,717,524	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		1,717,524	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 \$1,144,083 in appropriation in each year of the biennium.

The Agency Change Level request for this appropriation is \$302,122 in each year of the biennium due to a possible increase in federal funding for the Children's Medical Services Program.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 408 - Children's Medical Services-Federal

**Funding Sources:** FWF - DHS Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,060,435	1,144,083	1,446,205	1,144,083	1,446,205	1,446,205	1,144,083	1,446,205	1,446,205
Total		1,060,435	1,144,083	1,446,205	1,144,083	1,446,205	1,446,205	1,144,083	1,446,205	1,446,205
<b>Funding Sources</b>										
Federal Revenue	4000020	1,060,435	1,144,083		1,144,083	1,446,205	1,446,205	1,144,083	1,446,205	1,446,205
Total Funding		1,060,435	1,144,083		1,144,083	1,446,205	1,446,205	1,144,083	1,446,205	1,446,205
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,060,435	1,144,083		1,144,083	1,446,205	1,446,205	1,144,083	1,446,205	1,446,205

## Change Level by Appropriation

**Appropriation:** 408 - Children's Medical Services-Federal  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,144,083</b>	<b>0</b>	<b>1,144,083</b>	<b>100.0</b>	<b>1,144,083</b>	<b>0</b>	<b>1,144,083</b>	<b>100.0</b>
C01	Existing Program	302,122	0	1,446,205	126.4	302,122	0	1,446,205	126.4

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,144,083</b>	<b>0</b>	<b>1,144,083</b>	<b>100.0</b>	<b>1,144,083</b>	<b>0</b>	<b>1,144,083</b>	<b>100.0</b>
C01	Existing Program	302,122	0	1,446,205	126.4	302,122	0	1,446,205	126.4

### Justification

C01	Appropriation for possible federal grants and aid.
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## **Analysis of Budget Request**

**Appropriation:** 59J - Autism Treat/Coord

**Funding Sources:** DEA - Developmental Disabilities Services Fund Account

An 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 Account).

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,130,064	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500
Total		1,130,064	1,492,500	1,492,500	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	1,130,064	1,492,500		1,492,500	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500
Total Funding		1,130,064	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		1,130,064	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	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Community Programs 5900046	28,740	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	28,740	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Funding Sources</b>									
Special Revenue 4000030	28,740	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding	28,740	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	28,740	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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	15,755,504	15,892,045	18,590,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045
Total		15,755,504	15,892,045	18,590,045	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	15,755,504	15,892,045		15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045
Total Funding		15,755,504	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		15,755,504	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–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 five (5) 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.

Funding for this appropriation consists of general revenue (DEA - Developmental Disabilities Services Fund Account), federal revenue and other revenue. 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 can also include sources such as Target Case Management funding, client fees and Special Education Fund.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted

employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

**Base Level:**

896 DHS - Administrative Paying Account

The Agency Base Level request for this appropriation is \$134,007,895 in FY2014 and \$134,095,112 in FY2015 with 2,455 budgeted base level positions.

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 \$268,400 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 \$21,366,759 in FY2014 and \$21,376,206 in FY2015, with general revenue request of \$3,306,784 in FY2014 and \$3,457,191 in FY2015. The general revenue consists of the following components:

- \$835,132 each year of the biennium in new general revenue for a new program that will create a regionalized infrastructure by developing non-profit cooperatives of waiver providers.
- \$119,118 in FY2014 and \$80,094 in FY2015 in new general revenue to replace medical and transport equipment for resident care.
- \$2,352,534 in FY2014 and \$2,541,966 in FY2015 in new general revenue funds to offset the decrease in the FMAP funding which would result in reduced capacity to provide medical, rehabilitative, vocational and support services for the Human Development Center (HDC) residents.

The following delineates the agency's request:

- Restoration request of 258 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 the HDC residents and services recipients residing in the community.
- Reclassification request of two (2) positions to more clearly align the job title with the related job duties and to be equitable with others performing the same functions.

- Transfer one (1) position and associated salary and matching appropriation to the Division of Behavioral Health Services as a result of restructuring the Nursing Department.
- Transfer one (1) position and associated salary and matching appropriation to the Division of Childcare and Early Childhood Education to meet the needs of the continuously growing USDA Food and Nutrition Program.
- \$462,600 in the the Extra Help line each year of the biennium to insure coverage at the HDC's due to turnover rates and hard to fill positions.
- \$1,745,629 in the Overtime line item each year of the biennium to be used to pay for nursing coverage at the Human Development Centers.
- \$7,284,521 in FY2014 and \$8,426,430 in FY2015 in the Operating Expenses line item.
  - \$1,670,263 each year is requested for a new program that will create a regionalized infrastructure by developing non-profit cooperatives of waiver providers.
  - \$5,614,258 in FY2014 and \$6,756,167 in FY2015 is requested due to an expected inflation in costs associated with care of the clients in HDC's through other expenses and services.
- \$352,982 in the Professional Fees line item in each year of the biennium for processing of required provider fees for intermediate care facilities for individuals with developmental disabilities.
- \$394,300 in FY2014 and \$259,960 in FY2015 in the Capital Outlay line item. This will be used to replace medical equipment and transport equipment for resident care.
- \$100,000 in the Data Processing Services line item in each year of the biennium to support the additional costs associated with enhanced data systems.
- \$599,302 in the Purchase of Service line item in each year of the biennium for the delivery of services by the Early Intervention Program.

#### 653 DHS - State Operations

The Agency Change Level request for the Foster Grandparents Stipend line item is \$11,600 in each biennium of to support the program in accordance with the grant award guidelines.

#### **Executive Recommendation:**

##### 896 DHS - Administrative Paying Account

The Executive Recommendation provides for the Agency request.

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

- \$835,132 each year for a new program that will create a regionalized infrastructure by developing non-profit cooperatives of waiver providers.
- \$119,118 in FY2014 and \$80,094 in FY2015 in new general revenue to replace medical and transport equipment for resident care
- \$2,352,534 in FY2014 and \$2,541,966 in FY2015 in new general revenue funds to offset the decrease in the FMAP funding which would

result in reduced capacity to provide medical, rehabilitative, vocational and support services for the Human Development Center (HDC) residents.

#### 653 DHS - State Operations

The Executive Recommendation provides for the Agency request in the Grants/Patients Services line item.

The Executive Recommendation provides for the Agency request in the Foster Grandparents Stipends line item.

The Executive Recommendation provides for the Agency request in the Children and Adolescent Services line item.

# Appropriation Summary

**Appropriation:** 896 - DHS--Admin Paying Account

**Funding Sources:** PWP - Administration Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	75,848,333	72,406,234	83,354,367	72,893,244	79,973,699	79,973,699	72,962,044	80,043,099	80,043,099
<b>#Positions</b>		<b>2,648</b>	<b>2,455</b>	<b>2,725</b>	<b>2,455</b>	<b>2,711</b>	<b>2,711</b>	<b>2,455</b>	<b>2,711</b>	<b>2,711</b>
Extra Help	5010001	1,396,722	1,426,953	1,889,645	1,426,953	1,889,553	1,889,553	1,426,953	1,889,553	1,889,553
<b>#Extra Help</b>		<b>171</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	27,630,190	28,557,281	30,858,561	29,259,497	32,606,467	32,606,467	29,277,914	32,626,162	32,626,162
Overtime	5010006	501,025	564,371	2,310,000	564,371	2,310,000	2,310,000	564,371	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	21,578,935	22,123,918	26,745,210	22,123,918	29,408,439	29,408,439	22,123,918	30,550,348	30,550,348
Conference & Travel Expenses	5050009	60,483	103,253	103,253	103,253	103,253	103,253	103,253	103,253	103,253
Professional Fees	5060010	746,760	565,165	918,147	565,165	918,147	918,147	565,165	918,147	918,147
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants/Patient Services	5100004	5,394,662	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	180,883	390,000	392,417	0	394,300	394,300	0	259,960	259,960
Foster Grandparent Stipends	5900038	288,624	268,400	280,000	268,400	280,000	280,000	268,400	280,000	280,000
Data Processing Services	5900044	318,429	450,000	719,883	450,000	550,000	550,000	450,000	550,000	550,000
Vocational Trainees	5900046	193,909	239,000	316,000	239,000	239,000	239,000	239,000	239,000	239,000
Purchase of service	5900047	3,480,163	6,355,494	9,850,322	6,355,494	6,954,796	6,954,796	6,355,494	6,954,796	6,954,796
Children & Adolescent Svcs	5900047	48,874	67,191	67,191	67,191	67,191	67,191	67,191	67,191	67,191
Grants/Patient Svcs-ARRA 2009	5900052	200,119	0	0	0	0	0	0	0	0
ARRA 2009	5900052	377,502	0	0	0	0	0	0	0	0
<b>Total</b>		<b>138,245,613</b>	<b>140,296,311</b>	<b>164,584,047</b>	<b>141,095,537</b>	<b>162,473,896</b>	<b>162,473,896</b>	<b>141,182,754</b>	<b>163,570,560</b>	<b>163,570,560</b>

Funding Sources										
General Revenue	4000010	44,903,420	44,101,707		44,826,526	48,133,310	48,133,310	44,843,608	48,300,800	48,300,800
Federal Revenue	4000020	15,588,396	21,525,078		22,079,783	22,079,783	22,079,783	22,105,691	22,105,691	22,105,691
Merit Adjustment Fund	4000055	785,928	656,690		0	0	0	0	0	0
Federal Funds-ARRA	4000244	200,119	0		0	0	0	0	0	0
Transfer to Medicaid Match	4000660	(11,451,348)	(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	88,219,098	85,630,571		85,806,963	84,564,742	84,564,742	85,851,190	84,324,222	84,324,222
<b>Total Funding</b>		<b>138,245,613</b>	<b>140,296,311</b>		<b>141,095,537</b>	<b>143,160,100</b>	<b>143,160,100</b>	<b>141,182,754</b>	<b>143,112,978</b>	<b>143,112,978</b>
Excess Appropriation/(Funding)		0	0		0	19,313,796	19,313,796	0	20,457,582	20,457,582
<b>Grand Total</b>		<b>138,245,613</b>	<b>140,296,311</b>		<b>141,095,537</b>	<b>162,473,896</b>	<b>162,473,896</b>	<b>141,182,754</b>	<b>163,570,560</b>	<b>163,570,560</b>

## Change Level by Appropriation

**Appropriation:** 896 - DHS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	134,007,895	2,455	134,007,895	100.0	134,095,112	2,455	134,095,112	100.0
C01	Existing Program	394,300	0	134,402,195	100.3	259,960	0	134,355,072	100.2
C02	New Program	1,670,263	0	136,072,458	101.5	1,670,263	0	136,025,335	101.4
C05	Unfunded Appropriation	19,384,086	258	155,456,544	116.0	20,527,873	258	156,553,208	116.7
C07	Agency Transfer	(81,890)	(2)	155,374,654	115.9	(81,890)	(2)	156,471,318	116.7
C10	Reclass	0	0	155,374,654	115.9	0	0	156,471,318	116.7

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	134,007,895	2,455	134,007,895	100.0	134,095,112	2,455	134,095,112	100.0
C01	Existing Program	394,300	0	134,402,195	100.3	259,960	0	134,355,072	100.2
C02	New Program	1,670,263	0	136,072,458	101.5	1,670,263	0	136,025,335	101.4
C05	Unfunded Appropriation	19,384,086	258	155,456,544	116.0	20,527,873	258	156,553,208	116.7
C07	Agency Transfer	(81,890)	(2)	155,374,654	115.9	(81,890)	(2)	156,471,318	116.7
C10	Reclass	0	0	155,374,654	115.9	0	0	156,471,318	116.7

### Justification

C01	Funded Capital Outlay (11) appropriation to replace worn out items and items not cost effective to repair in the Human Development Centers (HDC's).
C02	We often hear from our providers that one of the barriers to serving individuals with a dual diagnosis of mental illness as well as a developmental disability is the lack of an "infrastructure" in the DDS Home and Community Based Waiver (HCBW) program to respond to individuals who need specialized supports, especially those with behavioral health issues. The Developmental Disabilities Provider Association has proposed an effort to create a regionalized infrastructure by developing non-profit cooperatives of waiver providers. The basic concept is these cooperatives would employ/contract those individuals who will provide the specialized supports such as psychiatric, psychological, and behavior interventions. The cooperatives would be able to look at other specialized needs as well. DDS would be able to contract with the cooperatives to fund these specialized support personnel and providers will be able to bill for services rendered through consultation component of the HCBW. The concept of Specialized Services Cooperatives is similar to the Educational Cooperatives around the state that have grown into an integral part of the school districts they serve. Like the cooperatives, which have each school district's superintendent as a board member of the organization, each Arkansas Specialized Services Cooperative project will have a board of directors consisting of the Executive Directors representing each organization certified to provide ACS Waiver Services in that region. Although the initial focus of this project will be supports and services for individuals with a dual diagnosis, this model lends itself to future growth for an array of needed services. Five regions are proposed with boundaries drawn based on population of waiver recipients.
C05	Unfunded appropriation to support the restoration of 258 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) HDC's; Extra Help (01) line in order to insure coverage at the HDC's due to turnover rates and hard to fill positions; unfunded appropriation in Data Process (44) to support the additional costs associated with enhanced date systems; unfunded appropriation in Overtime (46) for nursing and direct care staff in the HDC's to insure coverage due to high turnover rates in these positions; unfunded Operating Expense (02) for the payment of the provider tax in the HDC's; unfunded appropriation in the Professional Fees line item for processing of required provider fees for intermediate care facilities; and unfunded appropriation in the Purchase of Services (47) line for the delivery of services by the federally funded Early Intervention program.
C07	Unfunded appropriation in Salary (00) and the associated match (03) to transfer one (1) position to the Division of Child Care/Early Childhood Education and one (1) position to the Division of Behavioral Health Services.
C10	Reclassification request to provide for position title change of two (2) positions to more clearly align the job title with the related job duties and to be equitable with others performing the same functions.



## Change Level by Appropriation

**Appropriation:** 653 - DDS-State Operations  
**Funding Sources:** PWP - Administrative Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,087,642</b>	<b>0</b>	<b>7,087,642</b>	<b>100.0</b>	<b>7,087,642</b>	<b>0</b>	<b>7,087,642</b>	<b>100.0</b>
C05	Unfunded Appropriation	11,600	0	7,099,242	100.2	11,600	0	7,099,242	100.2

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,087,642</b>	<b>0</b>	<b>7,087,642</b>	<b>100.0</b>	<b>7,087,642</b>	<b>0</b>	<b>7,087,642</b>	<b>100.0</b>
C05	Unfunded Appropriation	11,600	0	7,099,242	100.2	11,600	0	7,099,242	100.2

### Justification

C05	Unfunded appropriation to support this federal funded program in accordance with the grant award guidelines.
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## **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	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	53,620	108,644	108,644	108,644	108,644	108,644	108,644	108,644	108,644
<b>Total</b>	<b>53,620</b>	<b>108,644</b>	<b>108,644</b>	<b>108,644</b>	<b>108,644</b>	<b>108,644</b>	<b>108,644</b>	<b>108,644</b>	<b>108,644</b>
<b>Funding Sources</b>									
General Revenue 4000010	53,620	108,644		108,644	108,644	108,644	108,644	108,644	108,644
<b>Total Funding</b>	<b>53,620</b>	<b>108,644</b>		<b>108,644</b>	<b>108,644</b>	<b>108,644</b>	<b>108,644</b>	<b>108,644</b>	<b>108,644</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>53,620</b>	<b>108,644</b>		<b>108,644</b>	<b>108,644</b>	<b>108,644</b>	<b>108,644</b>	<b>108,644</b>	<b>108,644</b>

## **Analysis of Budget Request**

**Appropriation:** 86V - Autism Treatment

**Funding Sources:** NHS - Cash in Treasury

A.C.A. §23-99-418 (Act 196 of 2011) mandated that certain Health Benefit Plans cover treatment provided to children with Autism by Board Certified Behavior Analyst (BCBA). An ABCA is an individual certified by the nationally accredited Behavior Analyst Certification Board. Treatment includes care prescribed, provided, or ordered for a specific individual diagnosed with an autism spectrum disorder by a licensed physician or a licensed psychologist who determines the care to be medically necessary and evidence-based. Autism spectrum disorder means any of the pervasive developmental disorders as defined by the most recent edition of the "Diagnostic and Statistical Manual of Mental Disorders", including:

- Autistic disorder;
- Asperger's disorder; and
- Pervasive developmental disorder not otherwise specified

Funding for this appropriation is provided by a licensure application fee as prescribed by Section 17 of Act 219 of 2012. Expenditure of appropriation is contingent upon available funding.

