

WORKFORCE EDUCATION-AR REHABILITATION SERVICES

Enabling Laws

Act 2020 of 2005

A.C.A. §§ 6-52-101-- 6-52-105

A.C.A. § 20-79-101 et seq.

History and Organization

Mission

To provide opportunities for Arkansans with disabilities to work and to lead productive and independent lives. This mission statement provides the foundation for the varied programs and comprehensive services provided by Arkansas Rehabilitation Services (ARS) to persons with disabilities. These rehabilitation programs enable them to prepare for and enter the world of work, thus becoming employed, tax-paying citizens participating in communities throughout the State of Arkansas. Today there are approximately 400,000 persons with disabilities residing in Arkansas. We have one of the highest percentages of working-age adults with disabilities in the nation. The unemployment rate among Arkansans with disabilities is approaching 60%, which is consistent with the national average. The role of ARS is clearly defined: to increase the number of persons with disabilities returning to the workplace where they become productive and independent taxpayers instead of tax-users.

History

Vocational Rehabilitation was initiated in the United States with the passage of the Smith-Fess Act in 1920. This permitted the states to participate by providing federal aid. This Act provided funding for medical and surgical treatment and vocational training. Arkansas accepted its first funds for this purpose as the result of legislation in 1923 with the State Board of Education administering the program. ARS has a record of over 85 years of exemplary performance as the primary state agency providing education, training, and employment to Arkansans with disabilities. The size of the program and scope of services has continued to grow and improve over the years. It has continued to operate as a strong State/Federal partnership enjoying bipartisan support because of its record as a cost-effective service delivery program that produces documented results. Arkansas legislation in 1971 transferred the Division of Rehabilitation Services to the Department of Social and Rehabilitative Services, now the Department of Health and Human Services. Act 574 of 1993 transferred the division back to the Department of Education and placed it under the responsibility of the State Board of Vocational Education in association with the Vocational and Technical Education Division. Act 574 formally changed the Agency's name to Arkansas Rehabilitation Services. The Vocational and Technical Education Division subsequently became the Department of Workforce Education. ARS was actively involved in the development of legislation resulting in Act 803 of 1997, which created the State Board of Workforce Education and Career Opportunities and the Department of Workforce Education. ARS is now associated with the Department of Workforce Education under the direction of the State Board of Workforce Education and Career Opportunities.

Since its inception, the public Vocational Rehabilitation program has continually expanded both in terms of additional federal resources and in the numbers and types of disabilities served. In 1943, the Agency's scope of services was expanded to include those with mental retardation and mental illness as well as those with physical disabilities. In 1954, the program was again augmented by inclusion of private, non-profit community based rehabilitation programs as well as disability-related research and training centers. In 1961, ARS established the Hot Springs Rehabilitation Center that continues to operate today as one of four model state-operated comprehensive medical rehabilitation and vocational training centers in the nation.

More recent changes in federal legislation has increased emphasis on serving Special Education students as they transition to the world of work. ARS is actively involved in Welfare-to-Work and School-to-Work initiatives in order to assure that Arkansans with disabilities participating in these programs are provided opportunities to prepare for and enter the workforce. We have initiated a disability management program that focuses on assisting employers to develop return to work programs for employees experiencing injury or illnesses, thus reducing workers' compensation cost. ARS has also been required to develop rehabilitation engineering and advanced technology capabilities in order to enhance training and employment opportunities for persons who are severely disabled. Federal legislation now requires that those persons with severe disabilities are served first when adequate funds are not available to serve everyone who may be eligible for our program. ARS has been required to implement an order of selection. This means our services are limited to those classified as severely disabled due to a high demand for services and limited funds available. Although this group of clients requires more comprehensive services over a longer period of time and at a greater cost, we continue to place more people with disabilities in employment each year.

In 1990 the United States Congress passed the Americans with Disabilities Act (ADA), the worlds first civil rights legislation for persons with disabilities. ARS continues to play a leadership role in assisting state agencies and private sector business and industry to comply with the ADA.

The Workforce Investment Act of 1998 includes the re-enactment of the Rehabilitation Act of 1973 and requires that the states, as well as ARS, enter a new service delivery system. The new service delivery system includes a "one-stop shop" approach involving all agencies that serve persons who are unemployed, including those with disabilities. As part of the one-stop system, or as it's called in Arkansas, the Career Development Network (CDN), ARS must participate throughout the State in the CDN Centers in each of 10 local regions with office space, resources and personnel. ARS' involvement in the new one-stop CDN system will afford Arkansans with disabilities increased opportunities to become employed and live independently.

Over the years, ARS has continued to modify its program to comply with all new federal/state initiatives and has received strong support from the executive and legislative branches and also the customers we serve. Over the past several years, ARS has received basic cost of living increases in state and federal funds, however the cost of employment related services has increased at a much more rapid pace. Demand for services significantly exceeds resources available. ARS serves approximately 20,084 persons with disabilities each year, with several thousand being placed in competitive employment. Our program is an investment in our economy. In fact, in FY 2005 the Arkansans with disabilities whom we assisted to obtain employment had earnings of only an average of \$65.48 per week prior to our involvement; however, after job placement they had average weekly earnings of \$345.10. That is a combined annual earnings of about \$42,225,500 in only their first

year of employment. The Federal Office of Management and Budget estimates that for every \$1.00 spent on vocational rehabilitation services \$7.00 are returned to the economy. This is in the form of economic benefit to the individual, taxes paid, and the elimination or reduction of Social Security, welfare and other public subsidy payments. What cannot be measured are the creation and/or return of personal participation in our society and the personal dignity and independence gained by those who have been served.

Structure

Arkansas Rehabilitation Services is designed to assure a comprehensive, statewide system of service delivery that addresses the diverse needs of Arkansans with disabilities and is reflected on the accompanying organizational chart. The major service delivery components are: (1) the Field Services Program, which operates offices in 19 locations of the State serving persons with severe disabilities in all seventy-five (75) counties, except those who are blind (DHHS); (2) the Hot Springs Rehabilitation Center, which is a comprehensive vocational rehabilitation center providing education, medical and vocational training for clients throughout the State and region; (3) Special Programs and Support Services consisting of a comprehensive vocational/psychological evaluation network, the Successful Employment through Assistive Technology (SEAT) program, the Learning and Evaluation Center providing mental health and also special services for persons with learning disabilities; (4) The Office for the Deaf and Hearing Impaired which serves persons who are deaf or hearing impaired, as well as those who are deaf-blind, with vocational rehabilitation and independent living services; and (5) the Arkansas Kidney Disease Commission, which provides services to patients with end-stage renal disease. There are also several special projects or separately funded programs such as the Telecommunications Access Program (TAP), Supported Housing project, and an Alternative Financing program to assist with low interest loans for purchasing assistive technology. Supporting these service delivery operations are Program Operations, Financial Management, Human Resources Management, Information Systems and Services, and Program Planning, Development and Evaluation sections.

