

DHHS - DIV OF ADMINISTRATIVE SERVICES

Enabling Laws

Act 2303 of 2005
Arkansas Code 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 merger has resulted in reduced administrative costs, alignment and streamlining of associated administrative functions and more significantly, strengthened internal controls for more efficient operations of not only the Division but the Department. The current configuration of the Division provides program divisions with a central point of contact for administrative, personnel, contracts/grants, purchasing, budgeting, funds management, accounts payable and receivable functions. There are 342 positions budgeted in FY06.

Act 1954 of 2005 merged the Department of Health with the Department of Human Services and changed the name to the Arkansas Department of Health and Human Services and renamed Department of Health to the Division of Health. Functions of budget, funds management, accounts payable, accounts receivable, personnel and payroll functions as well as contract/grant processes, and information technology have been centralized in the Division of Administrative Services. The consolidated functions have allowed the program staff in the Division of Health to devote time and attention to programmatic aspects related to improved health of the State's citizens and designating appropriate administrative staff to work with Administrative Services staff in managing administrative and technology details.

The Division of Administrative Services has two distinct areas of responsibility: All administrative functions of finance, personnel and contracting are assigned to the DHS Chief Fiscal Officer. All information technology functions are assigned to the Chief Information Officer.

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

The General Operations Section directs the processing of travel reimbursements, payments of invoices for general operation expenses of the department, vendors, clients and providers, coordinates activities pertaining to the Social Services Block Grant and coordinates the distribution of various information pertaining to the employees Business Travel Cards. These functions are performed within the Administration, Payables, Purchase Order and Payroll Units of the Section. The Administrative Unit directs the preparation of the Social Services Block Grant (SSBG) Comprehensive Services Program Plan, updates the SSBG Program Manual and reviews the Federal Register to ensure compliance with Federal SSBG guidelines. It coordinates the allocation of \$18,825,871 in federal funds that are awarded to the Department under the SSBG Grant. This Unit also processes Business Travel Card applications, cancellations,

distributes Business Travel card reports to divisions/offices, monitors Business Travel Card reports for non-utilized accounts and personal expenditures for 192 cards. The Payables and Purchase Order Units directs the processing of invoices and disbursement of funds for travel reimbursements, provider/client payments, and general expenses for the departmental yearly estimated budget of \$5 Billion. In addition, the Units direct the processing of 20,500 payments totaling ten (10) million dollars to DHHS clients who participate in the TEA program which provide assistance to economically needy families to become more responsible for their own support and less dependent on public assistance and the Foster Care Trust Program that manages funds of children which are in the departmental Foster Care Program. The Payroll Unit directs the centralized management and processing of the department's payroll and benefits functions for 10,157 employees. It also manages and coordinates the annual insurance enrollment process, transactions related to employees' retirement, sick and annual leave, overtime compensation and responds to an estimated 3,800 inquiries for technical assistance. To enhance the current business process, the Section is currently working with the department data processing personnel to develop and implement an on-line electronic travel reimbursement system that will reduce the length of time currently required to reimburse employees for out-of-pocket travel costs, a data base that can be utilized to communicate problems related to the payment of invoices on-line, a tracking system for payable documents that will minimize the loss of payable documents. The Section is also, with the assistance of the departmental data processing personnel, reviewing the receipt of invoices and other payable documents electronically.

Managerial Accounting directs the comprehensive management of the Budgeting function for the Department which totals approximately \$5 Billion per year, Banking Operations which includes account information, collateral and reconciliation of approximately 300 commercial bank accounts on a monthly basis. The Cost Allocation Unit is responsible for the daily functionality and maintenance of the written Cost Allocation Plan and guiding principles whereby the DHHS can claim federal financial participation (FFP) on the allowable administrative costs associated with each grant administered by the agency. The DHHS is in the process of complete Automation of the cost allocation process which will eliminate manual data transfers, fully automate all reporting aspects, automate worksheet percentages resultant of individual staff time study input. The Time Study information both 100% and Random Moment have been automated for all non-Health divisions and inclusion of the Health Division has begun. Identification of all funding sources, State matching requirements, specific grant requirements and funding splits is underway for incorporation of the Division of Health into the DHHS Cost Allocation Plan. Reporting and Forecasting manages all draw of funds with which to pay all vendor payables, payroll, funds transfers and proper account management for funds tracking and federal reporting. Due to the complexity of the reporting processes of the Division of Health grants, we are developing an interactive Calendar anticipated to be functional in July, 2006, that will provide all due dates for all grant reporting, have attached the Grant Application and any extensions, revisions, etc that can be accessed and printed by staff. This product will allow all programmatic staff the dates that certain functions must occur in order for reports to be completed and filed by federally mandated time frames. It is the intent of the updated and revised cost allocation to provide such reports to enable significant elimination of manual adjustments to ledgers, required by Cost Allocation. Accounts Receivable is responsible for the collection process and receipt of overpayments by the department, repository for receipts due to fraud and initiation of the State Tax Intercept for