THE AGENCY REQUEST TO DISCONTINUE THIS APPROPRIATION.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 86V - Autism Treatment

**Funding Sources:** NHS - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	20,000	20,000	20,000	0	0	20,000	0	0
Total	0	20,000	20,000	20,000	0	0	20,000	0	0
<b>Funding Sources</b>									
Cash Fund 4000045	0	20,000		20,000	0	0	20,000	0	0
Total Funding	0	20,000		20,000	0	0	20,000	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	20,000		20,000	0	0	20,000	0	0

APPROPRIATION NOT REQUESTED FOR THE 2013-2015 BIENNIUM

## Change Level by Appropriation

**Appropriation:** 86V - Autism Treatment  
**Funding Sources:** NHS - Cash in Treasury

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>20,000</b>	<b>0</b>	<b>20,000</b>	<b>100.0</b>	<b>20,000</b>	<b>0</b>	<b>20,000</b>	<b>100.0</b>
C03	Discontinue Program	(20,000)	0	0	0.0	(20,000)	0	0	0.0

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>20,000</b>	<b>0</b>	<b>20,000</b>	<b>100.0</b>	<b>20,000</b>	<b>0</b>	<b>20,000</b>	<b>100.0</b>
C03	Discontinue Program	(20,000)	0	0	0.0	(20,000)	0	0	0.0

### Justification

C03	This appropriation is not requested for the 2013-2015 biennium.
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# DHS - Medical Services

## Enabling Laws

Act 250 of 2012  
Act 52 of 2012  
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.

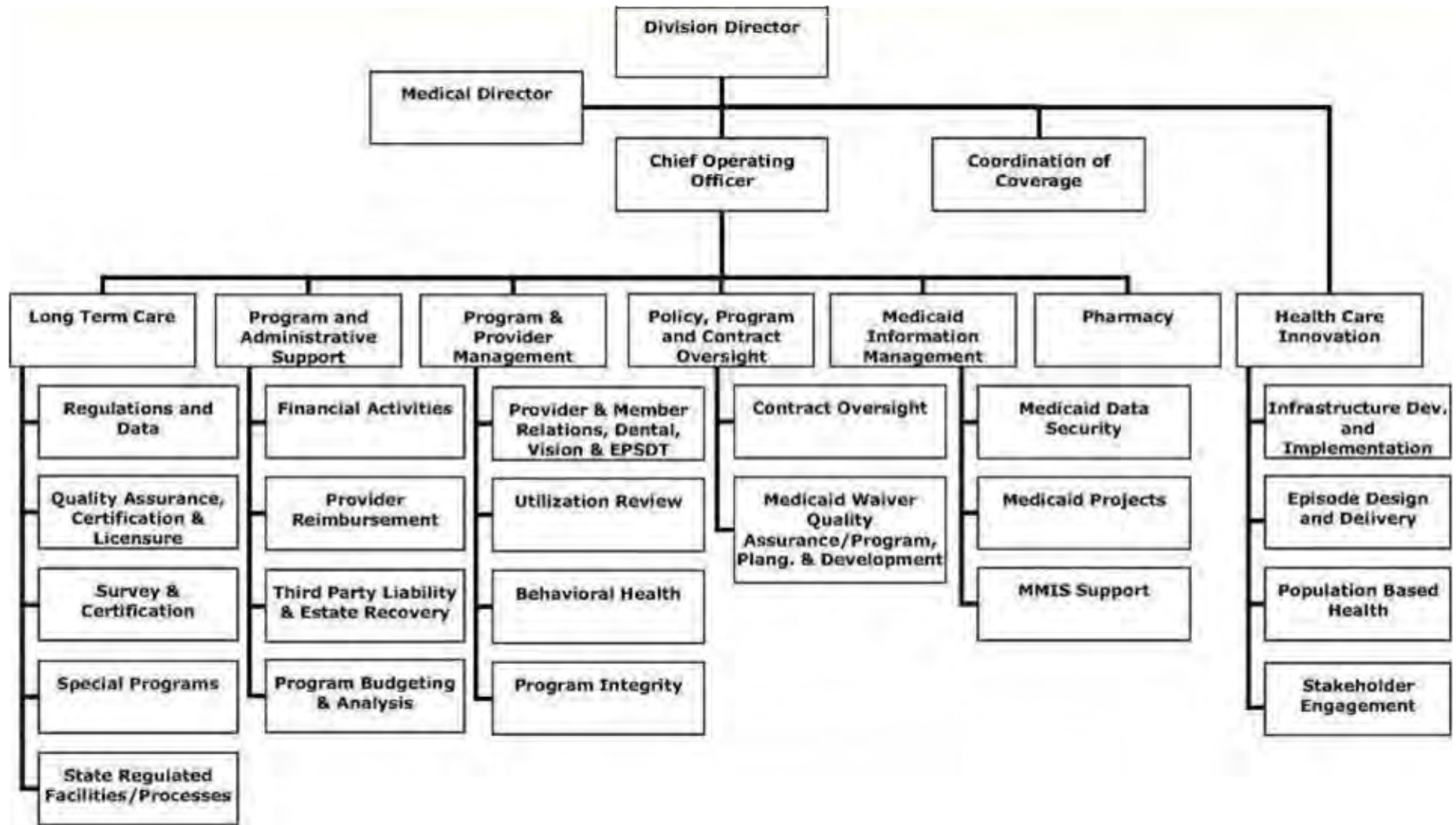
### ***Third Party Liability***

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 (OLTC).

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.

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 2011, Medicaid paid for 24,995 of the 38,135 individuals born in Arkansas, or about 66% of the total births.

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, and Assisted Living Facilities (ALF). In total, the OLTC is responsible for regulating 462 facilities, serving in excess of 22,000 disabled Arkansans daily. Regulating 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 2011, the OLTC performed 2217 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.

### **Implementation of New Laws and Current Innovations**

#### ***Patient Protection and Affordable Care Act of 2010 (ACA)***

The June 28, 2012 ruling by The Supreme Court of the United States (SCOTUS) upheld substantially all of the ACA of 2010. In a five to four decision, the SCOTUS upheld that The US Congress has the authority and power to enact the mandatory federal mandate under its taxation authority. However, in regards to Medicaid expansion in the ACA, States have the right to not expand, effectively delegating that decision to individual States. As a result, DMS has not included the impact of possible Medicaid expansion in our Biennium Budget for SFYs 2014 and 2015.

However, for reference as a high-level projection, if the State elected Medicaid expansion in accordance with the ACA it is estimated that approximately 250,000 Arkansans would qualify (having incomes equal to or less than 138% of the FPL). At an estimated cost of \$5,500 per eligible beneficiary, a full-year's cost would be approximately \$1.4 billion. That cost would be 100% federally paid for three years, and would decrease to 90% in SFY 2020. Additionally, the DMS is currently analyzing potential savings to the State that will accrue in regards to uncompensated care paid 100% by State currently that will be covered by Federal government under ACA, if Medicaid expansion is elected by State.

### ***Arkansas Payment Improvement Initiative (APII)***

Under the direction of Governor Beebe, the DHS through its DMS, along with collaboration with Blue Cross Blue Shield of Arkansas and QualChoice of Arkansas has undertaken a statewide initiative to create a more patient-centered health care system. The goals are to (1) improve the health of Arkansans; (2) enhance the patient experience of care, including quality, access and outcome; and (3) reduce, or at least control the cost of health care in Arkansas. The DMS, along with its third-party insurance partners have held statewide meetings with stakeholders for more than a year in pursuit of creating a system of achieving the initiative's goals. The DMS and its partner and stakeholders began a statewide, voluntary test of the new system July 1, 2012 for five areas of health care delivery: (1) Upper Respiratory Infection (URI); (2) Prenatal and Delivery; (3) Attention Deficit/Hyperactivity Disorder (ADHD); (4) Congestive Heart Failure (CHF); and (5) Hip/Knee Replacements. Pending approval by the Arkansas Legislature, a rollout of these initiative areas will begin October 1, 2012 (2<sup>nd</sup> quarter of SFY 2013).

The DMS will present an update to the Arkansas Legislature in July 2012. Since that update has not yet occurred, and final approval by Legislature has not been received, we have not included the impact of the initial APII projected savings in our Biennium Budget for SFYs 2014 and 2015. However, for reference as a high-level projection, if the DMS were able to reduced Arkansas Medicaid's growth rate by 1% (as an example from 6% to 5% each year) between SFY 2013 and 2020, the agency would save approximately \$2.3 billion in total cost (Federal and State). The DMS believes this is an achievable level for APII and stands ready to move aggressively in pursing system-wide payment improvement.

### ***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***

### ***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 incentive program was launched in November of 2011. As of June 2012 there has been 701 eligible professionals that have received a combined total of over 14 million dollars and eligible hospitals over 16 million. EHR payments to providers are 100% federally funded.

### ***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 (AIPP) for Nursing Homes offers extensive quality improvement assistance to Arkansas' Medicaid certified nursing homes through on-site facility consultation and training. In 2010, AIPP began efforts to encourage person-centered care in nursing homes and assisted living facilities through culture change. Through mentoring, facilities are developing and sharing practices that promote home-like environments and resident choices.

## **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.

**Request #2 - FMAP Rate Change:** This request results from a change in the Federal Medical Assistance Percentage of 70.71% in FFY 2012 to 70.17% for FFY 2013, an estimated rate of 69.67% for FFY 2014, and estimated rate of 69.17% for FFY 2015. 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 - Shortfall Other Funding:** The SFY 2012 and SFY 2013 Medicaid budget were funded using one-time money and accumulated balances, resulting from the receipt of ARRA funds over SFY 2009-2011, such as the Medicaid Trust Fund in place of additional general revenue. These one-time funds including the Medicaid Trust Fund balance will be depleted during SFY2013, therefore the amount from the base level is not available for SFY 2014 and SFY 2015.

**Request #5 - New MMIS System:** This request is a negative \$10 million in SFY 2014 and a negative \$30 million in SFY 2015 based on \$80 million being included in the SFY 2013 base level request. It is anticipated that the initial year for the replacement of the MMIS will cost \$80 million, \$70 million the second year and \$50 million the third year and through full implementation. The replacement system is required due to mandated new architecture for Medicaid Management Information System (MMIS) and the expiration of the current system contract. 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 #6 - Health Information Technology (HIT):** Health Information Technology (HIT) is a 100% federally funded initiative from Centers for Medicare and Medicaid (CMS) to encourage hospitals and eligible professional to purchase the technology necessary to implement and utilize electronic health records. There was \$37 million in the SFY 2013 base and this request reduces that to \$20 million for SFY 2014

and SFY 2015 based on the initial payments being approximately double the payment in the following years. An eligible professional can receive up to \$21,250 year 1 and \$8,500 each year for the next 5 years with a total available over the 6 year period of \$63,750. Hospitals are paid based on a separate formula.

### **ADMINISTRATIVE REQUESTS**

The Division of Medical Services' (DMS) primary responsibility is the management of the Arkansas Medicaid Program. DMS consists of seven organizational units: (1) Medical Services (2) Pharmacy (3) Office of Long-Term Care (4) Medicaid Management Information (5) Policy, Program & Contract Oversight and Performance (6) Program and Administrative Support and (7) Health Care Innovation. 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 - Transfer of Position:** The Division of Medical Services requests the transfer of one position from the Office of Chief Counsel to support DMS business operations: This position will be the primary position to focus on coordinating the data activities related to Payment Improvement as well as organizing our data methods and increasing the efficiency of our systems which will allow our data reports to be more readily available to other agencies, divisions and contractors. This position will also coordinate and prioritize data analysis request.

This transfer request is for position and appropriation. The funding for this position will be from federal and Third Party Liability collections, no General Revenue is being requested for this purpose.

**Request #2 - Restore Positions:** DMS requests restoration of six unbudgeted positions. There are many changes taking place in the Medicaid program and these position may be needed as support positions within some of the new areas necessary to meet the challenges of this biennial period. This will allow the Division the flexibility to fill these positions if they are needed.

**Request #3 - Capital Outlay:** Capital outlay is requested in the amount of \$150,000. Due to upcoming changes taking place in Medicaid, Division of Medical Services requests capital outlay for equipment that may be needed to ensure systems success and other requirements that arise. The funding for this request will be from federal and Third Party Liability collections, no General Revenue is being requested for this purpose.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

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

### State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

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		
None	N/A	N	N	0	N/A

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
4KS Nursing Home Quality	105,002	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	111,093	2	119,199	2	120,253	2	119,679	2	119,679	2	119,679	2	119,804	2	119,804	2	119,804	2
648 Medicaid Exp-Prescription Drugs	3,345,061	0	3,540,719	0	5,367,414	0	3,540,719	0	4,614,268	0	4,614,268	0	3,540,719	0	5,728,242	0	5,728,242	0
648 Medicaid Exp-Hospital & Medical Services	58,136,780	0	61,992,289	0	93,463,577	0	61,992,289	0	80,999,373	0	80,999,373	0	61,992,289	0	92,024,933	0	92,024,933	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	24,783,501	321	27,863,532	345	26,734,182	333	27,693,894	345	28,090,421	352	28,090,421	352	27,710,077	345	28,106,604	352	28,106,604	352
897 ARKIDS B Program	106,843,684	0	117,845,957	0	118,873,417	0	117,845,957	0	137,336,792	0	137,336,792	0	117,845,957	0	148,436,682	0	148,436,682	0
897 Hospital & Medical Services	3,257,949,369	0	3,548,904,663	0	3,818,425,306	0	3,548,904,663	0	3,905,842,951	0	3,905,842,951	0	3,548,904,663	0	4,151,397,953	0	4,151,397,953	0
897 Prescription Drugs	329,549,732	0	342,956,289	0	385,275,742	0	342,956,289	0	373,142,423	0	373,142,423	0	342,956,289	0	385,783,553	0	385,783,553	0
897 Private Nursing Home Care	617,966,576	0	643,040,844	0	670,810,091	0	643,040,844	0	687,787,762	0	687,787,762	0	643,040,844	0	716,865,047	0	716,865,047	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	22,969,119	0	23,989,472	0	26,100,584	0	23,989,472	0	26,733,146	0	26,733,146	0	23,989,472	0	27,555,873	0	27,555,873	0
898 Public Nursing Home Care	193,232,171	0	193,374,258	0	235,116,182	0	193,374,258	0	212,598,210	0	212,598,210	0	193,374,258	0	223,528,121	0	223,528,121	0
<b>Total</b>	<b>4,614,992,088</b>	<b>323</b>	<b>4,967,377,222</b>	<b>347</b>	<b>5,384,036,748</b>	<b>335</b>	<b>4,967,208,064</b>	<b>347</b>	<b>5,461,015,025</b>	<b>354</b>	<b>5,461,015,025</b>	<b>354</b>	<b>4,967,224,372</b>	<b>347</b>	<b>5,783,296,812</b>	<b>354</b>	<b>5,783,296,812</b>	<b>354</b>

