

**ARKANSAS DEPARTMENT OF WORKFORCE EDUCATION
ARKANSAS REHABILITATION SERVICES
AGENCY #0520 - 2007-09 BIENNIUM
BUDGET INFORMATION ACCORDING TO ALC/JBC RECOMMENDATIONS**

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

Arkansas Rehabilitation Services' (ARS) mission is to provide opportunities for individuals with disabilities to work and lead productive and independent lives.

ARS provides statewide vocational rehabilitation services to disabled persons so they can return to or enter employment, and provides independent living services to assist disabled individuals particularly in the area of mobility, socialization, housing. ARS carries out its responsibilities through a field program that reaches all 75 counties through field offices in 16 cities, the Hot Springs Rehabilitation Center (HSRC), Special Programs and Support Services, Office for the Deaf and Hearing Impaired, the Arkansas Kidney Disease Commission.

TOTAL BIENNIAL BUDGET

The total budget for Arkansas Rehabilitation Services is \$58.8 million in FY08 and \$59.7 million in FY09, which results in an overall increase of \$4.6 million or 8.5% in FY08 and \$4.7 million or 10.3% in FY09 over the base level.

FUNDING SOURCE

Funding for Arkansas Rehabilitation Services (ARS) is primarily federal funds (75% of the total funds) and general revenue (21% of the total funds), with the remaining 4% consisting of Fund Balances, Special Revenue, Cash Funds and Program Income (cafeteria fees, contributions, reimbursement fees, hospital medical fees, interest income and institutional services).

II) SIGNIFICANT CHANGES

The 2007-09 Biennial Budget includes a total increase in General Revenue funding of 95,906 in FY08 and \$196,093 in FY09 for salaries to implement a two percent (2%) cost of living increase. There is no increase in the number of positions provided in the 2007-09 biennial budget.

REHABILITATION SERVICES - OPERATIONS (APPROPRIATION 128)

This appropriation is funded by General Revenue, Federal Funding and Program Income, and it is used to support ARS' field offices, Hot Springs Rehabilitation Center, Arkansas Kidney Disease Commission, Sheltered Workshops and the Deaf-Blind Project.

The total budget is \$57.4 million in FY08 and \$58.3 million in FY09. This budget includes an increase of General Revenue for the 2% cost of living adjustment for salaries in the amount of \$95,906 in FY08 and \$196,093 in FY09. In addition, the budget includes the following increases which are to be funded with federal funds and \$738,600 in program income transferred each year from the Rehabilitation Services Treasury Paying Appropriation (903):

Operating Expenses - A total increase of \$2,023,600 in FY08 and \$2,133,400 in FY09 for the following purposes:

Purpose	FY08 Amt.	FY09 Amt.
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1) Rent increase due to Little		
Rock Office Relocation	\$ 510,000	\$ 510,000
2) Transfer of Operating Expenses		
From Rehab Services Treasury Cash		
Fund Account/Appropriation 903	738,600	738,600
3) Increased costs for recreation,		
education, janitorial, kitchen		
supplies, food, prescription drugs,		
and health related supplies	750,000	857,300
4) Increased Fuel and Mileage Costs	25,000	27,500

Contract Services - An increase of \$2,200,636 in FY08 and \$2,550,636 in FY09 to provide comprehensive rehabilitation services to an additional 1,140 individuals with disabilities.

Capital Outlay - An increase of \$400,000 in FY08 and \$435,000 in FY09 for the replacement of obsolete industrial machine tools, welding, medical physical restoration, laboratory, printing, ICAN Program and building and grounds equipment. The latter of which is to be used at the Hot Springs Rehabilitation Center.

INCREASE CAPABILITIES ACCESS NETWORK (APPROPRIATION 1VB)

This federally funded appropriation is used to support the Technology Access and the Increasing Capabilities Access Network (ICAN) Programs.

The total budget is \$288,690 in FY08 and \$298,690 in FY09 which includes the following increase funded by federal technology access grant carryover funding:

Operating Expenses - An increase of \$200,000 in FY08 and \$210,000 in FY09 for educational and demonstration supplies and non-capitalized equipment for the ICAN Program which focuses on expanding the availability, access, and acquisition of assistive technology devices and services for Arkansans with disabilities.

STATEWIDE DISABILITY TELECOMMUNICATIONS (APPROPRIATION 374)

This appropriation is funded with special revenues which are derived from Arkansas Public Service Commission surcharges of \$.03 per land line per month. The program provides telecommunication devices for persons who are deaf, hard of hearing, blind, or speech impaired.

The total budget is \$448,083 in FY08 and \$452,780 in FY09 with the following increases:

Regular Salaries & Matching - An increase of \$2,644 in FY08 and \$5,341 in FY09 to provide a two percent (2%) cost of living increase.

Operating Expenses - An increase of \$10,150 in FY08 and \$12,150 in FY09 to cover increased rent costs.

PEOPLE WITH DISABILITIES (APPROPRIATION 743)

This appropriation is funded with Special Revenue funding that is derived from parking violation fines for illegally parking in handicapped parking spaces, and is used by the Governor's Commission on People with Disabilities to provide scholarships to students with disabilities.

The total budget is \$40,000 for FY08 and \$45,000 for FY09 with the following increase:

Operating Expenses - An increase of \$25,000 in FY08 and \$30,000 in FY09 to provide disabled student scholarships.

REHABILITATION SERVICES TREASURY PAYING (APPROPRIATION 903) PAGE 460

This appropriation is funded by cash funding received from cafeteria fees, contributions, reimbursement fees, hospital medical fees, interest income, and institutional services fees.

This funding is defined as program income and is used for ARS' maintenance and operating expenses.

The total budget is \$518,400 each year which is the base level amount remaining following the reallocation of \$738,600 each year to the Rehabilitation Services Operations Paying Account appropriation (Appropriation 128) which supports the ARS Field Offices and the Hot Springs Rehabilitation Center.

III) ADDITIONAL POSITIONS

Total Positions for the 2007-09 Biennium: 530

Total Positions for the 2005-07 Biennium: 530

Increase/(Decrease): 0

IV) SPECIAL LANGUAGE

EXTRA SALARIES: Authorizes up to an additional **\$4,500** per year in Extra Salary above the maximum annual salary to be paid to full time American Specialty Board certified physicians; up to **\$2,500** per year for each full time physician eligible to be certified by the Board, and an overall annual maximum of **\$7,000**. Less than full time physicians receive an amount adjusted proportionally to the amount of time worked.

COMPREHENSIVE SYSTEM OF PERSONNEL DEVELOPMENT: Authorizes a general waiver of the Financial Management Guide "R1-19-4-522 Continuing Professional Education" to allow the agency to provide college level coursework in degree programs for eligible employees selected by the agency to insure that qualified, professional personnel are in place to provide rehabilitation services. It further states that the Workforce Investment Act of 1998 requires state rehabilitation agencies to enact and maintain a Comprehensive System of Personnel Development and provides federal training funds along with this requirement.

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