those monies not claimable by other means. We have transferred the newly automated Recipient Overpayment System (ROAS) to a Client Based Server from the mainframe. The primary purpose of this system is to track responsible household members who have received an overpayment of Food Stamps, TEA, Medicaid and to collect those overpayments 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 claim is suspected to have occurred as a result of fraudulent reporting or activity and automatically produces notices when prompted and prints in under 10 minutes whereas previously it could take days to review reports, update database, mail merge into specific form.

Human Resources (HR) provides administrative services that support the DHHS. The Recruitment and Placement Unit's primary role is to market the Arkansas Department of Health and Human Services as a great place to work, and its belief is that every applicant should get a fair chance to be considered for employment at DHHS. In 2005, the staff attended 64 job fairs in Arkansas and four border states in a concerted effort to attract candidates to come work for DHHS. In addition to recruitment activities, additional responsibilities include application processing, and minimum qualification screening. Last year 67,000 job applications were processed and requests were received to fill 2,600 positions. The Recruitment and Placement section is responsible for AASIS security for all of DHHS, and it is also where the agency's main call center is housed, which logged 20,000 calls in 2005. Staff Development is also in this area and is responsible for the education and training of 10, 000 DHHS employees and includes training in the areas of personal computer software utilization and professional skills. Staff Development trains 2,040 employees per year. This group provided training to 1,100 managers and supervisors relative to DHHS and OPM policies and procedures last year; training to front line employees on basic management skills such as time management, effective communication, conflict resolution and EEO/Affirmative Action. This Unit also manages the employee self-development library and annually there are approximately 840 employees using the library at any given time. In addition to providing training in Pulaski County, training is also provided in county offices across the state. Staff Development has implemented a new managers training program that provides new managers with a framework from which to operate within the organization. Classification and Compensation is responsible for coordinating the personnel activities to ensure uniform application of federal and state personnel laws, and policies regarding classified and unclassified salaries for over 10,000 employees. This section acts as the liaison between the State Office of Personnel Management and DHHS. Personnel requests such as Labor Market Rates/Exceptionally Well Qualified, Concurrent Employment, Fair Labor Standard Exceptions, Salary Surveys and the Nurse Grid are processed in this area. This area also processes all Hiring Freeze Requests for the agency totaling approximately two hundred and fifty vacancies (250) per month and maintains data regarding the Nurse Grid and is currently creating a database to track all Nurse compensation and movement. Personnel Processing is responsible for processing personnel transactions bi-weekly, which includes hires, terminations, promotions, retirements, crossgrades and personnel changes. The Processing Unit is responsible for daily maintenance of approximately 10,000 employee (manual and electronic) records. Due to the increased volume of paper documents and limited space, an automated imaging system is being established to scan all current and inactive files with the goal to become a paperless filing

system. This Unit processes approximately 1,500-2,000 actions monthly for the DHHS. Policy and Administrative Program Management is also contained within Human Resources and communicates managerial and administrative policies to all employees, establishes procedures and is responsible for the management of administrative programs such as the Catastrophic Leave, Drug Screenings, Family Medical Leave, Criminal Background Checks, and Americans with Disabilities Act.