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	699,301,670	15.2	802,767,023	16.2	802,842,596	16.2	1,161,074,707	22.2	892,842,596	19.5	802,844,863	16.2	1,270,025,606	22.9	1,024,844,863	20.6	
Federal Revenue	4000020	3,255,426,397	70.5	3,486,826,453	70.2	3,486,696,498	70.2	3,648,280,400	69.6	3,183,875,107	69.5	3,486,707,876	70.2	3,828,121,952	69.1	3,427,236,662	69.0	
Trust Fund	4000050	127,207,197	2.8	274,571,357	5.5	274,571,357	5.5	48,550,000	0.9	48,550,000	1.1	274,571,357	5.5	48,550,000	0.9	48,550,000	1.0	
Merit Adjustment Fund	4000055	0	0.0	93,941	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Drug Rebates	4000200	37,212,805	0.8	35,130,368	0.7	35,130,368	0.7	36,184,279	0.7	36,184,279	0.8	35,130,368	0.7	37,269,807	0.7	37,269,807	0.8	
General Improvement Fund	4000265	0	0.0	0	0.0	0	0.0	0	0.0	70,000,000	1.5	0	0.0	0	0.0	70,000,000	1.4	
Hospital Assessment Fee	4000281	90,577,306	2.0	61,458,300	1.2	61,458,300	1.2	61,458,300	1.2	61,458,300	1.3	61,458,300	1.2	61,458,300	1.1	61,458,300	1.2	
ICF/MR Provider Fee	4000282	9,822,376	0.2	10,870,062	0.2	10,870,062	0.2	10,870,062	0.2	10,870,062	0.2	10,870,062	0.2	10,870,062	0.2	10,870,062	0.2	
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	72,211,066	1.6	80,288,349	1.6	80,288,349	1.6	83,540,445	1.6	83,540,445	1.8	80,288,349	1.6	86,602,589	1.6	86,602,589	1.7	
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	19,660,626	0.4	50,085,659	1.0	50,085,899	1.0	22,261,543	0.4	22,261,543	0.5	50,085,962	1.0	28,112,633	0.5	28,112,633	0.6	
Various Program Support	4000730	303,457,645	6.6	165,070,710	3.3	165,049,635	3.3	168,580,289	3.2	168,580,289	3.7	165,052,235	3.3	171,614,863	3.1	171,614,863	3.5	
<b>Total Funds</b>		<b>4,614,992,088</b>	<b>100.0</b>	<b>4,967,377,222</b>	<b>100.0</b>	<b>4,967,208,064</b>	<b>100.0</b>	<b>5,241,015,025</b>	<b>100.0</b>	<b>4,578,377,621</b>	<b>100.0</b>	<b>4,967,224,372</b>	<b>100.0</b>	<b>5,542,840,812</b>	<b>100.0</b>	<b>4,966,774,779</b>	<b>100.0</b>	
Excess Appropriation/(Funding)		0		0		0		220,000,000		882,637,404		0		240,456,000		816,522,033		
<b>Grand Total</b>		<b>4,614,992,088</b>		<b>4,967,377,222</b>		<b>4,967,208,064</b>		<b>5,461,015,025</b>		<b>5,461,015,025</b>		<b>4,967,224,372</b>		<b>5,783,296,812</b>		<b>5,783,296,812</b>		

Medical Services (896) Budget and Positions exceeds Authorized Appropriation by authority of Reallocation of Resources.

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
328	300	20	320	8	8.54 %	335	298	7	305	30	11.04 %	335	300	47	347	-12	10.45 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 157 of 2012 section 16(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).

## **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 style 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	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	105,002	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>105,002</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	105,002	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>105,002</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>105,002</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 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). The Alternatives Plus (A+) Program is an extension of the non-institutional coverage by facilitating the transition of low care Medicaid enrollees age 65 and older from nursing facilities, to home and community based services (implemented in August 2011); 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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level and total request for this appropriation is \$119,679 in FY2014 and \$119,804 in FY2015 with 2 budgeted Base Level positions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 642 - DHS Medicaid Expansion Program

**Funding Sources:** PTA - Medicaid Expansion Program Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	72,857	74,681	76,953	74,681	74,681	74,681	74,781	74,781	74,781
<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	25,559	26,700	25,327	27,180	27,180	27,180	27,205	27,205	27,205
Operating Expenses	5020002	12,342	15,818	15,973	15,818	15,818	15,818	15,818	15,818	15,818
Conference & Travel Expenses	5050009	335	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>111,093</b>	<b>119,199</b>	<b>120,253</b>	<b>119,679</b>	<b>119,679</b>	<b>119,679</b>	<b>119,804</b>	<b>119,804</b>	<b>119,804</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	55,547	59,600		59,840	59,840	59,840	59,902	59,902	59,902
Tobacco Settlement	4000495	55,546	59,599		59,839	59,839	59,839	59,902	59,902	59,902
<b>Total Funding</b>		<b>111,093</b>	<b>119,199</b>		<b>119,679</b>	<b>119,679</b>	<b>119,679</b>	<b>119,804</b>	<b>119,804</b>	<b>119,804</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>111,093</b>	<b>119,199</b>		<b>119,679</b>	<b>119,679</b>	<b>119,679</b>	<b>119,804</b>	<b>119,804</b>	<b>119,804</b>

Tobacco Settlement Funds do not carry forward into the new biennium unless criteria is met as prescribed in Initiated Act 1 of 2000.

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

## **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 438**

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 \$3,540,719 each year of the biennium.

The Agency Change Level request for this appropriation is \$1,073,549 in FY2014 and \$2,187,523 in FY2015 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$73,549 in FY2014 and \$187,523 in FY2015 for growth.
- \$1,000,000 in FY2014 and \$2,000,000 in FY2015 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

### **Medicaid Expansion Program - Hospital and Medical Services referenced on page 439**

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 \$61,992,289 each year of the biennium.

The Agency Change Level request for this appropriation is \$19,007,084 in FY2014 and \$30,032,644 in FY2015 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$7,007,084 in FY2014 and \$15,032,644 in FY2015 for growth.
- \$12,000,000 in FY2014 and \$15,000,000 in FY2015 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

## 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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Medicaid Exp-Prescrip Drugs 5100004	3,345,061	3,540,719	5,367,414	3,540,719	4,614,268	4,614,268	3,540,719	5,728,242	5,728,242
<b>Total</b>	<b>3,345,061</b>	<b>3,540,719</b>	<b>5,367,414</b>	<b>3,540,719</b>	<b>4,614,268</b>	<b>4,614,268</b>	<b>3,540,719</b>	<b>5,728,242</b>	<b>5,728,242</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	136,535	141,961		141,961	144,433	144,433	141,961	146,984	146,984
Tobacco Settlement 4000495	3,208,526	3,398,758		3,398,758	3,469,835	3,469,835	3,398,758	3,581,258	3,581,258
<b>Total Funding</b>	<b>3,345,061</b>	<b>3,540,719</b>		<b>3,540,719</b>	<b>3,614,268</b>	<b>3,614,268</b>	<b>3,540,719</b>	<b>3,728,242</b>	<b>3,728,242</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>3,345,061</b>	<b>3,540,719</b>		<b>3,540,719</b>	<b>4,614,268</b>	<b>4,614,268</b>	<b>3,540,719</b>	<b>5,728,242</b>	<b>5,728,242</b>

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/Hospital and Medical Services

**Funding Sources:** PTD - Medicaid Expansion Program Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Medicaid Exp-Hosp/Med Svcs	5100004	58,136,780	61,992,289	93,463,577	61,992,289	80,999,373	80,999,373	61,992,289	92,024,933	92,024,933
Total		58,136,780	61,992,289	93,463,577	61,992,289	80,999,373	80,999,373	61,992,289	92,024,933	92,024,933
Funding Sources										
Federal Revenue	4000020	41,740,226	45,508,602		45,508,602	50,267,504	50,267,504	45,508,602	52,553,460	52,553,460
Tobacco Settlement	4000495	16,396,554	16,483,687		16,483,687	18,731,869	18,731,869	16,483,687	24,471,473	24,471,473
Total Funding		58,136,780	61,992,289		61,992,289	68,999,373	68,999,373	61,992,289	77,024,933	77,024,933
Excess Appropriation/(Funding)		0	0		0	12,000,000	12,000,000	0	15,000,000	15,000,000
Grand Total		58,136,780	61,992,289		61,992,289	80,999,373	80,999,373	61,992,289	92,024,933	92,024,933

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		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,540,719</b>	<b>0</b>	<b>3,540,719</b>	<b>100.0</b>	<b>3,540,719</b>	<b>0</b>	<b>3,540,719</b>	<b>100.0</b>
C01	Existing Program	73,549	0	3,614,268	102.1	187,523	0	3,728,242	105.3
C05	Unfunded Appropriation	1,000,000	0	4,614,268	130.3	2,000,000	0	5,728,242	161.8

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,540,719</b>	<b>0</b>	<b>3,540,719</b>	<b>100.0</b>	<b>3,540,719</b>	<b>0</b>	<b>3,540,719</b>	<b>100.0</b>
C01	Existing Program	73,549	0	3,614,268	102.1	187,523	0	3,728,242	105.3
C05	Unfunded Appropriation	1,000,000	0	4,614,268	130.3	2,000,000	0	5,728,242	161.8

### 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. Growth rates anticipated for the Prescription Drug Medicaid Expansion Program are 2.08% in 2014 and 3.15% in 2015. FMAP Rate: This request results from a change in the Federal Medical Assistance Percentage of 70.17% in SFY 2013 to 69.67% for SFY 2014 and 69.17% for SFY 2015. This decrease in federal matching affects almost all Medicaid programs.
C05	Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only.



## Change Level by Appropriation

**Appropriation:** 648 - Tobacco-Delay Draw-Paying/Medicaid Expansion Program-Hospital and Medical Services  
**Funding Sources:** PTD - Medicaid Expansion Program Account

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>61,992,289</b>	<b>0</b>	<b>61,992,289</b>	<b>100.0</b>	<b>61,992,289</b>	<b>0</b>	<b>61,992,289</b>	<b>100.0</b>
C01	Existing Program	7,007,084	0	68,999,373	111.3	15,032,644	0	77,024,933	124.2
C05	Unfunded Appropriation	12,000,000	0	80,999,373	130.7	15,000,000	0	92,024,933	148.4

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>61,992,289</b>	<b>0</b>	<b>61,992,289</b>	<b>100.0</b>	<b>61,992,289</b>	<b>0</b>	<b>61,992,289</b>	<b>100.0</b>
C01	Existing Program	7,007,084	0	68,999,373	111.3	15,032,644	0	77,024,933	124.2
C05	Unfunded Appropriation	12,000,000	0	80,999,373	130.7	15,000,000	0	92,024,933	148.4

### Justification

C01	The growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation and which are generally unaffected by DMS policy decisions. 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. Growth rates anticipated for the Hospital/Medical Expansion program are 11.3% in 2014 and 11.63% in 2015. This request results from a change in the Federal Medical Assistance Percentage of 70.17% in SFY 2013 to 69.67% for SFY 2014 and 69.17% for SFY 2015. This decrease in federal matching affects almost all Medicaid programs.
C05	Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only.

## **Analysis of Budget Request**

**Appropriation:** 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	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Expenses 5900046	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources									
Trust Fund 4000050	0	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding	0	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	50,000		50,000	50,000	50,000	50,000	50,000	50,000

## **Analysis of Budget Request**

**Appropriation:** 878 - Long Term Care Facility Receivership

**Funding Sources:** DLT - Long Term Care Facility Receivership Fund

As authorized by Arkansas Code Annotated §20-10-901 et seq., the Long Term Care Facility Receivership appropriation is used to pay the expenses of receivers appointed, if a nursing home is placed in receivership. Payment may not be made from this account until a court of law has found that a nursing home has insufficient funds to pay a receiver after all other operating expenses of the facility have been paid. The funding for this appropriation is from reimbursement at the beginning of a biennium from the general revenue fund account of the state apportionment fund prior to the distribution of revenue stabilization law with a maximum amount of one hundred thousand dollars (\$100,000).

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	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	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–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 (Under Age 21)
- Family Planning Services and Supplies (All Ages)
- Federally Qualified Health Center (FQHC) (All Ages)
- Home Health Services (All Ages)
- Hospital Services - Inpatient and Outpatient (All Ages)
- Laboratory and X-Ray (All Ages)

- Certified Nurse-Midwife Services (All Ages)
- Medical and Surgical Services of a Dentist (All Ages)
- Nurse Practitioner (Pediatric, Family, Obstetric-Gynecologic and Gerontological) (All Ages)
- Nursing Facility Services (Age 21 and Older)
- Physician Services (All Ages)
- Rural Health Clinic (RHC) (All Ages)
- Transportation (to and from medical providers when medically necessary) (All Ages)

**Optional Services Chosen by Arkansas:**

- ✓ Ambulatory Surgical Center Services (All Ages)
- ✓ Audiological Services (Under Age 21)
- ✓ Certified Registered Nurse Anesthetist (CRNA) Services (All Ages)
- ✓ Child Health Management Services (CHMS) (Under Age 21)
- ✓ Chiropractic Services (All Ages)
- ✓ Dental Services (All Ages)
- ✓ Developmental Day Treatment Clinic Services (DDTCS) (Preschool and Age 18 and Older)
- ✓ Developmental Rehabilitation Services (Under Age 3)
- ✓ Domiciliary Care Services (All Ages)
- ✓ Durable Medical Equipment (DME) (All Ages)
- ✓ End-Stage Renal Disease (ESRD) Facility Services (All Ages)
- ✓ Hearing Aid Services (Under Age 21)
- ✓ Hospice Services (All Ages)
- ✓ Hyperalimentation Services (All Ages)
- ✓ Independent Choices (Age 18 and Older)
- ✓ Inpatient Psychiatric Services (Under Age 21)
- ✓ Intermediate Care Facility (ICF) Services (All Ages)
- ✓ Licensed Mental Health Practitioner Services (Under Age 21)
- ✓ Medical Supplies (All Ages)
- ✓ Medicare Crossovers (All Ages)
- ✓ Nursing Facility Services (Under Age 21)
- ✓ Occupational, Physical, Speech Therapy Services (Under Age 21)
- ✓ Orthotic Appliances (All Ages)
- ✓ PACE (Program of All-Inclusive Care for the Elderly) (Age 55 and Older)
- ✓ Personal Care Services (All Ages)
- ✓ Podiatrist Services (All Ages)
- ✓ Portable X-Ray (All Ages)
- ✓ Prescription Drugs (All Ages)
- ✓ Private Duty Nursing Services (All Ages)

- ✓ Prosthetic Devices (All Ages)
- ✓ Rehabilitative Hospital Services (All Ages)
- ✓ Rehabilitative Services for:
  - Persons with Mental Illness (RSPMI) (All Ages)
  - Persons with Physical Disabilities (RSPD) and Youth and Children (Under Age 21)
- ✓ Respiratory Care Services (Under Age 21)
- ✓ School-Based Mental Health Services (Under Age 21)
- ✓ Targeted Case Management
  - Children's Services (Title V), SSI, TEFRA, EPSDT, Division of Children and Family Services and Division of Youth Services (Under Age 21)
  - Beneficiaries with a Developmental Disability (All Ages)
  - Adults (Age 60 and Older)
  - Pregnant Women (All Ages)
- ✓ Tuberculosis Services (All Ages)
- ✓ Ventilator Equipment (All Ages)
- ✓ Visual Care Services (All Ages)

**Waivers Approved by the Centers for Medicare and Medicaid Services (CMS):**

- ❖ Alternatives for Adults with Physical Disabilities (Age 21-64)
- ❖ AR HealthNetWorks (Age 19-64)
- ❖ ARKids B (Age 18 and Under)
- ❖ Autism (Age 18 months-6 years)
- ❖ Developmental Disabilities Services (DDS- Alternative Community Services) (All Ages)
- ❖ ElderChoices (Age 65 and Older)
- ❖ Living Choices (Assisted Living) (Age 21 and Older)
- ❖ Non-Emergency Transportation (All Ages)
- ❖ Tax Equity Fiscal Responsibility Act of 1982 (TEFRA) (Under Age 21)
- ❖ Women's Health (Family Planning) (All Ages)

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, nurse practitioner, 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 tobacco 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 Assisted Living waiver may receive up to nine (9) medically necessary prescriptions per month. Medicare-Medicaid beneficiaries (dual eligibles) receive their drugs through the Medicare Part D program as of 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 co-insurance, co-payments, or premiums.
- Co-insurance: ARKids B beneficiaries must pay 10% of the charges for the first Medicaid covered day of inpatient hospital services and must also pay co-insurance for some outpatient and DME services.
- Co-Pay: ARKids B beneficiaries must pay a co-payment for most services; for example \$10.00 for most office visits and \$5.00 for most prescription drugs (and must use generic drugs and rebate manufacturer, if available). ARKids B beneficiaries annual cost-sharing is capped at 5% of the family's gross annual income.
- Premiums: Based on family income certain TEFRA beneficiaries must pay a premium. TEFRA families whose income is at or below 150% of the Federal Poverty level cannot be assessed a premium.