Arkansas Rehabilitation Services is primarily funded through the Department of Education Rehabilitation Services Administration (RSA). For the Vocational Rehabilitation Program RSA federal funding is 78.7% with a state match of 21.3%. There are other state revenues provided in the biennial budget process to support the Arkansas Kidney Disease Commission and the Community Rehabilitation Program.

Hot Springs Rehabilitation Center

The Hot Springs Rehabilitation Center is a comprehensive rehabilitation program. It offers both residential and non-resident medical and vocational services to approximately 1,000 Arkansas citizens with disabilities each year, serving a population average of 300 at anyone time. The service delivery program is divided into two major components, the Hot Springs Rehabilitation Center Hospital and the Arkansas Career Training Institute. It also has an Administrative Services department that provides the necessary support services to maintain a 24-hour a day facility. The Administrator of the Hot Springs Rehabilitation Center has responsibility for the management of the facility and reports to the Arkansas Rehabilitation Services' Chief of Staff. The Center employs 270 persons.

The Hot Springs Rehabilitation Center - Rehabilitation Hospital

The Hospital provides full-time nursing services, physical therapy, occupational therapy, speech/language pathology services, social services, psychological services and pharmacy. The Hospital is licensed by the Department of Health and Human Services, and is currently accredited by the Commission on Accreditation Hospitals. The Hospital has a capacity of 26 inpatients.

In addition, the Hospital provides specialty clinics to clients of the Arkansas Rehabilitation Services, including Orthopedic, Amputee, Spinal Cord Injury, Urology, Dental, and Psychiatry. The Hospital also provides a clinic to treat and manage medical conditions of students enrolled in vocational training programs.

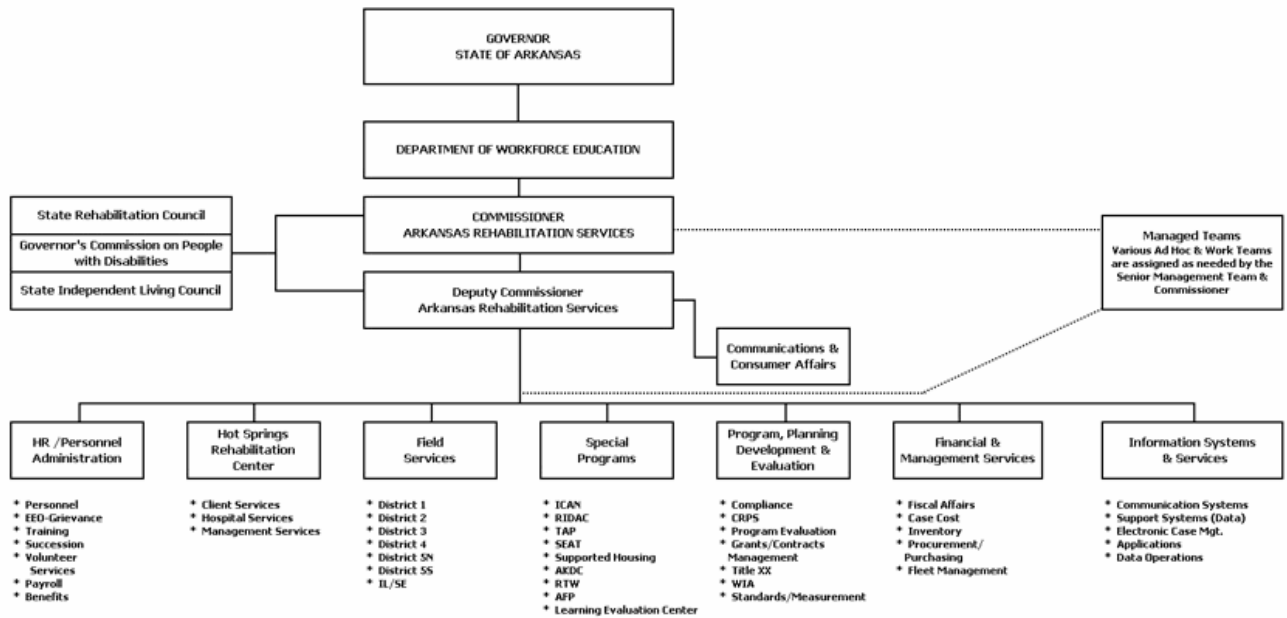
The Arkansas Career Training Institute

The Arkansas Career Training Institute (ACTI) provides a wide variety of services to prepare clients of ARS to become employed. Services include counseling, case management, vocational evaluation, vocational training, employment readiness, recreation, student living, behavioral enhancement, and job placement.

Vocational Training is provided in 12 different programs, with many programs offering multiple courses of study which can be tailored to meet the learning style and rehabilitation needs of the client/student.

After hours Recreation Services are provided to help the student adjust to the Center living environment and provide wholesome activities to pass the time when the student is not actively engaged in other rehabilitation activities. The Recreation program utilizes 6 staff to plan and supervise the recreational activities, which can range from sedentary activities such as Bingo through vigorous exercise programs. A weight-management program is also supervised in coordination with dietary services in this section.

The Center manages a "Behavior Enhancement Program" which is designed to reinforce appropriate or desired student behavior and to intervene when inappropriate behaviors occur. The program uses aspects of a token economy along with monitoring of behaviors to encourage development of behavior that is required on the job.



Agency Commentary

The mission of the Arkansas Rehabilitation Services is to provide opportunities for Arkansans with disabilities to lead productive and independent lives. This simple mission statement provides the foundation for the varied programs and comprehensive services provided to persons with disabilities which enables them to prepare for and enter the world of work, thus becoming employed, tax-paying citizens participating in communities throughout the State of Arkansas. Today there are approximately 400,000 persons with disabilities residing in Arkansas. We have one of the highest percentages of working-age adults with disabilities in the nation. The unemployment rate among Arkansans with disabilities is approaching 60%, which is consistent with the national average. The role of ARS is clearly defined: to return more persons with disabilities to the workplace where they become productive and independent taxpayers instead of tax-users.