The Contract Support Section directs procurement, purchasing, contracting, facility management, and sub-granting functions throughout DHHS, as well as providing direct logistical support to all agency elements for warehousing, asset management and distribution, printing/copying services, mailroom, telecommunications, installation, and vehicle fleet management activities with a staff of specialists in ten field units statewide. On an annual basis CSS coordinates approximately 5,200 legal agreements to fulfill the entire spectrum of DHHS primary mission, including more than 550 professional service contracts valued at approximately \$600 million; over 650 sub-grants totaling approximately \$90 million; 2,900 public health service agreements for in-home and community-based programs statewide; and approximately 1,100 day care voucher agreements. Field contract officers work intensively with all eleven 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 staff performs on-site monitoring of all contracts to insure administrative compliance with stringent provisions of the 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 for the agency, under special delegation order from the DFA Office of State Procurement, and performs the resulting creation of over 20,000 purchase orders valued at approximately \$50million. CSS directs facility construction projects valued at \$35 million through planning, approval, legislative review, execution, and payment phases for all DHHS institutions and program divisions. Related activities include leasing functions and facility management assistance for more than 160 DHHS facilities statewide, including central headquarters complexes at Donaghey Plaza and Markham health campus in Little Rock and county offices and local health units statewide. In addition, CSS directs fleet management of 560 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 DHHS program divisions statewide for asset management, 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 DHHS strategic objectives, and to embrace a technological vision that makes us integral partners in the delivery of public health and 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 DHHS networks is reliable and is 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 administrative section, in addition to managing clerical support, provides centralized purchasing for all information technology procurements within the entire department. Equipment and software Standards are established by the Chief Information Officer (CIO) to provide the department with better volume pricing and reduced technical support and maintenance costs. 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 300+ locations, 8,500 workstations, and 300 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 new position being added to the office during state fiscal year 2007 will be the Information Technology Security Officer. In the past, persons occupying the CIO position have managed IT security in their spare time but recent experience has demonstrated that security is a full time job in and of itself. This position will be responsible for making certain our network is protected from outside intrusions and will develop 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.

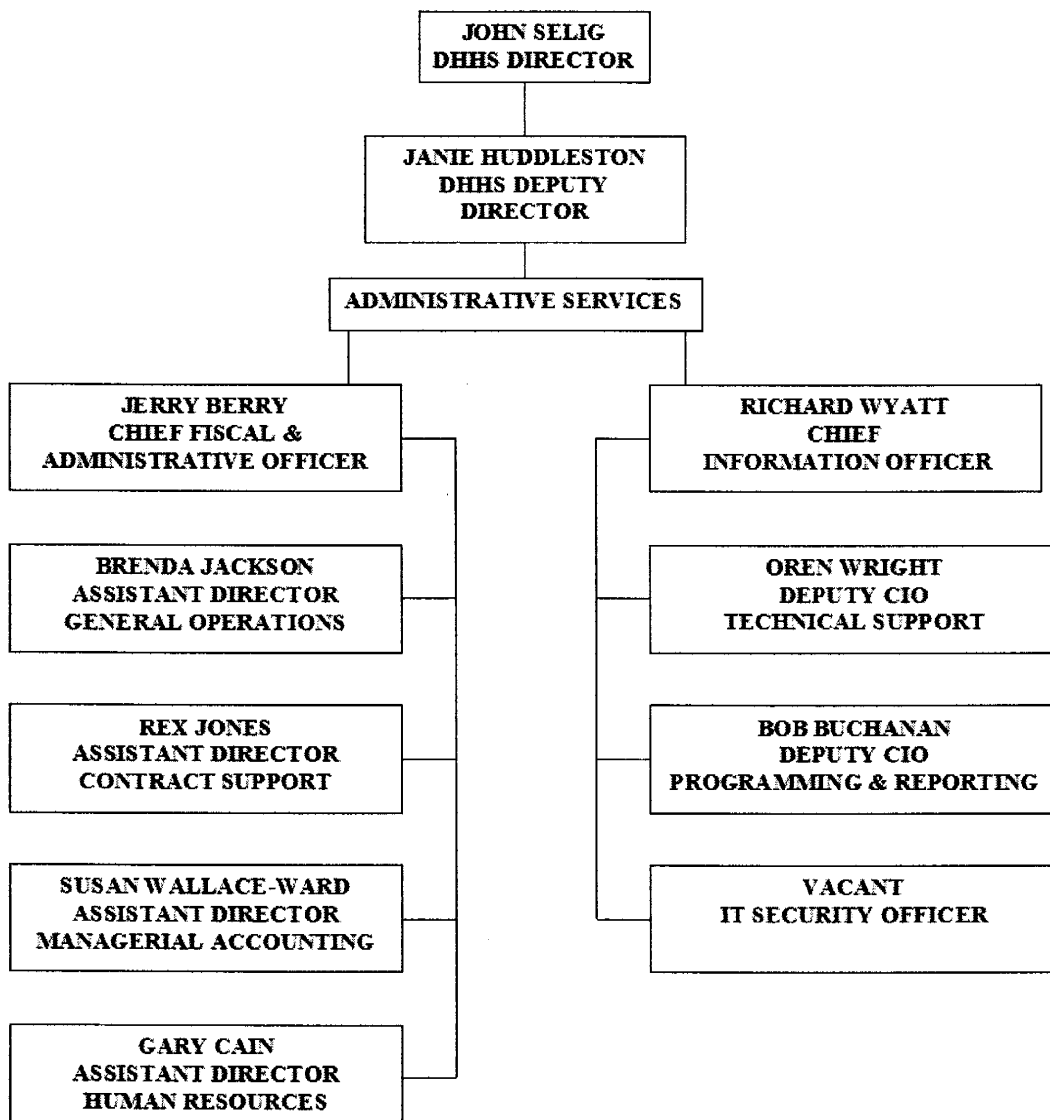
The Technical Support section is primarily responsible for keeping the equipment in our facilities outside of Pulaski County updated and operating properly. This small group of technical support specialists maintains almost 6,500 workstations in addition to the servers supporting these facilities. They 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 Children's Reporting and Information System (CHRIS) application, its project