*Any and all exceptions to benefit limits are based on medical necessity.*

The Division consists of the Director's Office and eight (8) distinct organizational units:

**Program and Provider Management:** The Office of Program and Provider Management includes the following operations: Program Integrity, Provider & Member Relations, Dental, Visual and EPSDT, Behavioral Health 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 Provider and Member Relations, Dental, Visual and EPSDT 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 Information Management:** The Office of Medicaid Information Management 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 states fiscal agent to apply the criteria and edits within the software, is the project manager for the stated evidenced-based prescription drug program,

researches and reviews claims information to assist providers, beneficiaries and interested parties and researches exception criteria to assist physicians.

**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.

**Healthcare Innovation:** The Health Care Innovation Unit is responsible for directing the operations and activities to redesign the Medicaid payment and service delivery systems by working with multi-payers, staff, and contractors to design and deliver episodes of care for acute conditions; implement new models of population based health for chronic conditions; develop and coordinate infrastructure requirements; and facilitate stakeholder, provider and patient engagement. Arkansas Medicaid is creating a patient-centered health care system that embraces the triple aim: (1) improving the health of the population; (2) enhancing the patient experience of care, including quality, access, and reliability; and (3) reducing, or at least controlling, the cost of health care. This will be accomplished by transforming the vast majority of care and payment from a fee for service models to models that reward and support providers for delivering improved outcomes and high quality, cost effective care.

**Coordination of Coverage:** The Coordination of Coverage Unit is responsible for coordinating any DMS efforts in the implementation of the Affordable Care Act, identifying potential improvement in the Medicaid consumer experience, and ongoing coordination of coverage for Medicaid recipients as they move in and out of Medicaid and other health insurance plans through the upcoming health insurance exchange. In addition, this new team will participate in other Medicaid changes, and will coordinate with all areas within DMS, several other DHS

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$27,693,894 in FY2014 and \$27,710,077 in FY2015 with 345 budgeted base level positions.

The Agency Change Level request for this appropriation is \$396,527 each year of the biennium with no new general revenue request. The following delineates the agency request:

- Transfer one (1) position from the Office of Chief Counsel with salary and matching appropriation to assist with data activities related to payment improvement.
- Restoration of six (6) positions that are authorized but not budgeted with salary and matching appropriation to assist in meeting established staffing patterns.
- Reclassification on one (1) position to align the Director's position.
- \$150,000 each year of the biennium for the Capital Outlay line item for any equipment replacements that may arise.

The Executive Recommendation provides for the Agency Request.

# Appropriation Summary

**Appropriation:** 896 - DHS--Admin Paying Account

**Funding Sources:** PWP - Administration Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	15,927,384	17,132,865	16,914,610	17,085,903	17,258,024	17,258,024	17,098,403	17,270,524	17,270,524
<b>#Positions</b>		<b>321</b>	<b>345</b>	<b>333</b>	<b>345</b>	<b>352</b>	<b>352</b>	<b>345</b>	<b>352</b>	<b>352</b>
Extra Help	5010001	97,813	201,892	126,892	201,892	201,892	201,892	201,892	201,892	201,892
<b>#Extra Help</b>		<b>6</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	4,796,902	5,609,596	5,123,501	5,681,920	5,756,326	5,756,326	5,685,603	5,760,009	5,760,009
Overtime	5010006	3	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,194,474	3,618,107	3,468,107	3,618,107	3,618,107	3,618,107	3,618,107	3,618,107	3,618,107
Conference & Travel Expenses	5050009	155,523	246,340	246,340	246,340	246,340	246,340	246,340	246,340	246,340
Professional Fees	5060010	361,282	555,132	355,132	555,132	555,132	555,132	555,132	555,132	555,132
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	71,370	195,000	195,000	0	150,000	150,000	0	150,000	150,000
Data Processing Services	5900044	178,750	299,600	299,600	299,600	299,600	299,600	299,600	299,600	299,600
<b>Total</b>		<b>24,783,501</b>	<b>27,863,532</b>	<b>26,734,182</b>	<b>27,693,894</b>	<b>28,090,421</b>	<b>28,090,421</b>	<b>27,710,077</b>	<b>28,106,604</b>	<b>28,106,604</b>

Funding Sources										
General Revenue	4000010	5,031,733	4,958,217		5,033,790	5,033,790	5,033,790	5,036,057	5,036,057	5,036,057
Federal Revenue	4000020	15,023,298	17,014,446		16,884,251	17,082,515	17,082,515	16,895,567	17,093,831	17,093,831
Merit Adjustment Fund	4000055	0	93,941		0	0	0	0	0	0
Various Program Support	4000730	4,728,470	5,796,928		5,775,853	5,974,116	5,974,116	5,778,453	5,976,716	5,976,716
<b>Total Funding</b>		<b>24,783,501</b>	<b>27,863,532</b>		<b>27,693,894</b>	<b>28,090,421</b>	<b>28,090,421</b>	<b>27,710,077</b>	<b>28,106,604</b>	<b>28,106,604</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>24,783,501</b>	<b>27,863,532</b>		<b>27,693,894</b>	<b>28,090,421</b>	<b>28,090,421</b>	<b>27,710,077</b>	<b>28,106,604</b>	<b>28,106,604</b>

Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

Positions exceed Authorized by authority of Reallocation of Resources.

## Change Level by Appropriation

**Appropriation:** 896 - DHS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>27,693,894</b>	<b>345</b>	<b>27,693,894</b>	<b>100.0</b>	<b>27,710,077</b>	<b>345</b>	<b>27,710,077</b>	<b>100.0</b>
C01	Existing Program	340,891	6	28,034,785	101.2	340,891	6	28,050,968	101.2
C07	Agency Transfer	55,636	1	28,090,421	101.4	55,636	1	28,106,604	101.4
C10	Reclass	0	0	28,090,421	101.4	0	0	28,106,604	101.4

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>27,693,894</b>	<b>345</b>	<b>27,693,894</b>	<b>100.0</b>	<b>27,710,077</b>	<b>345</b>	<b>27,710,077</b>	<b>100.0</b>
C01	Existing Program	340,891	6	28,034,785	101.2	340,891	6	28,050,968	101.2
C07	Agency Transfer	55,636	1	28,090,421	101.4	55,636	1	28,106,604	101.4
C10	Reclass	0	0	28,090,421	101.4	0	0	28,106,604	101.4

### Justification

C01	The Division of Medical Services request the restoration of six (6) unbudgeted positions: There are many changes taking place in the Medicaid program and these positions may be needed as support positions within some of the new areas necessary to meet the challenges of this biennial period. This will allow the Division the flexibility to fill these positions if they are needed. Capital Outlay: Due to the upcoming changes taking place in Medicaid, the Division of Medical Services requests Capital Outlay for equipment that will be needed to ensure systems success and other requirements that arise.
C07	Transfer position from OCC requested to support the new DMS business operations: This position will be the primary position to focus on coordinating the data activities related to Payment Improvement as well as organizing our data methods and increasing the efficiency of our systems which will allow our data reports to be more readily available to other agencies, divisions and contractors. This position will also coordinate and prioritize data analysis request.
C10	The Division request reclassification of the Director's position.

## **Analysis of Budget Request**

**Appropriation:** 897 - DHS-Grants Paying Account

**Funding Sources:** PWD - Grants Paying

### **ARKIDS B Program Appropriation referenced on page 460**

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 the Medicaid Trust Fund, and as various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$117,845,957 each year of the biennium with general revenue of \$17,931,551.

The Agency Change Level request for this appropriation is \$19,490,835 in FY2014 and \$30,590,725 in FY2015 with general revenue request of \$8,987,447 in FY2014 and \$11,619,045 in FY2015 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$9,490,835 in FY2014 and \$19,790,725 in FY2015 for growth.
- \$10,000,000 in FY2014 and \$10,800,000 in FY2015 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request for appropriation and \$4,440,951 in FY2014 and \$7,601,237 in FY2015 in new general revenue.

### **Hospital and Medical Services Appropriation referenced on page 461**

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, 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 (as amended per Act 19 of 2011), 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 Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$3,548,904,663 each year of the biennium with general revenue of \$618,220,035.



The Agency Change Level request for this appropriation is \$356,938,288 in FY2014 and \$602,493,290 in FY2015 with general revenue request of \$277,931,691 in FY2014 and \$370,226,799 in FY2015 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$234,368,412 in FY2014 and \$487,923,414 in FY2015 for growth.
- (\$10,000,000) in FY2014 and (\$30,000,000) in FY2015 for reductions to Base Level related to the Medicaid Management Information System (MMIS). There is \$80 million in Base Level appropriation and funding for MMIS and these reduced amounts reflect the second and third year installments that DMS anticipates will be due.
- (\$17,430,124) each year of the biennium for reductions to Base Level related to the Health Information Technology (HIT). There is \$37 million in Base Level appropriation and funding for HIT and these reduced amounts leave \$20 million in each year of the biennium for this purpose.
- \$150,000,000 in FY2014 and \$162,000,000 in FY2015 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request for appropriation and \$45,948,997 in FY2014 and \$157,888,725 in FY2015 in new general revenue. Additionally, general improvement funds are being recommended in the amount of \$70,000,000 each year of the biennium.

#### **Prescription Drugs Appropriation referenced on page 462**

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, the Medicaid Trust Fund, and various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$342,956,289 each year of the biennium with general revenue of \$69,698,424.

The Agency Change Level request for this appropriation is \$30,186,134 in FY2014 and \$42,827,264 in FY2015 with general revenue request of \$29,043,558 in FY2014 and \$32,875,017 in FY2015 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$10,186,134 in FY2014 and \$21,227,264 in FY2015 for growth.

- \$20,000,000 in FY2014 and \$21,600,000 in FY2015 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request for appropriation and \$28,070,828 in FY2014 and \$32,015,401 in FY2015 in new general revenue.

**Private Nursing Home Care Appropriation referenced on page 463**

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. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$643,040,844 each year of the biennium with general revenue of \$81,955,591.

The Agency Change Level request for this appropriation is \$44,746,918 in FY2014 and \$73,824,203 in FY2015 with general revenue request of \$39,083,574 in FY2014 and \$47,990,375 in FY2015 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$29,746,918 in FY2014 and \$57,624,203 in FY2015 for growth.
- \$15,000,000 in FY2014 and \$16,200,000 in FY2015 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request for appropriation and \$8,794,505 in FY2014 and \$21,223,462 in FY2015 in new general revenue.

## Appropriation Summary

**Appropriation:** 897 - DHS-Grants Paying Account/ARKids B Program

**Funding Sources:** PWD - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
ARKids B Program	5100004	106,843,684	117,845,957	118,873,417	117,845,957	137,336,792	137,336,792	117,845,957	148,436,682	148,436,682
Total		106,843,684	117,845,957	118,873,417	117,845,957	137,336,792	137,336,792	117,845,957	148,436,682	148,436,682
<b>Funding Sources</b>										
General Revenue	4000010	17,509,212	17,931,551		17,931,551	26,918,998	22,372,502	17,931,551	29,550,596	25,532,788
Federal Revenue	4000020	84,987,112	93,357,567		93,357,567	100,417,794	83,457,686	93,357,567	108,086,086	93,390,303
Trust Fund	4000050	2,453,656	5,866,716		5,866,716	0	0	5,866,716	0	0
Tobacco Settlement	4000495	0	690,123		690,123	0	0	690,123	0	0
Various Program Support	4000730	1,893,704	0		0	0	0	0	0	0
Total Funding		106,843,684	117,845,957		117,845,957	127,336,792	105,830,188	117,845,957	137,636,682	118,923,091
Excess Appropriation/(Funding)		0	0		0	10,000,000	31,506,604	0	10,800,000	29,513,591
Grand Total		106,843,684	117,845,957		117,845,957	137,336,792	137,336,792	117,845,957	148,436,682	148,436,682

General Revenue does not reflect adjustments for Payment Improvement Initiative (APII) or the impact of the Affordable Care Act (ACA).

## 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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Hospital and Medical Services	5100004	3,257,949,369	3,548,904,663	3,818,425,306	3,548,904,663	3,905,842,951	3,905,842,951	3,548,904,663	4,151,397,953	4,151,397,953
<b>Total</b>		<b>3,257,949,369</b>	<b>3,548,904,663</b>	<b>3,818,425,306</b>	<b>3,548,904,663</b>	<b>3,905,842,951</b>	<b>3,905,842,951</b>	<b>3,548,904,663</b>	<b>4,151,397,953</b>	<b>4,151,397,953</b>
Funding Sources										
General Revenue	4000010	538,539,089	618,220,035		618,220,035	896,151,726	664,169,032	618,220,035	988,446,834	776,108,760
Federal Revenue	4000020	2,316,388,312	2,513,415,095		2,513,415,095	2,634,141,983	2,259,935,687	2,513,415,095	2,775,401,877	2,454,248,990
Trust Fund	4000050	86,440,788	214,951,856		214,951,856	46,630,489	46,630,489	214,951,856	46,630,489	46,630,489
General Improvement Fund	4000265	0	0		0	0	70,000,000	0	0	70,000,000
Hospital Assessment Fee	4000281	90,577,306	61,458,300		61,458,300	61,458,300	61,458,300	61,458,300	61,458,300	61,458,300
ICF/MR Provider Fee	4000282	5,382,941	5,560,046		5,560,046	5,560,046	5,560,046	5,560,046	5,560,046	5,560,046
Tobacco Settlement	4000495	0	23,398,924		23,398,924	0	0	23,398,924	0	0
Various Program Support	4000730	220,620,933	111,900,407		111,900,407	111,900,407	111,900,407	111,900,407	111,900,407	111,900,407
<b>Total Funding</b>		<b>3,257,949,369</b>	<b>3,548,904,663</b>		<b>3,548,904,663</b>	<b>3,755,842,951</b>	<b>3,219,653,961</b>	<b>3,548,904,663</b>	<b>3,989,397,953</b>	<b>3,525,906,992</b>
Excess Appropriation/(Funding)		0	0		0	150,000,000	686,188,990	0	162,000,000	625,490,961
<b>Grand Total</b>		<b>3,257,949,369</b>	<b>3,548,904,663</b>		<b>3,548,904,663</b>	<b>3,905,842,951</b>	<b>3,905,842,951</b>	<b>3,548,904,663</b>	<b>4,151,397,953</b>	<b>4,151,397,953</b>

General Revenue does not reflect adjustments for Payment Improvement Initiative (APII) or the impact of the Affordable Care Act (ACA).

## Appropriation Summary

**Appropriation:** 897 - DHS-Grants Paying Account/Prescription Drugs

**Funding Sources:** PWD - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Prescription Drugs	5100004	329,549,732	342,956,289	385,275,742	342,956,289	373,142,423	373,142,423	342,956,289	385,783,553	385,783,553
Total		329,549,732	342,956,289	385,275,742	342,956,289	373,142,423	373,142,423	342,956,289	385,783,553	385,783,553

Funding Sources										
General Revenue	4000010	60,270,862	69,698,424		69,698,424	98,741,982	97,769,252	69,698,424	102,573,441	101,713,825
Federal Revenue	4000020	206,046,626	212,641,617		212,641,617	218,216,162	215,968,998	212,641,617	224,340,305	222,400,781
Trust Fund	4000050	11,427,352	22,803,429		22,803,429	0	0	22,803,429	0	0
Drug Rebates	4000200	37,212,805	35,130,368		35,130,368	36,184,279	36,184,279	35,130,368	37,269,807	37,269,807
Tobacco Settlement	4000495	0	2,682,451		2,682,451	0	0	2,682,451	0	0
Various Program Support	4000730	14,592,087	0		0	0	0	0	0	0
Total Funding		329,549,732	342,956,289		342,956,289	353,142,423	349,922,529	342,956,289	364,183,553	361,384,413
Excess Appropriation/(Funding)		0	0		0	20,000,000	23,219,894	0	21,600,000	24,399,140
Grand Total		329,549,732	342,956,289		342,956,289	373,142,423	373,142,423	342,956,289	385,783,553	385,783,553

General Revenue does not reflect adjustments for Payment Improvement Initiative (APII) or the impact of the Affordable Care Act (ACA).