Arkansas Rehabilitation Services (ARS) operates a comprehensive, statewide rehabilitation program designed to meet the vocational and independent living needs of Arkansans with disabilities. ARS' primary purpose is to provide diversified vocational rehabilitation services to disabled Arkansans to enable them to obtain and maintain employment. We enable those with disabilities to become tax-paying citizens instead of recipients of government welfare programs. In addition, we provide independent living services which enables those who are not yet able to prepare for work to function more independently at home or in the community.

Our mission is clear: Enable Arkansans with disabilities to become taxpayers as opposed to tax users while also increasing the number of productive members of society.

Rehabilitation of persons with physical and mental disabilities and helping them become as independent as possible is a continuous endeavor. Speedier means of transportation, accelerated and competitive living habits, along with natural and man made disasters, recreational mishaps, and other causes and illnesses are producing greater numbers of physical disabilities. And, as scientific research increases knowledge of mental illness, including emotional and disease related difficulties,

as well as mental retardation, the necessity mounts for deeper understanding of the capabilities possessed by those affected.

The ARS carries out its responsibilities through a field program that reaches into all 75 counties from offices in 16 cities and the Hot Springs Rehabilitation Center (HSRC). All personnel are dedicated to assisting clients in achieving the maximum degree of independence of which they are capable while providing a wide array of services all designed to prepare and place people in employment.

Vocational Rehabilitation Program: The Basic Support program operates through the General Field Program, the Hot Springs Rehabilitation Center, and the Office for the Deaf and Hearing Impaired. Eligible persons may receive one or more of the following services:

Diagnosis: Every person applying for traditional rehabilitation services undergoes a general assessment, which may include special examination in cases such as heart, eye, ear, bone or psychiatric disabilities. This will assist the counselor with eligibility determination.

Counseling and Guidance: Trained personnel make a thorough study of each applicant's abilities, needs for help, and problems. Intelligence, vocational and interest tests are administered to identify strengths and limitations of the individual in order to assist in determining options for pursuing competitive employment. Jointly the person with a disability and her/his counselor develop an individualized plan for employment (IPE) which establishes an employment goal and the necessary action steps, time frames and estimated costs to achieve the employment goal. Ongoing vocational counseling is a critical element in the success of the customers with whom we work.

Physical Restoration: The aim of physical restoration services is to remove or substantially reduce the individual's disability as an impediment to employment. Services may include medical and surgical treatment, hospitalization, personal care assistance services, physical and occupational therapy, and appliances (artificial limbs, braces, glasses, wheelchairs, vehicle adaptations, assistive technology such as voice activated computer, speech synthesizers, etc.).

Other Services: Financial assistance in the purchase of initial tools for self employment, license and supplies for a person to establish his own business enterprise may be available. Employment, housing and transportation information and assistance is available, as are wheelchair repairs, peer counseling, and other services.

Job Placement: The ARS cooperates with training agencies and institutions, employment agencies and employers in efforts to secure suitable employment for disabled persons. ARS has placement specialists in all offices across the State. They facilitate processes related to job applications interviews and eventual employment in the workplace.

Schooling and Training: Assistance may be applied to a recognized public or private trade or business school, college or university. Training in various skills also is available at the HSRC, including auto mechanics, body and fender repair, business education, cosmetology, custodial, laundry, printing, sales clerk, sewing, small engine repair, auto parts technician, welding, data processing, food service and others.

Supported Employment: With the cooperation of the Divisions of Developmental Disabilities and Mental Health of the Department of Health and Human Services, along with support of community organizations, the ARS provides supported services to the most severely disabled individuals, who cannot function in the work place without ongoing assistance. Job coaches are assigned to such persons to help them adapt more readily to an environment of employment. These services provide real work to many people who have been historically excluded from the workforce and placed in institutions and in segregated programs. During Federal Fiscal Year 2005, 114 individuals received vocational & occupational skills assistance from the Supported Employment program.

Rehabilitation Engineering: Any person, employer, agency, or organization needing help in planning and designing means of access to the home or work place may secure such assistance from the ARS. The same provision applies to making modifications of tools and equipment to make them more usable by persons with disabilities.

Independent Living Services: Services may be provided to any severely disabled person found eligible and may include counseling (psychological, psychotherapeutic, and guidance), physical and mental restoration services, i.e., braces, housing modifications, wheelchair, prosthesis, etc., and transportation. This program also provides support to independent living centers such as Mainstream Living, SPA Area Independent Living, Delta Resource Center for Independence, and Sources for Community Living. During Federal Fiscal Year 2005, 78 individuals received independent living assistance from the Independent Living program.

6,760 individuals received paid-for services during Federal Fiscal Year 2005 from the Vocational Rehabilitation and Supported Employment programs. 845 received diagnosis and treatment of physical and mental impairments; 490 received maintenance & living assistance; 4,656 attended training institutions; 456 received transportation; 540, personal assistance services; 1,673, assessment; and 752 received other services. The total Agency case service Change Level request is \$2,200,636 and \$2,550,636. If fully funded this will provide services to about 1,140 additional individuals with disabilities. Of this number about 785 will attend post-secondary institutions of higher learning, vocational & occupational institutions, and other training institutions. The General Field Program also requests \$25,000 and \$27,500 for increased operating costs due to the cost of fuel and mileage reimbursements and \$10,000 each year for Capital Outlay for office furniture. The request also includes \$510,000 each year for the lease of facilities at 26 Corporate Hill. The Little Rock field office lost its location on the Mental Health grounds and had to seek new office facilities elsewhere. The program had been occupying the Gatewood Center (Deaf Access) at minimal cost since the 1970s.

Hot Springs Rehabilitation Center: The HSRC is located in the heart of historic downtown Hot Springs. Since opening January 2, 1961, it has offered one of the most comprehensive rehabilitation programs available in the nation. Hospital services include physical therapy, occupational therapy, speech-language pathology, social and rehabilitation nursing and other special programs. Neurorehab provides individualized treatment for physical, memory, behavioral and emotional deficits and disorders to persons who have experienced brain trauma. A highly specialized service is provided to persons with traumatic head injury. This is one of the fastest growing disabilities in the country. Vocational training is provided to improve the potential for employment. Programs are designed to meet individual needs with estimated time frames based on completion of vocational

competencies. Training is offered in 28 vocational programs from accounting to welding, including specialized programs such as Driver Education, Certified Nursing Assistant, and Adult Basic Education. All programs are continuous with no semesters or quarters. Off campus training at the local Vocational Technical Institute, community rehabilitation facilities, and community college is also available. Placement personnel provide job placement and job development services after graduation. Student life at the Center includes after-hours recreation scheduled on and off the campus. In house activities include a full library, arts programs and various sports. There is a recreation area and a student union.