management, support team, analysis team, and reporting team, are stationed in the Office of Systems and Technology. This system is maintained to comply with the requirements of the DHHS/Administration of Children and Families State Automated Child Welfare Information System project. It is a multi-year project that is scheduled for completion during the fall of 2006. Upon completion, Arkansas will be joining only two other states that have met the rigorous requirements of this application.

The final section of OST, Reporting and Programming is the one that supports any reporting assistance needed by any division in extracting meaningful reports from the information contained in their application databases. In addition, this group does program development for applications that are smaller in scope and do not require utilization of our contractors. They are currently working on a project that will put the many departmental forms on-line with workflow management to make it possible to eliminate paper, control the processing and allow monitoring of the status of the forms.



Agency Commentary

The Division of Administrative Services, Office of Finance and Administration is requesting additional Maintenance and Operation Official Business Travel as well as Conference Fees and Travel. The Office Business Travel will enable us to conduct regular reviews of DHHS 24 hour facilities, county offices and local health units related to cash handling controls, inventory controls and fixed asset controls. The Conference Fees and Travel will allow for specialized training in skills such as auditing, budget analysis and cost accounting, CPA required continuing education hours as well as regular training related to the State's accounting system to develop more refined skill level and proficiencies in required entry and transactions. Recruitment and Placement activity has tripped in growth. DHHS participates in job fairs throughout the south seeking individuals who have the job skills to work in one of our 14 divisions/offices. We have approximately 11,000 employees and have a turnover rate of between 29.5% and 39%. Training of our workforce has become a number one priority for the department thus requiring a significant increase in travel for staff through out the state to county offices and local health units.

Additionally, we are requesting Restoration of 42 positions, 8 with General Revenue funding and 34 with appropriation only and 14 new positions. The restoration of positions is necessary to continue the daily operations of the department in accounts payable, payroll, funds management, banking, budget, cost allocation, accounts receivable, contracts management, procurement, human resources. The new positions are needed due to increased responsibilities due to the merger of Health and Human Services to now include investment analysts, comptroller auditors requiring CPAs and inventory specialists primarily focusing on drug inventory. General Operations has increased work load due to both merger and growth in DHHS. In 2001, approximately 600 vouchers and 300 travel documents would be processed daily. This volume has now surpassed 1000 vouchers a day and 800 travel documents. The manual operations has been automated to some degree but not as efficiently as had been hoped. Transition to scanners and electronic invoicing is planned for development this biennium. Managerial Accounting has increased both federal reporting responsibilities as well as funds management of several hundred million dollars due to the merger. In addition, this section is in the process of re-writing the entire cost allocation plan for the Department to include both a direct and indirect cost rate for participation of the Division of Health in the DHHS Cost Allocation plan. Accounts Receivables have increased from \$65 million to an average of \$120 million. DHHS has progressed from 300 contracts to approximately 590 in the last 4 years. Contract support has increased due to both legal issues found as well as the complicated environment of today's purchasing ventures. All 75 counties are covered by this staff to include onsite trainings associated with new regulations and the merger of DOH into DHHS.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HEALTH AND HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2005