## Appropriation Summary

**Appropriation:** 897 - DHS-Grants Paying Account/Private Nursing Home Care

**Funding Sources:** PWD - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Private Nursing Home Care	5100004	617,966,576	643,040,844	670,810,091	643,040,844	687,787,762	687,787,762	643,040,844	716,865,047	716,865,047
<b>Total</b>		617,966,576	643,040,844	670,810,091	643,040,844	687,787,762	687,787,762	643,040,844	716,865,047	716,865,047
<b>Funding Sources</b>										
General Revenue	4000010	69,670,036	81,955,591		81,955,591	121,039,165	90,750,096	81,955,591	129,945,966	103,179,053
Federal Revenue	4000020	437,831,723	451,859,126		451,859,126	469,295,615	399,322,953	451,859,126	485,267,008	424,873,670
Trust Fund	4000050	25,546,759	26,813,642		26,813,642	0	0	26,813,642	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	71,088,095	79,084,725		79,084,725	82,279,409	82,279,409	79,084,725	85,278,500	85,278,500
Tobacco Settlement	4000495	0	3,154,187		3,154,187	0	0	3,154,187	0	0
Various Program Support	4000730	13,714,963	58,573		58,573	58,573	58,573	58,573	58,573	58,573
<b>Total Funding</b>		617,966,576	643,040,844		643,040,844	672,787,762	572,526,031	643,040,844	700,665,047	613,504,796
Excess Appropriation/(Funding)		0	0		0	15,000,000	115,261,731	0	16,200,000	103,360,251
<b>Grand Total</b>		617,966,576	643,040,844		643,040,844	687,787,762	687,787,762	643,040,844	716,865,047	716,865,047

General Revenue does not reflect adjustments for Payment Improvement Initiative (APII) or the impact of the Affordable Care Act (ACA).

## Change Level by Appropriation

**Appropriation:** 897 - DHS-Grants Paying Account/ARKids B Program  
**Funding Sources:** PWD - Grants Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>643,040,844</b>	<b>0</b>	<b>643,040,844</b>	<b>100.0</b>	<b>643,040,844</b>	<b>0</b>	<b>643,040,844</b>	<b>100.0</b>
C01	Existing Program	29,746,918	0	672,787,762	104.6	57,624,203	0	700,665,047	109.0
C05	Unfunded Appropriation	15,000,000	0	687,787,762	107.0	16,200,000	0	716,865,047	111.5

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>643,040,844</b>	<b>0</b>	<b>643,040,844</b>	<b>100.0</b>	<b>643,040,844</b>	<b>0</b>	<b>643,040,844</b>	<b>100.0</b>
C01	Existing Program	29,746,918	0	672,787,762	104.6	57,624,203	0	700,665,047	109.0
C05	Unfunded Appropriation	15,000,000	0	687,787,762	107.0	16,200,000	0	716,865,047	111.5

### 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. Growth rates anticipated for the Private Nursing Home program are 4.63% in 2014 and 4.14% in 2015. This request results from a change in the Federal Medical Assistance Percentage of 70.17% in SFY 2013 to 69.67% for SFY 2014 and 69.17% for SFY 2015. This decrease in federal matching affects almost all Medicaid programs. The SFY 2012 and SFY 2013 Medicaid budgets were funded, in part, using one-time monies and accumulated balances primarily resulting from the receipt of ARRA funds during SFYs 2009 – 2011. Examples include monies accumulated in the Medicaid Trust. These one-time funds including the Medicaid Trust Fund balance will be depleted during SFY2013; therefore, the amount from the base level is not available for SFYs 2014 and 2015.
C05	Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only.



## Change Level by Appropriation

**Appropriation:** 897 - DHS-Grants Paying Account/Hospital and Medical Services  
**Funding Sources:** PWD - Grants Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>342,956,289</b>	<b>0</b>	<b>342,956,289</b>	<b>100.0</b>	<b>342,956,289</b>	<b>0</b>	<b>342,956,289</b>	<b>100.0</b>
C01	Existing Program	10,186,134	0	353,142,423	103.0	21,227,264	0	364,183,553	106.2
C05	Unfunded Appropriation	20,000,000	0	373,142,423	108.8	21,600,000	0	385,783,553	112.5

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>342,956,289</b>	<b>0</b>	<b>342,956,289</b>	<b>100.0</b>	<b>342,956,289</b>	<b>0</b>	<b>342,956,289</b>	<b>100.0</b>
C01	Existing Program	10,186,134	0	353,142,423	103.0	21,227,264	0	364,183,553	106.2
C05	Unfunded Appropriation	20,000,000	0	373,142,423	108.8	21,600,000	0	385,783,553	112.5

### 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. Growth rates anticipated for the Prescription Drug Program are 2.97% in 2014 and 3.13% in 2015. FMAP Rate: This request results from a change in the Federal Medical Assistance Percentage of 70.17% in SFY 2013 to 69.67% for SFY 2014 and 69.17% for SFY 2015. This decrease in federal matching affects almost all Medicaid programs. Funding Change-SFY2013 One Time Funding: The SFY 2012 and SFY 2013 Medicaid budgets were funded, in part, using one-time monies and accumulated balances primarily resulting from the receipt of ARRA funds during SFYs 2009 – 2011. Examples include monies accumulated in the Medicaid Trust. These one-time funds including the Medicaid Trust Fund balance will be depleted during SFY2013; therefore, the amount from the base level is not available for SFYs 2014 and 2015.
C05	Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only.

## Change Level by Appropriation

**Appropriation:** 897 - DHS-Grants Paying Account/Prescription Drugs  
**Funding Sources:** PWD - Grants Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,548,904,663</b>	<b>0</b>	<b>3,548,904,663</b>	<b>100.0</b>	<b>3,548,904,663</b>	<b>0</b>	<b>3,548,904,663</b>	<b>100.0</b>
C01	Existing Program	234,368,412	0	3,783,273,075	106.6	487,923,414	0	4,036,828,077	113.7
C03	Discontinue Program	(27,430,124)	0	3,755,842,951	105.8	(47,430,124)	0	3,989,397,953	112.4
C05	Unfunded Appropriation	150,000,000	0	3,905,842,951	110.1	162,000,000	0	4,151,397,953	117.0

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,548,904,663</b>	<b>0</b>	<b>3,548,904,663</b>	<b>100.0</b>	<b>3,548,904,663</b>	<b>0</b>	<b>3,548,904,663</b>	<b>100.0</b>
C01	Existing Program	234,368,412	0	3,783,273,075	106.6	487,923,414	0	4,036,828,077	113.7
C03	Discontinue Program	(27,430,124)	0	3,755,842,951	105.8	(47,430,124)	0	3,989,397,953	112.4
C05	Unfunded Appropriation	150,000,000	0	3,905,842,951	110.1	162,000,000	0	4,151,397,953	117.0

### Justification

C01	Growth - The growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation and which are generally unaffected by DMS policy decisions. 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. Growth rates anticipated for the Hospital Medical Program are 6.6% in 2014 and 6.7% in 2015. FMAP Rate: This request results from a change in the Federal Medical Assistance Percentage of 70.17% in SFY 2013 to 69.67% for SFY 2014 and 69.17% for SFY 2015. This decrease in federal matching affects almost all Medicaid programs. Funding Change-SFY2013 One Time Funding: The SFY 2012 and SFY 2013 Medicaid budgets were funded, in part, using one-time monies and accumulated balances primarily resulting from the receipt of ARRA funds during SFYs 2009 – 2011. Examples include monies accumulated in the Medicaid Trust. These one-time funds including the Medicaid Trust Fund balance will be depleted during SFY2013; therefore, the amount from the base level is not available for SFYs 2014 and 2015.
C03	Health Information Technology (HIT) is a 100% federally funded initiative from Centers for Medicare and Medicaid (CMS) to encourage hospitals and eligible professional to purchase the technology necessary to implement and utilize electronic health records. There was \$37 million in the SFY 2013 base and this request reduces that to \$20 million for SFY 2014 and SFY 2015 based on the initial payments being approximately double the payment in the following years. An eligible professional can receive up to \$21,250 year 1 and \$8,500 each year for the next 5 years with a total available over the 6 year period of \$63,750. Hospitals are paid based on a separate formula. Replace MMIS System: This request is a negative \$10 million in SFY 2014 and a negative \$30 million in SFY 2015 based on \$80 million being included in the SFY 2013 base level request. It is anticipated that the initial year for the replacement of the MMIS will cost \$80 million, \$70 million the second year and \$50 million the third year and through full implementation. The replacement system is required due to mandated 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.
C05	Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only.

## Change Level by Appropriation

**Appropriation:** 897 - DHS-Grants Paying Account/Private Nursing Home Care  
**Funding Sources:** PWD - Grants Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>117,845,957</b>	<b>0</b>	<b>117,845,957</b>	<b>100.0</b>	<b>117,845,957</b>	<b>0</b>	<b>117,845,957</b>	<b>100.0</b>
C01	Existing Program	9,490,835	0	127,336,792	108.1	19,790,725	0	137,636,682	116.8
C05	Unfunded Appropriation	10,000,000	0	137,336,792	116.5	10,800,000	0	148,436,682	126.0

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>117,845,957</b>	<b>0</b>	<b>117,845,957</b>	<b>100.0</b>	<b>117,845,957</b>	<b>0</b>	<b>117,845,957</b>	<b>100.0</b>
C01	Existing Program	9,490,835	0	127,336,792	108.1	19,790,725	0	137,636,682	116.8
C05	Unfunded Appropriation	10,000,000	0	137,336,792	116.5	10,800,000	0	148,436,682	126.0

### Justification

C01	Growth - The growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation and which are generally unaffected by DMS policy decisions. 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. Growth rates anticipated for the ArKids B Program are 8.05% in 2014 and 8.09% in 2015. FMAP Rate: This request results from a change in the Federal Medical Assistance Percentage of 70.17% in SFY 2013 to 69.67% for SFY 2014 and 69.17% for SFY 2015. This decrease in federal matching affects almost all Medicaid programs. Funding Change-SFY2013 One Time Funding: The SFY 2012 and SFY 2013 Medicaid budgets were funded, in part, using one-time monies and accumulated balances primarily resulting from the receipt of ARRA funds during SFYs 2009 – 2011. Examples include monies accumulated in the Medicaid Trust. These one-time funds including the Medicaid Trust Fund balance will be depleted during SFY2013; therefore, the amount from the base level is not available for SFYs 2014 and 2015.
C05	Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only.

## **Analysis of Budget Request**

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

### **Child and Family Life Institute Appropriation referenced on page 471**

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 472**

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, the Medicaid Trust

Fund, and various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$23,989,472 each year of the biennium with general revenue of \$4,761,417.

The Agency Change Level request for this appropriation is \$2,743,674 in FY2014 and \$3,566,401 in FY2015 with general revenue request of \$2,006,526 in FY2014 and \$2,358,102 in FY2015 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$743,674 in FY2014 and \$1,510,401 in FY2015 for growth.
- \$2,000,000 in FY2014 and \$2,056,000 in FY2015 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request for appropriation and \$1,781,862 in FY2014 and \$1,901,810 in FY2015 in new general revenue.

### **Public Nursing Home Care Appropriation referenced on page 473**

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, intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, 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). Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$193,374,258 each year of the biennium with general revenue of \$3,141,788.

The Agency Change Level request for this appropriation is \$19,223,952 in FY2014 and \$30,153,863 in FY2015 with general revenue request of \$1,179,315 in FY2014 and \$2,111,405 in FY2015 which includes adjustments for the FMAP reduction. The following delineates the agency request:

- \$9,223,952 in FY2014 and \$19,353,863 in FY2015 for growth.
- \$10,000,000 in FY2014 and \$10,800,000 in FY2015 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request for appropriation and \$962,857 in FY2014 and \$1,369,365 in FY2015 in new general revenue.

## Appropriation Summary

**Appropriation:** 898 - DHS-Grants Paying Account/Child and Family Life Institute

**Funding Sources:** PWE - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Child & Family Life Inst 5100004	0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Total	0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
<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
Total Funding	0	2,100,000		2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	2,100,000		2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000

## Appropriation Summary

**Appropriation:** 898 - DHS-Grants Paying Account/Infant Infirmary

**Funding Sources:** PWE - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Infant Infirmary	5100004	22,969,119	23,989,472	26,100,584	23,989,472	26,733,146	26,733,146	23,989,472	27,555,873	27,555,873
Total		22,969,119	23,989,472	26,100,584	23,989,472	26,733,146	26,733,146	23,989,472	27,555,873	27,555,873

Funding Sources										
General Revenue	4000010	4,485,845	4,761,417		4,761,417	6,767,943	6,543,279	4,761,417	7,119,519	6,663,227
Federal Revenue	4000020	16,278,641	16,866,998		16,866,998	17,261,263	16,742,253	16,866,998	17,676,414	16,646,897
Trust Fund	4000050	1,233,640	1,557,806		1,557,806	0	0	1,557,806	0	0
ICF/MR Provider Fee	4000282	579,839	703,940		703,940	703,940	703,940	703,940	703,940	703,940
Tobacco Settlement	4000495	0	99,311		99,311	0	0	99,311	0	0
Various Program Support	4000730	391,154	0		0	0	0	0	0	0
Total Funding		22,969,119	23,989,472		23,989,472	24,733,146	23,989,472	23,989,472	25,499,873	24,014,064
Excess Appropriation/(Funding)		0	0		0	2,000,000	2,743,674	0	2,056,000	3,541,809
Grand Total		22,969,119	23,989,472		23,989,472	26,733,146	26,733,146	23,989,472	27,555,873	27,555,873

General Revenue does not reflect adjustments for Payment Improvement Initiative (APII) or the impact of the Affordable Care Act (ACA).



## Appropriation Summary

**Appropriation:** 898 - DHS-Grants Paying Account/Public Nursing Home Care

**Funding Sources:** PWE - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Public Nursing Home Care	5100004	193,232,171	193,374,258	235,116,182	193,374,258	212,598,210	212,598,210	193,374,258	223,528,121	223,528,121
<b>Total</b>		193,232,171	193,374,258	235,116,182	193,374,258	212,598,210	212,598,210	193,374,258	223,528,121	223,528,121
<b>Funding Sources</b>										
General Revenue	4000010	3,794,893	3,141,788		3,141,788	4,321,103	4,104,645	3,141,788	5,253,193	4,511,153
Federal Revenue	4000020	136,938,377	135,961,441		135,961,441	141,393,291	140,893,238	135,961,441	147,496,085	145,821,844
Trust Fund	4000050	0	1,027,908		1,027,908	369,511	369,511	1,027,908	369,511	369,511
ICF/MR Provider Fee	4000282	3,859,596	4,606,076		4,606,076	4,606,076	4,606,076	4,606,076	4,606,076	4,606,076
Quality Assurance Fee	4000395	1,122,971	1,203,624		1,203,624	1,261,036	1,261,036	1,203,624	1,324,089	1,324,089
Tobacco Settlement	4000495	0	118,619		118,619	0	0	118,619	0	0
Various Program Support	4000730	47,516,334	47,314,802		47,314,802	50,647,193	50,647,193	47,314,802	53,679,167	53,679,167
<b>Total Funding</b>		193,232,171	193,374,258		193,374,258	202,598,210	201,881,699	193,374,258	212,728,121	210,311,840
Excess Appropriation/(Funding)		0	0		0	10,000,000	10,716,511	0	10,800,000	13,216,281
<b>Grand Total</b>		193,232,171	193,374,258		193,374,258	212,598,210	212,598,210	193,374,258	223,528,121	223,528,121

General Revenue does not reflect adjustments for Payment Improvement Initiative (APII) or the impact of the Affordable Care Act (ACA).