The Agency Change Level request (C03) transfers of \$738,600 each year from the cash fund (appropriation 903) to the operating account (appropriation 128). In addition, the Operating Expense (\$750,000 and \$857,300) request includes provision for recreational, educational, janitorial, kitchen supplies and food, prescription drugs and health related supplies, and temporary services (supplemental nursing services) for the hospital. The Capital Outlay request (\$340,000 and \$375,000) is to replace obsolete and worn out equipment. Equipment includes heavy shop and welding machinery, refrigeration and food storage and preparation units, printing and binding equipment, and building and grounds maintenance equipment. The request for Extra Help (\$45,000 and \$50,000) supplements the residential component of the training program with houseparents to supervise the student population. The Agency requests no general revenues to fund this Change Level.

Deaf and Hard of Hearing Services: The Office for the Deaf and Hearing Impaired serves persons who are profoundly deaf, hard of hearing and deaf blind. Counselors and interpreters provide direct services, sign language training, transportation, assistive devices, tutoring, referral to appropriate agencies and employer orientation. Teaching instruction includes money management, job finding skills, home economics, language development, establishing credit, finding an apartment and using public utilities. Another under served population is children and adults who are deaf blind. The combination of deafness and blindness constitutes one of the severest handicaps known.

The Arkansas Kidney Disease Commission: The AKDC serves end-stage renal disease patients. State aid supplements Medicare, Medicaid, and private insurance to pay for both hemo-dialysis and peritoneal dialysis at a certified clinic or in the home. Other services covered include dialysis supplies, medications including outpatient prescriptions, acute inpatient care and kidney transplant services including laboratory work up, surgery, hospitalization, and convalescence.

Technology Access Program (ICAN): This project is designed to create a statewide system for getting information and technology to people who can use it. It influences the decisions of people who make technology available, and enhances and strengthens relationships between technology consumers, providers, grantors of funds, and developers of assisting devices. The Capital Outlay Change Level request provides for appropriation only to purchase disability related equipment. The Change Level request provides for \$50,000 in Capital Outlay each year in appropriation 128 for assistive and demonstration devices and \$200,000 each year in appropriation 1VB for low value equipment and laboratory items. The funding is from Technology Access federal discretionary grants. The agency requests no general revenues to fund this request. The Telecommunications Access Program is funded by a 3 cent per land line tax. The Change Level request provides \$15,100 in additional operating appropriation for additional rent of facilities and marketing and outreach; \$7,500 each year for Capital Outlay, and \$50,000 each year for additional client equipment

purchases.

The ARS currently certifies twenty-five (25) Community Rehabilitation Facilities and reimburses these centers for services leading to employment.

The Federal Office of Management and Budget estimates that nationally only 1 in 20 potentially eligible individuals is being accepted for rehabilitation services. This estimate reflects our experience. Due to the growing demand for services, medical and vocational training cost increases, and funding limitations, the ARS has implemented an order of selection under the requirements of the Rehabilitation Act. This policy establishes priority levels for services that require the expenditure of case service money. The priorities are based on the level of severity of the disability. Those individuals with more significant disabilities are given a higher priority to receive services.

In summary, the population that ARS serves is extremely vulnerable. Virtually all persons served by the ARS have severe disabilities. These services are, therefore, very important to citizens who are disabled and also to the State. We enable those with disabilities to become taxpaying and economically productive citizens instead of recipients of government welfare programs. ARS is a program that maximizes human potential and is an investment program contributing to the economic development of our state and nation. Literally we cannot afford to deny the services. We assist those who are not yet able to prepare for work to function more independently at home or in the community.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

DEPARTMENT OF WORKFORCE EDUCATION ARKANSAS REHABILITATION SERVICES

FOR THE YEAR ENDED JUNE 30, 2005

Findings

Recommendations

Agency Human Resources (HR) manager, Kevin Lewis, authorized improper Career Ladder Incentive Program (CLIP) bonuses totaling \$4,203.90 for seven (7) department employees, including himself. The Agency is seeking reimbursement for improperly paid CLIP bonuses.

Review and monitor internal controls associated with salary increases and CLIP bonuses to ensure conformity with State Office of Personnel Management guidelines.

In addition, Mr. Lewis, was also able to create an unauthorized salary increase of twenty-two percent (22%) or \$10,406 for himself in the Arkansas Administrative Statewide Information System (AASIS) by circumventing Agency control procedures. Before Mr. Lewis benefited from this improper salary increase, management detected his payroll increase in AASIS. Mr. Lewis resigned from Agency employment in October 2005.

Client case files support vocational rehabilitation services and aid provided by the Agency. Fifty-nine (59) case files located in twelve (12) local offices throughout the State were selected for review. Many of the following deficiencies identified during our review were also identified in prior years:

Continue to develop procedures to ensure compliance with program regulations and improve the quality of documentation contained in client case files.

- Seven (7) files did not contain eligibility determination of the client within 60 days of the date of application or contain the appropriate extension of the eligibility

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF WORKFORCE EDUCATION
ARKANSAS REHABILITATION SERVICES
FOR THE YEAR ENDED JUNE 30, 2004

Findings	Recommendations
<p>period.</p> <ul style="list-style-type: none">• Regulations require the counselor to amend the individual's plan for employment when the changes are substantial. Twelve (12) files did not contain these amendments.• Clients must present evidence that they have applied for financial assistance for institutions of higher education before they can receive assistance using Vocational Rehabilitation funds. Six (6) files did not contain the required financial assistance documentation.• Seven (7) files did not contain a re-assessment of financial need when there were changes in the individual's financial situation.• Twenty-three (23) of the files did not contain invoices to support the authorization for payment.• Counselors are required to seek three (3) bids on purchases over \$1,000 and receive approval from the Chief of Field Services. There were sixteen (16) files with purchases over \$1,000 that did not contain the appropriate approvals or bids.• Eight (8) of the files indicated the client received services that did not appear necessary for the individual to reach their employment goal.• Twenty-two (22) files contained case narratives that were not updated at least every 90 days.• Program regulations require that a local medical consultant review and approve any physical restorative services. Six (6) files did not contain the required review.• Seven (7) files exceeded the \$4,500 limit on training expenses for the twelve-month period.• Six (6) files did not contain the appropriate supporting documentation for maintenance payments.• A new policy introduced in November 2004 requires counselor's to verify the individual's income by obtaining W-2's, tax returns, or other documentation of income. Nine (9) of the files reviewed did not contain the required supporting documentation.	

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF WORKFORCE EDUCATION
ARKANSAS REHABILITATION SERVICES
FOR THE YEAR ENDED JUNE 30, 2004

Findings

Recommendations

The Agency entered into four (4) service contracts with two (2) separate organizations that did not include a provision for reimbursement of travel expenses. The Agency paid travel expenses totaling \$6,033 associated with these contracts. The Department of Finance and Administration (DFA) requires the Agency to provide for all authorized expenses in a contract before review and approval. Failure to include provisions for all expenses in a contract can lead to unauthorized disbursement of funds and does not accurately report the total cost of the contract to DFA.

Comply with State regulations regarding contracts which should include provision for travel expenses.

The Agency paid for college courses and related expenses totaling \$27,521 during the fiscal years ended June 30, 2004, 2005 and 2006, for an employee to participate in a degree program. The employee's job title was Management Project Analyst and she was taking courses towards completing baccalaureate degree requirements in Business Administration and Management.

Seek a determination from the State Chief Fiscal Officer in regard to this matter.

Department of Finance and Administration (DFA) regulations state "The agency shall not pay for a collegiate course that leads to, or participates in a degree program for the employee unless the State agency has specific legislation providing for such payment. Prior approval in writing from the Agency head must be obtained for each employee before an agency becomes obligated to pay that employee's tuition and/or other related expenses."

The Agency did not have specific legislation authorizing employees to participate in a degree program. Also, the Agency's former director granted approval for this employee to participate in the degree program on May 7, 2004. However, the first tuition payment was made March 5, 2004 approximately two months prior to the former Director's approval.

The Agency has a contract with the National Parks Community College (NPCC) for an Adult Basis Education instructor at the Hot Springs Rehabilitation Center. The contract provides for an agreed upon rate for each hour worked and for a predetermined number of allowable hours. NPCC billed the Agency at a rate obtained by dividing the allowable hours by the number of months in the contract period. The instructor's work schedule was changed reducing the total annual hours worked. NPCC failed to adjust their billing resulting in an overpayment for fiscal year 2005 of \$10,634. Additional review also indicated an overpayment of \$6,922 in fiscal year 2004.

Review contract payments to ensure conformity with contract provisions and recover overpayments.

Employment Summary

	Male	Female	Total	%
White Employees	136	232	368	76 %
Black Employees	38	71	109	23 %
Other Racial Minorities	3	4	7	1 %
	Total Minorities		116	24 %
	Total Employees		484	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		
AKDC Annual Report	Act 450 of 1971	Y	Y	50	Annual report providing results of Arkansas Kidney Disease services.
Counselor	None	N	N	6,000	Agency newsletter providing information to the public regarding rehabilitation services and activities.
Rehab Connection	None	N	N	2,400	HSRC Newsletter

Department Appropriation Summary

		Historical Data						Agency Request and Executive Recommendation							
Appropriation		2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
		Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
128	Rehab Serv-Oprs	46,556,530	514	53,435,135	528	53,281,514	528	56,935,751	527	56,935,751	527	57,439,670	527	57,439,670	527
1VB	Increase Capabilities Access Ntwk	53,572	0	88,690	0	88,690	0	288,690	0	288,690	0	298,690	0	298,690	0
374	St Wide Disability Telecomm	244,146	2	406,499	2	403,383	2	507,939	3	445,439	3	509,939	3	447,439	3
743	People w/ Disabilities	15,000	0	15,000	0	15,000	0	40,000	0	40,000	0	45,000	0	45,000	0
902	Tech Equip-Treas	725	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
903	Rehab Serv-Treas Pay	1,075,388	0	1,257,000	0	1,257,000	0	518,400	0	518,400	0	518,400	0	518,400	0
Total		47,945,361	516	55,302,324	530	55,145,587	530	58,390,780	530	58,328,280	530	58,911,699	530	58,849,199	530

Funding Sources			%		%		%		%		%		%		
Fund Balance	4000005	740,497	1.5	1,032,086	1.9			231,220	0.4	231,220	0.4	216,865	0.4	279,365	0.5
General Revenue	4000010	12,361,615	25.2	12,517,781	22.5			12,517,781	21.4	12,517,781	21.4	12,517,781	21.2	12,517,781	21.1
Federal Revenue	4000020	33,448,487	68.3	40,376,444	72.7			44,006,660	75.1	44,006,660	75.1	44,520,579	75.3	44,520,579	75.2
Special Revenue	4000030	22,839	0.0	185,633	0.3			547,939	0.9	547,939	0.9	554,939	0.9	554,939	0.9
Cash Fund	4000045	1,604,009	3.3	792,000	1.4			604,045	1.0	604,045	1.0	618,400	1.0	618,400	1.0
Program Income	4000385	800,000	1.7	629,600	1.2			700,000	1.2	700,000	1.2	700,000	1.2	700,000	1.3
Total Funds		48,977,447	100.0	55,533,544	100.0			58,607,645	100.0	58,607,645	100.0	59,128,564	100.0	59,191,064	100.0
Excess Appropriation/(Funding)		(1,032,086)		(231,220)				(216,865)		(279,365)		(216,865)		(341,865)	
Grand Total		47,945,361		55,302,324				58,390,780		58,328,280		58,911,699		58,849,199	

The FY07 Budgeted amount exceeds Authorized amount in State Wide Telecommunications due to salary and matching rate adjustments during the 2005-2007 Biennium.

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
539	487	43	530	9	9.65%	530	485	45	530	0	8.49%	530	483	47	530	0	8.87%

Analysis of Budget Request

Appropriation: 128 - Rehab Serv-Oprs

Funding Sources: PER-Educational Rehabilitation Pay-Admin

The Office of Rehabilitation Services carries out its responsibilities through a field program that reaches all 75 counties from offices in 16 cities and the Hot Springs Rehabilitation Center. Funding for this appropriation is a combination of general revenue, federal funding, and program income (Spinal Cord, Brad R. Walker rent, Research & Training centers reimbursements). Federal funds account for 75% of the total funding.