## Change Level by Appropriation

**Appropriation:** 898 - DHS-Grants Paying Account/Child and Family Life Institute  
**Funding Sources:** PWE - Grants Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	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		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	2,100,000	0	2,100,000	100.0	2,100,000	0	2,100,000	100.0

## Change Level by Appropriation

**Appropriation:** 898 - DHS-Grants Paying Account/Infant Infirmary  
**Funding Sources:** PWE - Grants Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>23,989,472</b>	<b>0</b>	<b>23,989,472</b>	<b>100.0</b>	<b>23,989,472</b>	<b>0</b>	<b>23,989,472</b>	<b>100.0</b>
C01	Existing Program	743,674	0	24,733,146	103.1	1,510,401	0	25,499,873	106.3
C05	Unfunded Appropriation	2,000,000	0	26,733,146	111.4	2,056,000	0	27,555,873	114.9

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>23,989,472</b>	<b>0</b>	<b>23,989,472</b>	<b>100.0</b>	<b>23,989,472</b>	<b>0</b>	<b>23,989,472</b>	<b>100.0</b>
C01	Existing Program	743,674	0	24,733,146	103.1	1,510,401	0	25,499,873	106.3
C05	Unfunded Appropriation	2,000,000	0	26,733,146	111.4	2,056,000	0	27,555,873	114.9

### 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. Growth rates anticipated for the Infant Infirmary Program are 3.1% in 2014 and 2015. FMAP Rate: This request results from a change in the Federal Medical Assistance Percentage of 70.17% in SFY 2013 to 69.67% for SFY 2014 and 69.17% for SFY 2015. This decrease in federal matching affects almost all Medicaid programs. Funding Change-SFY2013 One Time Funding: The SFY 2012 and SFY 2013 Medicaid budgets were funded, in part, using one-time monies and accumulated balances primarily resulting from the receipt of ARRA funds during SFYs 2009 – 2011. Examples include monies accumulated in the Medicaid Trust. These one-time funds including the Medicaid Trust Fund balance will be depleted during SFY2013; therefore, the amount from the base level is not available for SFYs 2014 and 2015.
C05	Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only.

## Change Level by Appropriation

**Appropriation:** 898 - DHS-Grants Paying Account/Public Nursing Home Care  
**Funding Sources:** PWE - Grants Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>193,374,258</b>	<b>0</b>	<b>193,374,258</b>	<b>100.0</b>	<b>193,374,258</b>	<b>0</b>	<b>193,374,258</b>	<b>100.0</b>
C01	Existing Program	9,223,952	0	202,598,210	104.8	19,353,863	0	212,728,121	110.0
C05	Unfunded Appropriation	10,000,000	0	212,598,210	109.9	10,800,000	0	223,528,121	115.6

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>193,374,258</b>	<b>0</b>	<b>193,374,258</b>	<b>100.0</b>	<b>193,374,258</b>	<b>0</b>	<b>193,374,258</b>	<b>100.0</b>
C01	Existing Program	9,223,952	0	202,598,210	104.8	19,353,863	0	212,728,121	110.0
C05	Unfunded Appropriation	10,000,000	0	212,598,210	109.9	10,800,000	0	223,528,121	115.6

### 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. Growth rates anticipated for the Public Nursing Home Program are 4.77% in 2014 and 5% in 2015. FMAP Rate: This request results from a change in the Federal Medical Assistance Percentage of 70.17% in SFY 2013 to 69.67% for SFY 2014 and 69.17% for SFY 2015. This decrease in federal matching affects almost all Medicaid programs. Funding Change-SFY2013 One Time Funding: The SFY 2012 and SFY 2013 Medicaid budgets were funded, in part, using one-time monies and accumulated balances primarily resulting from the receipt of ARRA funds during SFYs 2009 – 2011. Examples include monies accumulated in the Medicaid Trust. These one-time funds including the Medicaid Trust Fund balance will be depleted during SFY2013; therefore, the amount from the base level is not available for SFYs 2014 and 2015.
C05	Arkansas' Medicaid program often undergoes changes that require additional appropriation to be able to respond to federal and state mandates to the extent funds are available. This request is for appropriation only.

# DHS - Services For The Blind

## Enabling Laws

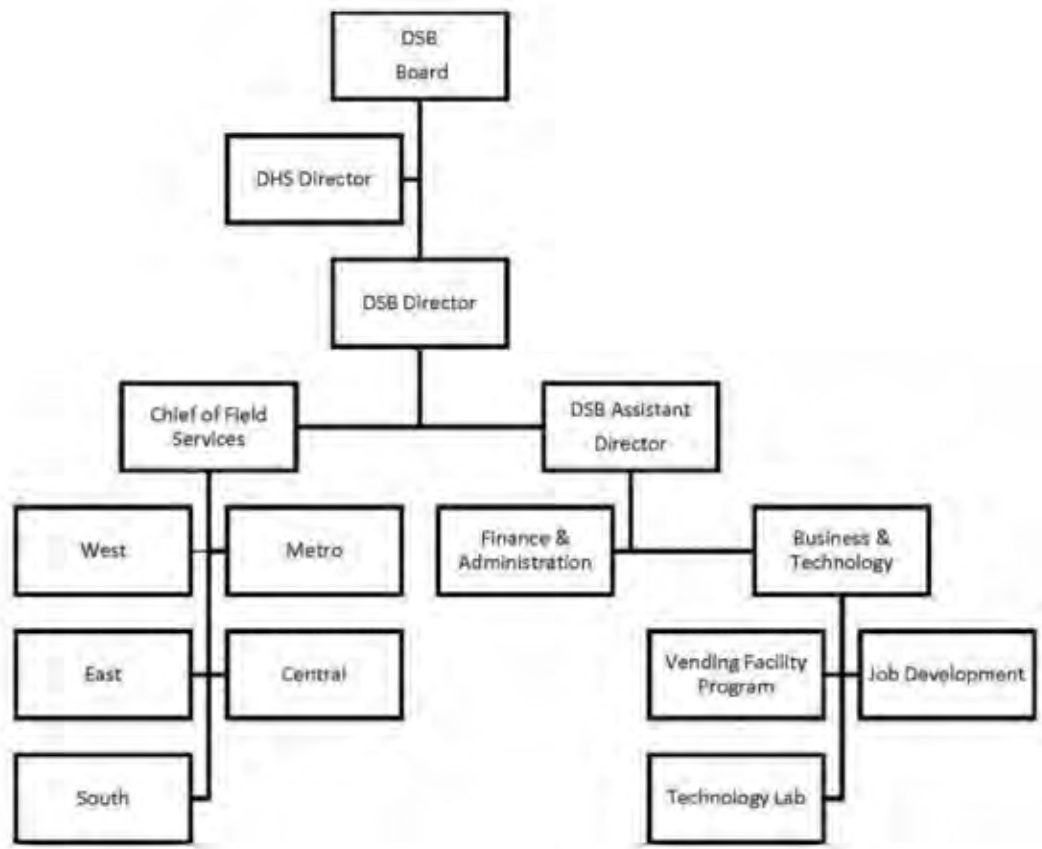
Act 130 of 2012  
A.C.A. §25-10-201 et seq.

## 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 and social services to blind and severely visually impaired persons age 14 and above in Arkansas. Services are provided through the Vocational Rehabilitation (VR) Program and the Older Blind Program. Specially trained itinerant counselors travel the state to arrange for, purchase or deliver services necessary to the rehabilitation goals of blind persons in Arkansas. Older Blind Services are provided via a Professional Services contract with statewide coverage. Both programs are funded by the federal Rehabilitation Services Administration through formula grants based upon the elevated incidence of disability in the Arkansas population. The state is required to match the VR grant at 21.3% and Older Blind grant at 10% and provides a certain amount of additional mandated general revenue with which DSB meets its Maintenance of Effort. This qualifies DSB for additional incentive funding.

For the 2013-2015 Biennium DSB seeks approval of four federally funded initiatives above base level. No additional general revenue is required.

### Vocational Rehabilitation Intern Program

DSB seeks 12 additional Extra Help positions and federal appropriation in operating Fund Center 896 to provide two Interns per Consumer service area outside of Little Rock and four in Little Rock to provide direct services for Blind and Visually Impaired consumers. This coverage will enable Division of Services for the Blind to meet its obligation to institutions of higher education that are producing qualified personnel ready for certification. It will greatly enhance the division's ability to recruit qualified staff. It will also enable DSB to better serve consumers and will provide interns with necessary skills to qualify for Rehabilitation Counselor positions as they become available. Division of Services for the Blind is required to hire Certified Counselors under regulations of the Rehabilitation Services Administration. This program is designed to give potential candidates experience in the day to day work environment for a Rehabilitation Counselor as well as enabling the agency to meet the federal mandate of the Rehabilitation Act of 1973 as amended. No additional general revenue is required for this initiative.

### Vocational Rehabilitation Jump Start Program

Division of Services for the Blind (DSB) seeks 4 Extra Help positions and funded federal appropriation in operating Fund Center 896 to provide backup Residential Care Assistants for Jump Start, a statewide career development program for high school students who are blind or severely visually impaired. The three to four week residential program is designed to expose Jump Start students to the world of work and assist them in transitioning from high school to employment or post-secondary education. Students are placed in part-time jobs appropriate for their skills, abilities, and interests. DSB takes students on field trips to businesses and colleges; teaches the students how to do their own shopping, cooking, and laundry; provides instruction by certified orientation and mobility specialists; teaches job search skills and computer

technology; and provides recreational opportunities. Additional Residential Care Assistant positions are needed for the short term program to provide for turnover within supervision of the students in the program and to insure the proper ratio of student/supervisor for oversight and safety. No additional State General Revenue is needed for this request.

The total federal appropriation for 16 extra help positions requested is 353,284 for both 2014 and 2015. No additional general revenue is required.

DSB requests the re-classification of 14 positions and funded federal appropriation of 20,373 for 2014 and 20,651 for 2015 to address the capacity to recruit qualified staff in a timely manner as stated in the Rehabilitation Act of 1973 as amended. Positions related to this request include 4 L051C/Grade C117 Rehab Counselors and 1 Vocational Rehab Placement Specialist M032C/C117 to certified level E039C/Grade C118 DHS/DSB Teacher for the Blind.; 9 L051C/Grade C117 Rehab Counselors to the certified level L098C/Grade C119 Certified Vocational Rehab Counselor. No additional General Revenue requested.

DSB requests a Title change for the Director and Deputy Director to clarify commission status of the Division, governed by different law than agencies that do not qualify as commissions. No additional General Revenue requested.

#### EQUIPMENT APPROPRIATION

DSB requests funded federal appropriation of 25K for 2014 and 2015 in operating Fund Center 896 to provide for Capital Outlay. The request is to enable DSB to purchase equipment that is normally purchased as Maintenance & Operation (M&O) in the event the item exceeds the M&O Cost Ceiling and becomes Capital Outlay. No additional general revenue is required.

#### Comprehensive System of Personnel Development

DSB requests funded federal appropriation of 40K for 2014 and 2015 in operating Fund Center 896 to provide for payment of tuition for college level coursework in degree programs for any eligible employee selected by the agency under the Comprehensive System of Personnel Development (34 CFR 361.18). Separate special language is submitted corresponding to this request. The language of the mandate mirrors that authorized for Arkansas Rehabilitation Services which is subject to the same law and regulation. No additional general revenue is required for this initiative.



## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

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

### **State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012**

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		
None	N/A	N	N	0	N/A

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	4,354,290	73	6,146,650	76	6,123,217	74	6,142,379	76	6,581,036	76	6,581,036	76	6,146,570	76	6,585,505	76	6,585,505	76
898 Purchase of Services	3,308,862	0	4,419,977	0	3,784,558	0	4,419,977	0	4,419,977	0	4,419,977	0	4,419,977	0	4,419,977	0	4,419,977	0
Total	7,663,152	73	10,566,627	76	9,907,775	74	10,562,356	76	11,001,013	76	11,001,013	76	10,566,547	76	11,005,482	76	11,005,482	76

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue 4000010	1,900,409	24.8	1,880,943	17.8			1,895,147	17.9	1,895,147	17.2	1,895,147	17.2	1,895,652	17.9	1,895,652	17.2	1,895,652	17.2
Federal Revenue 4000020	5,529,115	72.2	8,670,729	82.1			8,667,209	82.1	9,105,866	82.8	9,105,866	82.8	8,670,895	82.1	9,109,830	82.8	9,109,830	82.8
Merit Adjustment Fund 4000055	35,212	0.5	14,955	0.1			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA 4000244	183,178	2.4	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	15,238	0.2	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds	7,663,152	100.0	10,566,627	100.0			10,562,356	100.0	11,001,013	100.0	11,001,013	100.0	10,566,547	100.0	11,005,482	100.0	11,005,482	100.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
Grand Total	7,663,152		10,566,627				10,562,356		11,001,013		11,001,013		10,566,547		11,005,482		11,005,482	

Services for the Blind (896; 898) Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

Services for the Blind (896) Positions exceed Authorized by authority of Reallocation of Resources.

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
75	66	19	85	-10	12.00 %	74	65	9	74	0	12.16 %	74	64	12	76	-2	13.51 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 157 of 2012 section 16(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).

## **Analysis of Budget Request**

**Appropriation:** 896 - DHS–Admin Paying Account

**Funding Sources:** PWP - Administration Paying

In 1983, Act 481 was passed, creating the Division of State Services for the Blind (DSB). The Act removed the Division from the jurisdiction of the Department of Rehabilitation Services and made it an autonomous state agency within the Department of Human Services. The Division is responsible for its own State Plan under the Federal Rehabilitation Act. Agency direction and performance responsibility lies with a seven (7) member consumer board comprised of organization representatives involved in providing services for people who have visual impairments. The member organizations include those such as Arkansas Lions, Blinded Veterans Association, Lions World Services for the Blind, Arkansas School for the Blind, and the Arkansas Affiliate of the National Federation of the Blind. By law, the majority of the members of the Board must be persons who are blind. 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). 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. Other revenues which are indicated as various program support can include sources such as M&R proceeds and refunds.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

896 DHS - Administrative Paying Account

The Agency Base Level request for the Operations appropriation is \$6,142,379 in FY2014 and \$6,146,570 in FY2015 with 76 budgeted Base Level positions.

898 DHS - Grants Paying Account

The Agency Base Level and total request for the Purchase of Services line item is \$4,419,977 each year of the biennium.

The Agency Change Level request for the Operations appropriation is \$438,657 in FY2014 and \$438,935 in FY2015, with no request for additional general revenue in the 2013-2015 Biennium. The following delineates the agency request:

- 16 new Extra Help positions with extra help appropriation and matching appropriation. Twelve (12) of the extra help positions are to provide direct services for blind and visually impaired consumers and four (4) of the extra help positions will serve as residential care assistants for the Jump Start program.
- Reclassification on fourteen (14) positions to address the capacity to recruit qualified staff as stated in the federal Rehabilitation Act of 1973, as amended.
- Title Change on two (2) positions to clarify commission status.
- \$40,000 each year of the biennium is requested for the Operating Expenses line item for payment of college tuition level course work in degree programs for eligible employees.
- \$25,000 each year of the biennium is requested for the Capital Outlay line item to provide appropriation for any large unforeseen purchases.

The Executive Recommendation provides for the Agency Request in the Operations appropriation except for the title changes.

The Executive Recommendation provides for the Agency Request in the Purchase of Services line item.