A cost of living increase is not incorporated in the Base Level pending the outcome of the Classification and Compensation Study. The Base Level request of \$18,353,176 for FY08 and FY09 for Regular Salaries does include board member Stipend payments. FY07 salary levels have been held flat each year for all incumbents. Personal Salary Matching may reflect increases in Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency is requesting:

- Additional Extra Help appropriation of \$45,000 for FY08 and \$50,000 for FY09 to provide for additional houseparent support for the residential component of the training programs.
- An increase in Operating Expenses of \$2,023,600 in FY08 and \$2,133,400 in FY09. \$510,000 for each year is due to an increase in rent as the Little Rock field office lost its location on the Mental Health grounds and has relocated to a new facility. \$738,600 for each year is a consolidation of Operating Expenses from a cash fund account for the Hot Springs Rehabilitation Center. In addition, the Hot Springs Rehabilitation Center has requested \$750,000 for FY08 and \$857,300 for FY09 for increased costs of recreational, educational, janitorial, kitchen supplies and food, prescription drugs and health related supplies. Also this increase contains \$25,000 for FY08 and \$27,500 for FY09 for increases costs of fuel and mileage reimbursements.
- An increase in Contract Services appropriation of \$2,200,636 for FY08 and \$2,550,636 for FY09 to provide comprehensive rehabilitation services to an additional 1,1400 individuals with disabilities. Of this number about 785 will attend post-secondary institutions of higher learning, vocational & occupational institutions and other training institutions.
- Capital Outlay to allow the Agency to replace obsolete and worn out industrial machine tools, welding equipment, medical physical restoration equipment, laboratory equipment, printing equipment and building and grounds maintenance equipment for the Hot Springs Rehabilitation Center. This change level request will also provide equipment for the ICAN demonstration program such as reading devices, wheelchairs and accessories and visual assistance devices.

The Agency requests Base Level for all other line items. No additional general revenue has been requested, the Agency will utilize federal revenues for all Change Level requests.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 128 Rehab Serv-Oprs
Funding Sources: PER-Educational Rehabilitation Pay-Admin

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	16,501,326	18,381,295	19,122,689	18,353,176	18,353,176	18,353,176	18,353,176	18,353,176	18,353,176
#Positions		514	528	528	527	527	527	527	527	527
Extra Help	5010001	136,108	167,000	122,000	122,000	167,000	167,000	122,000	172,000	172,000
#Extra Help		18	19	19	19	19	19	19	19	19
Personal Services Matching	5010003	5,281,380	5,884,200	6,155,685	6,306,454	6,310,199	6,310,199	6,310,158	6,314,318	6,314,318
Extra Salaries	5010008	0	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Operating Expenses	5020002	6,047,773	6,501,380	5,379,880	5,379,880	7,403,480	7,403,480	5,379,880	7,513,280	7,513,280
Conference & Travel Expenses	5050009	147,150	155,506	155,506	155,506	155,506	155,506	155,506	155,506	155,506
Professional Fees	5060010	791,696	882,029	882,029	882,029	882,029	882,029	882,029	882,029	882,029
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,875,549	3,116,368	3,116,368	3,116,368	3,116,368	3,116,368	3,116,368	3,116,368	3,116,368
Capital Outlay	5120011	331,626	400,000	400,000	0	400,000	400,000	0	435,000	435,000
Contract Services	5900043	13,300,244	14,999,364	14,999,364	14,999,364	17,200,000	17,200,000	14,999,364	17,550,000	17,550,000
Data Processing Services	5900044	50,295	530,000	530,000	530,000	530,000	530,000	530,000	530,000	530,000
AR Kidney Disease Comm	5900046	1,082,556	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
Sheltered Workshops	5900047	984,172	1,156,993	1,156,993	1,156,993	1,156,993	1,156,993	1,156,993	1,156,993	1,156,993
Deaf-Blind Project	5900048	26,655	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000
Total		46,556,530	53,435,135	53,281,514	52,262,770	56,935,751	56,935,751	52,266,474	57,439,670	57,439,670
Funding Sources										
General Revenue	4000010	12,361,615	12,517,781		12,517,781	12,517,781	12,517,781	12,517,781	12,517,781	12,517,781
Federal Revenue	4000020	33,394,915	40,287,754		39,044,989	43,717,970	43,717,970	39,048,693	44,221,889	44,221,889
Program Income	4000385	800,000	629,600		700,000	700,000	700,000	700,000	700,000	700,000
Total Funding		46,556,530	53,435,135		52,262,770	56,935,751	56,935,751	52,266,474	57,439,670	57,439,670
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		46,556,530	53,435,135		52,262,770	56,935,751	56,935,751	52,266,474	57,439,670	57,439,670

Budgeted Amount exceeds Authorized amounts in Extra Help & Operating Expenses due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: 128-Rehab Serv-Oprs

Funding Sources: PER-Educational Rehabilitation Pay-Admin

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	52,262,770	527	52,262,770	100.0	52,266,474	527	52,266,474	100.0
C01	Existing Program	4,672,981	0	56,935,751	108.9	5,173,196	0	57,439,670	109.9

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	52,262,770	527	52,262,770	100.0	52,266,474	527	52,266,474	100.0
C01	Existing Program	4,672,981	0	56,935,751	108.9	5,173,196	0	57,439,670	109.9

Justification

C01 6,760 individuals received paid-for services during Federal Fiscal Year 2005 from the Vocational Rehabilitation and Supported Employment programs. The total Agency case service Change Level request for Contract Services is \$2,200,636 and \$2,550,636. If fully funded this will provide services to about 1,140 additional individuals with disabilities. Of this number about 785 will attend post-secondary institutions of higher learning, vocational & occupational institutions, and other training institutions. The General Field Program requests \$25,000 and \$27,500 for increased operating costs due to the cost of fuel and mileage reimbursements. The request also includes \$510,000 each year for the lease of facilities at 26 Corporate Hill. The Little Rock field office lost its location on the Mental Health grounds and had to seek new office facilities elsewhere. The program had been occupying the Gatewood Center (Deaf Access) at minimal cost since the 1970s. The Agency Change Level request for the Hot Springs Rehabilitation Center transfers \$738,600 each year from the cash fund (appropriation 903) to the paying account (appropriation 128). In addition, the request for the Hot Springs Rehabilitation Center (\$750,000 and \$857,300) includes provision for recreational, educational, janitorial, kitchen supplies and food, prescription drugs and health related supplies, and temporary services (supplemental nursing services) for the hospital. The Extra Help request (\$45,000 and \$50,000) provides additional houseparent support for the residential component of the training programs. The Capital Outlay request (\$400,000 and \$400,000) is necessary to replace obsolete and worn out equipment. Equipment includes heavy shop and welding machinery, refrigeration and food storage and preparation units, printing and binding equipment, and building and grounds maintenance equipment. This will also provide for some capitalized equipment for the ICAN demonstration program such as reading devices, wheelchairs and accessories, and visual assistive devices.

Analysis of Budget Request

Appropriation: 1VB - Increase Capabilities Access Ntwk

Funding Sources: PER-Education Rehabilitation Paying-Admin

This federally funded appropriation provides for the Technology Access Program, Increasing Capabilities Access Network (ICAN). The project is designed to create a statewide system for getting information and technology to people that are able to use it and can benefit from having such services. The program influences the decisions of people, who make technology available, and enhances and strengthens relationships between technology consumers, providers, grantors of funds, and developers of assisting devices.

The Agency is requesting additional Operating Expenses appropriation of \$200,000 for FY08 and \$210,000 for FY09.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1VB Increase Capabilities Access Ntwk
Funding Sources: PER-Education Rehabilitation Paying-Admin

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	53,572	81,500	81,500	81,500	281,500	281,500	81,500	291,500	291,500
Conference & Travel Expenses 5050009	0	7,190	7,190	7,190	7,190	7,190	7,190	7,190	7,190
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	53,572	88,690	88,690	88,690	288,690	288,690	88,690	298,690	298,690
Funding Sources									
Federal Revenue 4000020	53,572	88,690		88,690	288,690	288,690	88,690	298,690	298,690
Total Funding	53,572	88,690		88,690	288,690	288,690	88,690	298,690	298,690
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	53,572	88,690		88,690	288,690	288,690	88,690	298,690	298,690

Change Level by Appropriation

Appropriation: 1VB-Increase Capabilities Access Ntwk

Funding Sources: PER-Education Rehabilitation Paying-Admin

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	88,690	0	88,690	100.0	88,690	0	88,690	100.0
C01	Existing Program	200,000	0	288,690	325.5	210,000	0	298,690	336.7

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	88,690	0	88,690	100.0	88,690	0	88,690	100.0
C01	Existing Program	200,000	0	288,690	325.5	210,000	0	298,690	336.7

Justification

C01 This change level for \$200,000 and \$210,000 provides for educational and demonstration supplies and non-capitalized equipment for the ICAN program. Increasing Capabilities Access Network (ICAN) focuses on expanding the availability, access and acquisition of assistive technology devices and services for Arkansans with disabilities. It provides a wide range of Assistive Technology-related services expanding across life areas, education, employment, community living, and informational technology. ICAN's AT-related services include free information and referral services, publications, training and hands-on demonstration opportunities, technical assistance, device loan library, an informative and accessible website, used technology exchange and device recycling efforts. The source of funding is federal technology access grant carryover authorization.

Analysis of Budget Request

Appropriation: 374 - St Wide Disability Telecomm

Funding Sources: STC-Telecommunications Equipment

The Statewide Disability Telecommunications Equipment Program is authorized to provide telecommunication devices for persons who are deaf, hard of hearing, blind, or speech impaired. Funding for this appropriation is provided through the Arkansas Public Service Commission, which is authorized to increase existing local exchange carrier tariffs, surcharges or other funding mechanisms.

A cost of living increase is not incorporated in the Base Level pending the outcome of the Classification and Compensation Study. The Base Level request of \$108,171 for FY08 and FY09 for Regular Salaries does include board member Stipend payments. FY07 salary levels have been held flat each year for all incumbents. Personal Salary Matching may reflect increases in Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency is requesting:

- An increase in the Operating Expenses of \$15,150 in FY08 and \$17,150 in FY09 for rent and marketing and outreach activities to expand service delivery.
- An increase in Grants and Aid is requested of \$50,000 for both fiscal years for the purchase of text telephones (TTYs), TTYs with large displays and/or Braille access, volume controls and signalers.
- Capital Outlay of \$7,500 for both fiscal years for the purchase of computers and printers as included in the Agency's technology plan and to purchase equipment for demonstration/teaching purposes.

The Executive Recommendation provides for Base Level with the exception of Operating Expenses which is increased by \$10,150 for FY08 and \$12,150 for FY09 to cover Rent Expenses.

Appropriation Summary

Appropriation: 374 St Wide Disability Telecomm
Funding Sources: STC-Telecommunications Equipment

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	77,933	80,052	77,946	108,171	108,171	108,171	108,171	108,171	108,171
#Positions	2	2	2	3	3	3	3	3	3
Personal Services Matching 5010003	20,164	25,597	24,587	26,268	26,268	26,268	26,268	26,268	26,268
Operating Expenses 5020002	26,847	26,850	26,850	26,850	42,000	37,000	26,850	44,000	39,000
Conference & Travel Expenses 5050009	3,382	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Professional Fees 5060010	1,815	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	114,005	250,000	250,000	250,000	300,000	250,000	250,000	300,000	250,000
Capital Outlay 5120011	0	0	0	0	7,500	0	0	7,500	0
Total	244,146	406,499	403,383	435,289	507,939	445,439	435,289	509,939	447,439
Funding Sources									
Fund Balance 4000005	477,829	235,866		0	0	0	0	0	62,500
Special Revenue 4000030	2,183	170,633		435,289	507,939	507,939	435,289	509,939	509,939
Total Funding	480,012	406,499		435,289	507,939	507,939	435,289	509,939	572,439
Excess Appropriation/(Funding)	(235,866)	0		0	0	(62,500)	0	0	(125,000)
Grand Total	244,146	406,499		435,289	507,939	445,439	435,289	509,939	447,439

The FY07 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2005-2007 biennium.
The Public Service Commission has voted to reinstate the 3 cent tax on land lines. The budget request is based upon estimated income from the tax.