# Appropriation Summary

**Appropriation:** 896 - DHS--Admin Paying Account

**Funding Sources:** PWP - Administration Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,765,448	2,947,861	3,111,658	2,949,882	2,965,343	2,965,343	2,953,282	2,968,743	2,968,743
<b>#Positions</b>		<b>73</b>	<b>76</b>	<b>74</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>76</b>
Extra Help	5010001	41,964	60,000	40,000	60,000	384,174	384,174	60,000	384,174	384,174
<b>#Extra Help</b>		<b>11</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>30</b>	<b>30</b>	<b>14</b>	<b>30</b>	<b>30</b>
Personal Services Matching	5010003	930,320	1,045,574	1,001,007	1,064,282	1,098,304	1,098,304	1,065,073	1,099,373	1,099,373
Operating Expenses	5020002	508,792	1,349,715	742,052	1,349,715	1,389,715	1,389,715	1,349,715	1,389,715	1,389,715
Conference & Travel Expenses	5050009	45,582	55,000	40,000	55,000	55,000	55,000	55,000	55,000	55,000
Professional Fees	5060010	39,876	663,500	1,163,500	663,500	663,500	663,500	663,500	663,500	663,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Purchase of Services	5100004	3,132,854	4,419,977	3,784,558	4,419,977	4,419,977	4,419,977	4,419,977	4,419,977	4,419,977
Capital Outlay	5120011	15,138	25,000	25,000	0	25,000	25,000	0	25,000	25,000
Purchase of Srvs-ARRA 2009	5900052	176,008	0	0	0	0	0	0	0	0
ARRA of 2009	5900052	7,170	0	0	0	0	0	0	0	0
<b>Total</b>		<b>7,663,152</b>	<b>10,566,627</b>	<b>9,907,775</b>	<b>10,562,356</b>	<b>11,001,013</b>	<b>11,001,013</b>	<b>10,566,547</b>	<b>11,005,482</b>	<b>11,005,482</b>

Funding Sources										
General Revenue	4000010	1,900,409	1,880,943		1,895,147	1,895,147	1,895,147	1,895,652	1,895,652	1,895,652
Federal Revenue	4000020	5,529,115	8,670,729		8,667,209	9,105,866	9,105,866	8,670,895	9,109,830	9,109,830
Merit Adjustment Fund	4000055	35,212	14,955		0	0	0	0	0	0
Federal Funds-ARRA	4000244	183,178	0		0	0	0	0	0	0
Various Program Support	4000730	15,238	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>7,663,152</b>	<b>10,566,627</b>		<b>10,562,356</b>	<b>11,001,013</b>	<b>11,001,013</b>	<b>10,566,547</b>	<b>11,005,482</b>	<b>11,005,482</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>7,663,152</b>	<b>10,566,627</b>		<b>10,562,356</b>	<b>11,001,013</b>	<b>11,001,013</b>	<b>10,566,547</b>	<b>11,005,482</b>	<b>11,005,482</b>

Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.  
Positions exceed Authorized by authority of Reallocation of Resources.

## Change Level by Appropriation

**Appropriation:** 896 - DHS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>6,142,379</b>	<b>76</b>	<b>6,142,379</b>	<b>100.0</b>	<b>6,146,570</b>	<b>76</b>	<b>6,146,570</b>	<b>100.0</b>
C01	Existing Program	418,284	0	6,560,663	106.8	418,284	0	6,564,854	106.8
C10	Reclass	20,373	0	6,581,036	107.1	20,651	0	6,585,505	107.1
C14	Title Change	0	0	6,581,036	107.1	0	0	6,585,505	107.1

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>6,142,379</b>	<b>76</b>	<b>6,142,379</b>	<b>100.0</b>	<b>6,146,570</b>	<b>76</b>	<b>6,146,570</b>	<b>100.0</b>
C01	Existing Program	418,284	0	6,560,663	106.8	418,284	0	6,564,854	106.8
C10	Reclass	20,373	0	6,581,036	107.1	20,651	0	6,585,505	107.1
C14	Title Change	0	0	6,581,036	107.1	0	0	6,585,505	107.1

### Justification

C01	Division of Services for the Blind (DSB) requests funded appropriation in Funds Center 896 to provide for 12 Extra Help Rehabilitation Interns statewide. This will enable DSB to meet its obligation to institutions of higher education that are providing job candidates that are ready for certification and also enable DSB to better serve consumers. DSB requests funded appropriation in Funds Center 896 to provide 4 Extra Help backup Residential Care Assistants for Jump Start, a career development program for high school students who are blind or severely visually impaired. DSB requests funded appropriation in Maintenance & Operating (M&O) Fund Center 896 to provide for payment of tuition for college level coursework in degree programs for eligible employees as mandated in 34 CFR 361.18. Additionally, request for Capital Outlay will enable DSB to purchase equipment that is normally purchased as M&O in the event the item exceeds the M&O cost Ceiling and becomes Capital Outlay. No additional general revenue is required.
C10	DSB requests the re-classification of 14 positions to address the capacity to recruit qualified staff in a timely manner as stated in the Rehabilitation Act of 1973 as amended. Positions related to this request include 4 L051C/Grade C117 Rehab Counselors and 1 Vocational Rehab Placement Specialist M032C/C117 to certified level E039C/Grade C118 DHS/DSB Teacher for the Blind.; 9 L051C/Grade C117 Rehab Counselors to the certified level L098C/Grade C119 Certified Vocational Rehab Counselor. No additional General Revenue requested.
C14	Division of Services for the Blind requests Title Changes of DHS Deputy Director Services for the Blind and DHS/DSB Assistant Director to original authorization of DHS/DSB Commissioner and DHS/DSB Deputy Commissioner to clarify the commission status of the division, which is governed by different law than agencies that do not qualify as commissions.

# DHS - Youth Services

## **Enabling Laws**

Act 218 of 2012  
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.

DYS' Executive Staff continues to work to reinforce working relationships with juvenile courts throughout Arkansas. The goal of this effort is to make sure all partners involved within the juvenile justice system are fully aware of the various programs, other than residential placement, that are available to Arkansas youth. DYS accredits a continued reduction of commitments of 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.

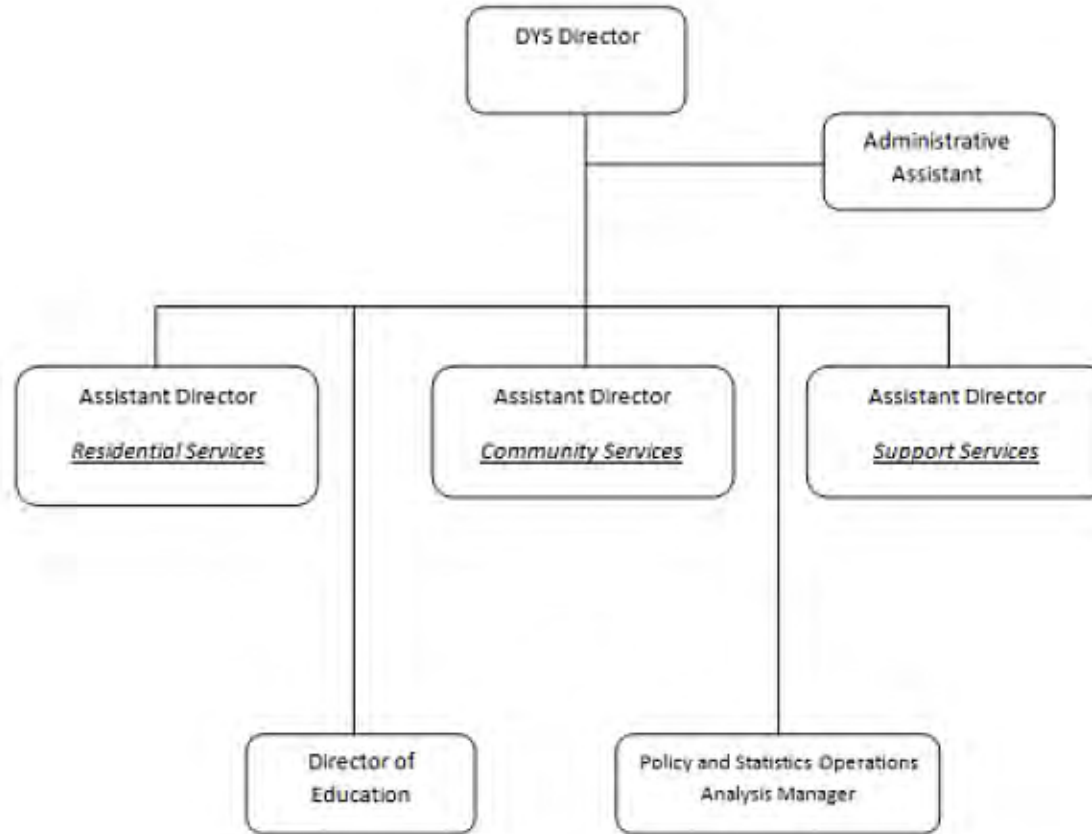
### **ADVISORY BOARD**

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.

### **ORGANIZATION**

The Division of Youth Services is located within the Department of Human Services.

## Division of Youth Services - Organizational Charts



### Agency Commentary

The Division of Youth Services (DYS) 2013 - 2015 Biennial Budget request is for appropriation and funds to support state funded community programs for juveniles. 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

The Division of Youth Services' 2013 - 2015 Biennial Budget Request also includes:

- Appropriation to permit continuation of program initiatives

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 Operations

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 Operations

Appropriation 896: The Division is requesting a change level for general revenue funds and appropriation for each year of the biennium in the amount of \$55,000 for Capital Outlay to replace aging computer equipment, network printers, and aging equipment such as large refrigerators, stoves, and air conditioners at DYS residential facilities.

Appropriation 896: The Division is requesting a change level for unfunded appropriation only in the amount of \$50,000 for each year of the biennium for Capital Outlay to provide for equipment needs for the electronic surveillance systems at DYS' Juvenile Treatment and Correctional Program facilities. DYS' security plan has aligned with that of the Department in the last biennium.

Appropriation 896: The Division is requesting a change level for unfunded appropriation only in the amount of \$678,000 for each year of the biennium for the Operations line item to support mission critical objectives.

Appropriation 896: The Division is requesting a change level for unfunded appropriation only in the amount of \$300,000 for each year of the biennium for Professional Fees based upon needs of medical services required or additional funding received to support mission critical objectives.

Appropriation 896: The Division is requesting the reclassification of a Mail Services Assistant C105 position to an Inventory Control Specialist C113 to be responsible for preparing the annual audit and reconciliation of assets. The amount of change for each year of the biennium of unfunded appropriation is \$8,574 for the regular salaries and \$1,991 for personal services matching.

The Division is requesting the establishment of 129 Contingency Residential Positions through Special Language. The contingency positions are needed in the event an emergency arises at a Residential Facility and State staff would be needed immediately.

### 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 who are admitted to the program and 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

Appropriation 2RB: The Division is requesting a change level for appropriation and general revenue funding in the amount of \$2,000,000 for each year of the biennium for community based programs that are evidence based, proven effective and best practice. These programs are designed to address community based interventions to reduce commitments to DYS and from further involvement in the juvenile justice system. They include multi-systemic therapy, community mentoring program for siblings of court involved youth, school-based program during after school hours, and youth-focused substance abuse treatment. Due to the successfulness of the evidence based, best practice pilot programs implemented using American Recovery and Re-investment Act (ARRA) Money and General Improvement Funds, DYS has been able to redirect \$1,000,000 of funding from Residential Services to CBP programs.

Appropriation 2RB: The Division is requesting a change level for unfunded appropriation only in the amount of \$2,000,000 for each year of the biennium for anticipated grants.

Appropriation 2RC: The Division is requesting a change level for appropriation each year of the biennium in the amount of \$850,222 for federal funding provided through Juvenile Justice Delinquency Prevention programs and the U.S. Department of Education.

Appropriation 2RA: The Division is requesting a change level for appropriation each year of the biennium in the amount of \$500,000 for federal funding provided through the Juvenile Accountability Incentive 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

Appropriation 2YH: The Division is requesting a change level for unfunded appropriation in the amount of \$2,000,000 for each year of the biennium to align with fund in the event that adjustments are needed for residential contracts.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

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

## **State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012**

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		
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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2QZ Community Based Sanctions	2,531,189	0	2,550,000	0	2,500,000	0	2,550,000	0	2,550,000	0	2,550,000	0	2,550,000	0	2,550,000	0	2,550,000	0
2RA Juvenile Account Incentive Block Grant	436,964	0	1,171,520	0	1,970,215	0	1,171,520	0	1,671,520	0	1,671,520	0	1,171,520	0	1,671,520	0	1,671,520	0
2RB Community Services	18,354,691	0	17,427,312	0	20,502,140	0	17,427,312	0	21,427,312	0	21,427,312	0	17,427,312	0	21,427,312	0	21,427,312	0
2RC Federal Child & Youth Service Grants	3,159,291	0	4,896,253	0	5,623,293	0	4,896,253	0	5,746,475	0	5,746,475	0	4,896,253	0	5,746,475	0	5,746,475	0
2YH Residential Services	25,297,564	0	24,579,874	0	30,326,648	0	24,579,874	0	26,579,874	0	26,579,874	0	24,579,874	0	26,579,874	0	26,579,874	0
896 Division of Youth Services	7,961,492	86	7,774,326	88	11,635,560	88	7,685,351	88	8,778,916	88	8,778,916	88	7,687,449	88	8,781,014	88	8,781,014	88
<b>Total</b>	<b>57,741,191</b>	<b>86</b>	<b>58,399,285</b>	<b>88</b>	<b>72,557,856</b>	<b>88</b>	<b>58,310,310</b>	<b>88</b>	<b>66,754,097</b>	<b>88</b>	<b>66,754,097</b>	<b>88</b>	<b>58,312,408</b>	<b>88</b>	<b>66,756,195</b>	<b>88</b>	<b>66,756,195</b>	<b>88</b>

Funding Sources		%		%		%		%		%		%		%		%	
General Revenue	4000010	48,903,677	84.7	48,255,346	82.6	48,199,120	82.7	50,254,120	81.4	48,199,120	80.8	48,200,620	82.7	50,255,620	81.4	48,200,620	80.8
Federal Revenue	4000020	3,590,908	6.2	5,812,977	10.0	5,802,811	10.0	6,653,033	10.8	6,653,033	11.2	5,803,409	10.0	6,653,631	10.8	6,653,631	11.2
Trust Fund	4000050	436,964	0.8	1,171,520	2.0	1,171,520	2.0	1,671,520	2.7	1,671,520	2.8	1,171,520	2.0	1,671,520	2.7	1,671,520	2.8
Merit Adjustment Fund	4000055	0	0.0	101,444	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	(78,263)	(0.1)	(78,861)	(0.1)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Ar Pub Defender	4000603	(90,537)	(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)	(0.7)	(400,000)	(0.7)	(400,000)	(0.7)	(400,000)	(0.6)	(400,000)	(0.7)	(400,000)	(0.7)	(400,000)	(0.6)	(400,000)	(0.7)
Various Program Support	4000730	5,378,442	9.3	3,776,859	6.5	3,776,859	6.5	3,776,859	6.1	3,776,859	6.3	3,776,859	6.5	3,776,859	6.1	3,776,859	6.3
<b>Total Funds</b>		<b>57,741,191</b>	<b>100.0</b>	<b>58,399,285</b>	<b>100.0</b>	<b>58,310,310</b>	<b>100.0</b>	<b>61,715,532</b>	<b>100.0</b>	<b>59,660,532</b>	<b>100.0</b>	<b>58,312,408</b>	<b>100.0</b>	<b>61,717,630</b>	<b>100.0</b>	<b>59,662,630</b>	<b>100.0</b>
Excess Appropriation/(Funding)		0		0		0		5,038,565		7,093,565		0		5,038,565		7,093,565	
<b>Grand Total</b>		<b>57,741,191</b>		<b>58,399,285</b>		<b>58,310,310</b>		<b>66,754,097</b>		<b>66,754,097</b>		<b>58,312,408</b>		<b>66,756,195</b>		<b>66,756,195</b>	

Youth Services (2QZ) Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	11	88	73	52.17 %	88	80	0	80	8	9.09 %	88	81	7	88	0	7.95 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 157 of 2012 section 16(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).

## **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 general revenue (DYS-Youth Services Fund Account) and other revenues which are indicated as various program support that become available, such as funding certified under the 45 day rule.

The Agency Base Level and total request for this appropriation is \$2,550,000 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	2,531,189	2,550,000	2,500,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Total		2,531,189	2,550,000	2,500,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
<b>Funding Sources</b>										
General Revenue	4000010	2,501,601	2,550,000		2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Various Program Support	4000730	29,588	0		0	0	0	0	0	0
Total Funding		2,531,189	2,550,000		2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,531,189	2,550,000		2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000

Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

## **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.

The Agency Base Level request for this appropriation is \$1,171,520 each year of the biennium.

The Agency Change Level request for this appropriation is \$500,000 each year of the biennium in appropriation due to a possible increase in federal funding to be used for the Juvenile Accountability Incentive Block Grant Program.