Change Level by Appropriation

Appropriation: 374-St Wide Disability Telecomm
Funding Sources: STC-Telecommunications Equipment

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	435,289	3	435,289	100.0	435,289	3	435,289	100.0
C01	Existing Program	72,650	0	507,939	116.6	74,650	0	509,939	117.1

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	435,289	3	435,289	100.0	435,289	3	435,289	100.0
C01	Existing Program	10,150	0	445,439	102.3	12,150	0	447,439	102.7

Justification

C01	<p>This priority provides for telecommunication devices for persons who are deaf, hard of hearing, deaf/blind, or speech impaired. Eligibility is based on certification by a licensed physician, audiologist, speech pathologist, or other recognized method. Equipment includes TTY's, TTY's with large displays and/or Braille access, volume controls, signalers, computers and enhancements, etc. Funding is provided through the Arkansas Public Service Commission surcharges to include the equivalent of \$.03 per subject access line per month. The tax applies to about 1,425,700 lines. Operational costs are for rent and marketing and outreach activities to expand service delivery and one position transferred from VR 110 support in Appropriation 128.</p>
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Analysis of Budget Request

Appropriation: 743 - People w/ Disabilities

Funding Sources: SPD-People with Disabilities

The Governor's Commission on People with Disabilities provides scholarships to students with disabilities. Thirty percent of parking violation fines; specifically, fines for illegally parking in handicapped parking spaces, fund this program.

The Agency is requesting an increase in Operating Expenses of \$25,000 for FY08 and \$45,000 for FY09. This increase, due to anticipated increase of revenues from parking fines, will be used for the disabled student scholarships.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 743 People w/ Disabilities
Funding Sources: SPD-People with Disabilities

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	15,000	15,000	15,000	15,000	40,000	40,000	15,000	45,000	45,000
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
Total	15,000	15,000	15,000	15,000	40,000	40,000	15,000	45,000	45,000
Funding Sources									
Fund Balance 4000005	9,626	15,282		15,282	15,282	15,282	15,282	15,282	15,282
Special Revenue 4000030	20,656	15,000		15,000	40,000	40,000	15,000	45,000	45,000
Total Funding	30,282	30,282		30,282	55,282	55,282	30,282	60,282	60,282
Excess Appropriation/(Funding)	(15,282)	(15,282)		(15,282)	(15,282)	(15,282)	(15,282)	(15,282)	(15,282)
Grand Total	15,000	15,000		15,000	40,000	40,000	15,000	45,000	45,000

Change Level by Appropriation

Appropriation: 743-People w/ Disabilities
Funding Sources: SPD-People with Disabilities

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	15,000	0	15,000	100.0	15,000	0	15,000	100.0
C01	Existing Program	25,000	0	40,000	266.6	30,000	0	45,000	300.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	15,000	0	15,000	100.0	15,000	0	15,000	100.0
C01	Existing Program	25,000	0	40,000	266.6	30,000	0	45,000	300.0

Justification

C01	This change level reflects anticipated increased revenues from parking fines (disability related). The funds are used for disabled student scholarships.
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Analysis of Budget Request

Appropriation: 902 - Tech Equip-Treas

Funding Sources: NRS-Cash in Treasury

The purpose of this program is to provide loans to individuals with disabilities for essential assistive technology, adaptive equipment, and for loan administration by the Office of Rehabilitation Services. The principal amount was transferred from the original treasury loan fund. Additional funding is earned from interest on the loans.

The Agency is requesting Base Level for the 2007- 2009 biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 902 Tech Equip-Treas
Funding Sources: NRS-Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Loans 5120029	725	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total	725	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Funding Sources									
Fund Balance 4000005	67,864	79,355		14,355	14,355	14,355	0	0	0
Cash Fund 4000045	12,216	35,000		85,645	85,645	85,645	100,000	100,000	100,000
Total Funding	80,080	114,355		100,000	100,000	100,000	100,000	100,000	100,000
Excess Appropriation/(Funding)	(79,355)	(14,355)		0	0	0	0	0	0
Grand Total	725	100,000		100,000	100,000	100,000	100,000	100,000	100,000

Analysis of Budget Request

Appropriation: 903 - Rehab Serv-Treas Pay

Funding Sources: NRS-Cash in Treasury

The Rehabilitation Cash Fund receives revenues from various sources including cafeteria fees, contributions, reimbursement fees, hospital medical fees, interest income, and institutional services. These revenues are defined as program income and are governed by Vocational Rehabilitation Program regulations.

The Agency is requesting the consolidation of \$738,600 of the Operating Expenses in this appropriation to the corresponding Operating Expenses items of the Rehab Services- Operations appropriation (128).

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 903 Rehab Serv-Treas Pay
Funding Sources: NRS-Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	970,861	1,135,000	1,135,000	1,135,000	396,400	396,400	1,135,000	396,400	396,400
Conference & Travel Expenses 5050009	54	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees 5060010	104,473	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	1,075,388	1,257,000	1,257,000	1,257,000	518,400	518,400	1,257,000	518,400	518,400
Funding Sources									
Fund Balance 4000005	185,178	701,583		201,583	201,583	201,583	201,583	201,583	201,583
Cash Fund 4000045	1,591,793	757,000		518,400	518,400	518,400	518,400	518,400	518,400
Total Funding	1,776,971	1,458,583		719,983	719,983	719,983	719,983	719,983	719,983
Excess Appropriation/(Funding)	(701,583)	(201,583)		537,017	(201,583)	(201,583)	537,017	(201,583)	(201,583)
Grand Total	1,075,388	1,257,000		1,257,000	518,400	518,400	1,257,000	518,400	518,400

Consolidating a portion of the cash fund Operating Expenses with the Operating Expenses for the Hot Springs Rehabilitation Center (appropriation 128).

Change Level by Appropriation

Appropriation: 903-Rehab Serv-Treas Pay

Funding Sources: NRS-Cash in Treasury

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	1,257,000	0	1,257,000	100.0	1,257,000	0	1,257,000	100.0
C03	Discontinue Program	(738,600)	0	518,400	41.2	(738,600)	0	518,400	41.2

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	1,257,000	0	1,257,000	100.0	1,257,000	0	1,257,000	100.0
C03	Discontinue Program	(738,600)	0	518,400	41.2	(738,600)	0	518,400	41.2

Justification

C03 The Hot Springs Rehabilitation Center (HSRC) is a comprehensive rehabilitation center that provides vocational rehabilitation services to eligible persons with disabilities in the medical, psychological, social, and vocational fields. Clients are admitted to HSRC from throughout the State and other states through their rehabilitation counselor. The Rehabilitation Hospital is accredited through the DHHS-Division of Health to operate a maximum of 72 inpatient beds. This Change Level consolidates a portion of the cash fund appropriation with the paying account. Cash fund receipts are deposited in a commercial bank and transferred to the State Treasury.