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	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	436,964	1,171,520	1,970,215	1,171,520	1,671,520	1,671,520	1,171,520	1,671,520	1,671,520
Total	436,964	1,171,520	1,970,215	1,171,520	1,671,520	1,671,520	1,171,520	1,671,520	1,671,520
Funding Sources									
Trust Fund 4000050	436,964	1,171,520		1,171,520	1,671,520	1,671,520	1,171,520	1,671,520	1,671,520
Total Funding	436,964	1,171,520		1,171,520	1,671,520	1,671,520	1,171,520	1,671,520	1,671,520
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	436,964	1,171,520		1,171,520	1,671,520	1,671,520	1,171,520	1,671,520	1,671,520

## 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		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,171,520</b>	<b>0</b>	<b>1,171,520</b>	<b>100.0</b>	<b>1,171,520</b>	<b>0</b>	<b>1,171,520</b>	<b>100.0</b>
C01	Existing Program	500,000	0	1,671,520	142.7	500,000	0	1,671,520	142.7

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,171,520</b>	<b>0</b>	<b>1,171,520</b>	<b>100.0</b>	<b>1,171,520</b>	<b>0</b>	<b>1,171,520</b>	<b>100.0</b>
C01	Existing Program	500,000	0	1,671,520	142.7	500,000	0	1,671,520	142.7

### Justification

C01	The Division requests appropriation only in the amount of \$500,000.00 for both years of the biennium for a possible increase in federal funding provided through the Juvenile Accountability Block Grant.
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## **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 other revenues which are indicated as various program support that become available, such as Targeted Case Management funding and Rehab funding.

The Agency Base Level request for this appropriation is \$17,427,312 each year of the biennium.

The Agency Change Level request for this appropriation is \$4,000,000 in each year of the biennium with a general revenue request of \$2,000,000 in each year. The general revenue request consists of the following component:

- \$2,000,000 each year of the biennium for evidence based, proven effective, and best practices programs. These programs are designed to address community based interventions to reduce commitments to DYS.

The following delineates the agency's request:

- \$2,000,000 each year of the biennium to be used in conjunction with the evidence based, proven effective, and best practices programs.
- \$2,000,000 each year of the biennium to be used in support of the Community Services Program if other revenues become available.

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

## 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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	18,354,691	17,427,312	20,502,140	17,427,312	21,427,312	21,427,312	17,427,312	21,427,312	21,427,312
Total		18,354,691	17,427,312	20,502,140	17,427,312	21,427,312	21,427,312	17,427,312	21,427,312	21,427,312
<b>Funding Sources</b>										
General Revenue	4000010	16,255,553	16,787,401		16,787,401	18,787,401	16,787,401	16,787,401	18,787,401	16,787,401
Various Program Support	4000730	2,099,138	639,911		639,911	639,911	639,911	639,911	639,911	639,911
Total Funding		18,354,691	17,427,312		17,427,312	19,427,312	17,427,312	17,427,312	19,427,312	17,427,312
Excess Appropriation/(Funding)		0	0		0	2,000,000	4,000,000	0	2,000,000	4,000,000
Grand Total		18,354,691	17,427,312		17,427,312	21,427,312	21,427,312	17,427,312	21,427,312	21,427,312

## Change Level by Appropriation

**Appropriation:** 2RB - Community Services  
**Funding Sources:** DYS - Youth Services Fund Account

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>17,427,312</b>	<b>0</b>	<b>17,427,312</b>	<b>100.0</b>	<b>17,427,312</b>	<b>0</b>	<b>17,427,312</b>	<b>100.0</b>
C01	Existing Program	2,000,000	0	19,427,312	111.5	2,000,000	0	19,427,312	111.5
C05	Unfunded Appropriation	2,000,000	0	21,427,312	123.0	2,000,000	0	21,427,312	123.0

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>17,427,312</b>	<b>0</b>	<b>17,427,312</b>	<b>100.0</b>	<b>17,427,312</b>	<b>0</b>	<b>17,427,312</b>	<b>100.0</b>
C01	Existing Program	2,000,000	0	19,427,312	111.5	2,000,000	0	19,427,312	111.5
C05	Unfunded Appropriation	2,000,000	0	21,427,312	123.0	2,000,000	0	21,427,312	123.0

### Justification

C01	The Division is requesting funding and appropriation in the amount of \$2,000,000 for both years for evidence based, proven effective and best practices programs.
C05	The Division is requesting appropriation only in the amount of \$2,000,000.00 for both years of the biennium for anticipated non-federal grant funding.

## **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 \$4,896,253 each year of the biennium.

The Agency Change Level request for this appropriation is \$850,222 in each year of the biennium, due to an increase in federal Juvenile Justice Delinquency Prevention Program funding and U.S. Department of Education funding.

The Executive Recommendation provides for the Agency Request.

# Appropriation Summary

**Appropriation:** 2RC - Federal Child & Youth Service Grants

**Funding Sources:** FWF - DHS Federal

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	3,159,291	4,896,253	5,623,293	4,896,253	5,746,475	5,746,475	4,896,253	5,746,475	5,746,475
Total		3,159,291	4,896,253	5,623,293	4,896,253	5,746,475	5,746,475	4,896,253	5,746,475	5,746,475
<b>Funding Sources</b>										
Federal Revenue	4000020	3,159,291	4,896,253		4,896,253	5,746,475	5,746,475	4,896,253	5,746,475	5,746,475
Total Funding		3,159,291	4,896,253		4,896,253	5,746,475	5,746,475	4,896,253	5,746,475	5,746,475
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,159,291	4,896,253		4,896,253	5,746,475	5,746,475	4,896,253	5,746,475	5,746,475

## Change Level by Appropriation

**Appropriation:** 2RC - Federal Child & Youth Service Grants  
**Funding Sources:** FWF - DHS Federal

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,896,253</b>	<b>0</b>	<b>4,896,253</b>	<b>100.0</b>	<b>4,896,253</b>	<b>0</b>	<b>4,896,253</b>	<b>100.0</b>
C01	Existing Program	850,222	0	5,746,475	117.4	850,222	0	5,746,475	117.4

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,896,253</b>	<b>0</b>	<b>4,896,253</b>	<b>100.0</b>	<b>4,896,253</b>	<b>0</b>	<b>4,896,253</b>	<b>100.0</b>
C01	Existing Program	850,222	0	5,746,475	117.4	850,222	0	5,746,475	117.4

### Justification

C01	The Division requests an increase in appropriation in the amount of \$850,222 each year of the biennium to support an increase in federal funding for JJDP Title II sub-grants and from the U.S. Department of Education.
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## **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 is general revenue (DYS-Youth Services Fund Account) and other revenues which are indicated as various program support that become available, such as Targeted Case Management funding and Rehab funding.

The Agency Base Level request for this appropriation is \$24,579,874 each year of the biennium.

The Agency Change Level request for this appropriation is \$2,000,000 in each year of the biennium of to provide additional appropriation for contracts when funds are needed for residential contract adjustments if other revenues become available.

The Executive Recommendation provides for the Agency Request.

## 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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	25,297,564	24,579,874	30,326,648	24,579,874	26,579,874	26,579,874	24,579,874	26,579,874	26,579,874
Total		25,297,564	24,579,874	30,326,648	24,579,874	26,579,874	26,579,874	24,579,874	26,579,874	26,579,874
<b>Funding Sources</b>										
General Revenue	4000010	22,096,214	21,442,926		21,442,926	21,442,926	21,442,926	21,442,926	21,442,926	21,442,926
Various Program Support	4000730	3,201,350	3,136,948		3,136,948	3,136,948	3,136,948	3,136,948	3,136,948	3,136,948
Total Funding		25,297,564	24,579,874		24,579,874	24,579,874	24,579,874	24,579,874	24,579,874	24,579,874
Excess Appropriation/(Funding)		0	0		0	2,000,000	2,000,000	0	2,000,000	2,000,000
Grand Total		25,297,564	24,579,874		24,579,874	26,579,874	26,579,874	24,579,874	26,579,874	26,579,874



## Change Level by Appropriation

**Appropriation:** 2YH - Residential Services  
**Funding Sources:** DYS - Youth Services Fund Account

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>24,579,874</b>	<b>0</b>	<b>24,579,874</b>	<b>100.0</b>	<b>24,579,874</b>	<b>0</b>	<b>24,579,874</b>	<b>100.0</b>
C05	Unfunded Appropriation	2,000,000	0	26,579,874	108.1	2,000,000	0	26,579,874	108.1

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>24,579,874</b>	<b>0</b>	<b>24,579,874</b>	<b>100.0</b>	<b>24,579,874</b>	<b>0</b>	<b>24,579,874</b>	<b>100.0</b>
C05	Unfunded Appropriation	2,000,000	0	26,579,874	108.1	2,000,000	0	26,579,874	108.1

### Justification

C05	The Division is requesting appropriation only in the amount of \$2,000,000.00 for both years of the biennium in the event adjustments are needed for residential contracts.
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## **Analysis of Budget Request**

**Appropriation:** 896 - DHS–Admin Paying Account

**Funding Sources:** PWP - Administration Paying

The Division of Youth Services was created by Act 1296 of 1993 to be entirely devoted “to handling the problems of youths involved with the juvenile justice system.” The primary responsibilities of DYS as it functions today are to coordinate components of the juvenile justice system, establish serious offender programs, expand community based-services, and provide services to delinquent and Family-in-Need-of-Services (FINS) youth. Other responsibilities of the agency include research related to juvenile delinquency and related problems, development of programs for early intervention and prevention of juvenile delinquency and maintenance of information on juvenile delinquents in the state. This appropriation provides administrative support for the Division of Youth Services.

Funding for this appropriation includes general revenue (DYS - Youth Services Fund Account), federal revenues, and other revenues that become available, which are indicated as various program support. The federal funds are derived from Juvenile Justice and Delinquency Prevention Program (JJDP) funds, Juvenile Accountability Block Grant (JAPBG) funds and Title I funds. Various program support can also include sources such as Public Welfare Foundation funding and Novice Teacher Grant funding.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee’s health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$7,685,351 in FY2014 and \$7,687,449 in FY2015 with 88 budgeted base level positions.

The Agency Change Level request for this appropriation is \$1,093,565 each year of the biennium with general revenue request of \$55,000 in each year. The general revenue request consists of the following component:

- \$55,000 each year of the biennium for the Capital Outlay line item to replace aging computer equipment and network printers as identified in the Division IT Plan under the IT Support tab under Hardware and to replace aging equipment such as refrigerators, stoves, and air conditioners at DYS residential facilities.

The following delineates the agency’s appropriation request:

- One (1) position reclassification with salary and matching is requested for preparing the annual audit and reconciliation of assets.
- \$678,000 each year of the biennium in the Operating Expenses line item for other commodities materials and supplies.

- \$300,000 each year of the biennium in the Professional Fees and Services line item that will be used 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 the Capital Outlay line item:
  - \$55,000 each year of the biennium is to replace aging computer equipment and network printers as identified in the Division IT Plan under the IT Support tab under Hardware and to replace aging equipment such as refrigerators, stoves, and air conditioners at DYS residential facilities.
  - \$50,000 each year of the biennium in the Capital Outlay line item will be used for an electronic surveillance system at DYS Juvenile Treatment and Correction Program facilities as identified in the Division IT Plan under the Electronic Surveillance tab.

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

# Appropriation Summary

**Appropriation:** 896 - DHS--Admin Paying Account

**Funding Sources:** PWP - Administration Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,694,039	3,808,678	5,954,518	3,810,278	3,818,852	3,818,852	3,811,978	3,820,552	3,820,552
<b>#Positions</b>		<b>86</b>	<b>88</b>	<b>88</b>	<b>88</b>	<b>88</b>	<b>88</b>	<b>88</b>	<b>88</b>	<b>88</b>
Extra Help	5010001	33,288	40,008	40,008	40,008	40,008	40,008	40,008	40,008	40,008
<b>#Extra Help</b>		<b>5</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	1,071,747	1,301,683	2,012,394	1,323,172	1,325,163	1,325,163	1,323,570	1,325,561	1,325,561
Overtime	5010006	0	8,004	8,004	8,004	8,004	8,004	8,004	8,004	8,004
Operating Expenses	5020002	2,944,656	2,335,339	3,012,380	2,335,339	3,013,339	3,013,339	2,335,339	3,013,339	3,013,339
Conference & Travel Expenses	5050009	41,040	114,500	89,000	114,500	114,500	114,500	114,500	114,500	114,500
Professional Fees	5060010	139,272	54,050	352,192	54,050	354,050	354,050	54,050	354,050	354,050
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	37,450	112,064	167,064	0	105,000	105,000	0	105,000	105,000
<b>Total</b>		<b>7,961,492</b>	<b>7,774,326</b>	<b>11,635,560</b>	<b>7,685,351</b>	<b>8,778,916</b>	<b>8,778,916</b>	<b>7,687,449</b>	<b>8,781,014</b>	<b>8,781,014</b>

Funding Sources										
General Revenue	4000010	8,050,309	7,475,019		7,418,793	7,473,793	7,418,793	7,420,293	7,475,293	7,420,293
Federal Revenue	4000020	431,617	916,724		906,558	906,558	906,558	907,156	907,156	907,156
Merit Adjustment Fund	4000055	0	101,444		0	0	0	0	0	0
Reallocation of Resources	4000410	(78,263)	(78,861)		0	0	0	0	0	0
Transfer to Ar Pub Defender	4000603	(90,537)	(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	48,366	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>7,961,492</b>	<b>7,774,326</b>		<b>7,685,351</b>	<b>7,740,351</b>	<b>7,685,351</b>	<b>7,687,449</b>	<b>7,742,449</b>	<b>7,687,449</b>
Excess Appropriation/(Funding)		0	0		0	1,038,565	1,093,565	0	1,038,565	1,093,565
<b>Grand Total</b>		<b>7,961,492</b>	<b>7,774,326</b>		<b>7,685,351</b>	<b>8,778,916</b>	<b>8,778,916</b>	<b>7,687,449</b>	<b>8,781,014</b>	<b>8,781,014</b>

Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

## Change Level by Appropriation

**Appropriation:** 896 - DHS--Admin Paying Account  
**Funding Sources:** PWP - Administration Paying

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,685,351</b>	<b>88</b>	<b>7,685,351</b>	<b>100.0</b>	<b>7,687,449</b>	<b>88</b>	<b>7,687,449</b>	<b>100.0</b>
C01	Existing Program	55,000	0	7,740,351	100.7	55,000	0	7,742,449	100.7
C05	Unfunded Appropriation	978,000	0	8,718,351	113.4	978,000	0	8,720,449	113.4
C08	Technology	50,000	0	8,768,351	114.1	50,000	0	8,770,449	114.1
C10	Reclass	10,565	0	8,778,916	114.2	10,565	0	8,781,014	114.2

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,685,351</b>	<b>88</b>	<b>7,685,351</b>	<b>100.0</b>	<b>7,687,449</b>	<b>88</b>	<b>7,687,449</b>	<b>100.0</b>
C01	Existing Program	55,000	0	7,740,351	100.7	55,000	0	7,742,449	100.7
C05	Unfunded Appropriation	978,000	0	8,718,351	113.4	978,000	0	8,720,449	113.4
C08	Technology	50,000	0	8,768,351	114.1	50,000	0	8,770,449	114.1
C10	Reclass	10,565	0	8,778,916	114.2	10,565	0	8,781,014	114.2

### Justification

C01	The Division is requesting funding and appropriation in the amount of \$55,000 in Capital Outlay for each year of the biennium to provide for aging computer equipment and network printers as well as major pieces of equipment for each Residential Facility that DYS operates, Section - IT Support Item Category – Hardware, page 18.
C05	The Division is requesting unfunded appropriation in the amount of \$678,000 (maintenance and operation) and \$300,000 (professional fees) for each year of the biennium to support mission critical objectives.
C08	The Division is requesting unfunded appropriation only, in the amount of \$50,000.00 for each year of the biennium to make allowance for equipment needs for the DYS electronic surveillance system at DYS Juvenile Treatment and Correctional Programs, Section – Electronic surveillance Systems, page 11.
C10	The Division is requesting the reclassification of the one position from a C105 to C113 to be responsible for preparing the annual audit and reconciliation of assets.