Findings

Recommendations

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

Cash Fund Balance Description as of June 30, 2006

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 Health and Human Services (SFY) Statistical Report	Act 414, Section 24 of 1961	Y	Y	35	Law requires. Distribution has decreased from 200 to 35 due to web access. The 2006 report should only have 35 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	2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
1DE Various Building Constr	2,401,084	0	7,821,826	0	10,006,850	0	9,821,826	0	9,821,826	0	9,821,826	0	9,821,826	0
414 Consolidated Cost	561,152	0	671,500	0	671,500	0	671,500	0	671,500	0	671,500	0	671,500	0
896 Div of Admin Svcs	26,389,544	326	28,917,172	342	30,945,700	384	31,131,890	398	29,873,714	356	31,131,890	398	29,873,714	356
898 Social Svcs Blk Grant-Fed	31,985	0	259,047	0	684,438	0	259,047	0	259,047	0	259,047	0	259,047	0
C99 Client Specific Emrgcy Svcs-Cash	0	0	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0
NOT REQUESTED FOR THE BIENNIUM														
1XM Annie Casey Foundation - Cash	11,643	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	29,395,408	326	37,789,545	342	42,428,488	384	42,004,263	398	40,746,087	356	42,004,263	398	40,746,087	356

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	7,510,720	20.1	7,905,405	20.6	569,587	1.4	569,587	1.4	0	0.0	0	0.0
General Revenue	4000010	9,054,662	24.3	10,681,126	27.8	11,162,069	27.2	11,034,877	27.1	11,162,069	27.2	11,034,877	27.1
Federal Revenue	4000020	19,568,905	52.5	18,283,751	47.7	26,474,606	64.4	26,258,219	64.4	26,949,140	65.6	26,732,753	65.6
Cash Fund	4000045	11,643	0.0	120,000	0.3	120,000	0.3	120,000	0.3	120,000	0.3	120,000	0.3
Miscellaneous Transfers	4000355	389,737	1.0	486,008	1.3	1,878,608	4.6	1,878,608	4.6	1,973,661	4.8	1,973,661	4.8
Various Program Support	4000730	765,146	2.1	882,842	2.3	884,796	2.1	884,796	2.2	884,796	2.1	884,796	2.2
Total Funds		37,300,813	100.0	38,359,132	100.0	41,089,666	100.0	40,746,087	100.0	41,089,666	100.0	40,746,087	100.0
Excess Appropriation/(Funding)		(7,905,405)		(569,587)		914,597		0		914,597		0	
Grand Total		29,395,408		37,789,545		42,004,263		40,746,087		42,004,263		40,746,087	

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

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	
412	273	63	336	76	33.74%	395	293	49	342	53	25.82%	395	291	51	342	53	26.33%

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 2303 of 2005 section 17(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A 21-5-214(5)(A)).

Analysis of Budget Request

Appropriation: 1DE - Various Building Constr

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 Health and 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 from the Human Services Renovation Fund 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 Health and 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 DHHS 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.

Pursuant to Act 1954 of 2005, which merged the Department of Health into the Department of Human Services and renamed the agency the Department of Health and Human Services, the \$450,000 state operations construction line item from the Division of Health has been moved into the Various Building Construction appropriation. Special Language associated with the Human Services Renovation Fund has been requested to be revised and is submitted to reflect the inclusion of the Division of Health.

The agency Base Level request for this appropriation is \$7,821,826 each year of the biennium.

The agency Change Level request for this appropriation is \$2,000,000 each year of the biennium for the Division of Developmental Disabilities Services for unanticipated projects that might occur in the next biennium associated with the six (6) Human Development Centers.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

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
Construction	5090005	2,401,084	7,821,826	10,006,850	7,821,826	9,821,826	9,821,826	7,821,826	9,821,826	9,821,826
Total		2,401,084	7,821,826	10,006,850	7,821,826	9,821,826	9,821,826	7,821,826	9,821,826	9,821,826
Funding Sources										
Fund Balance	4000005	7,510,720	7,905,405		569,587	569,587	569,587	0	0	0
Federal Revenue	4000020	2,406,032	0		5,373,631	7,373,631	7,373,631	5,848,165	7,848,165	7,848,165
Miscellaneous Transfers	4000355	389,737	486,008		1,878,608	1,878,608	1,878,608	1,973,661	1,973,661	1,973,661
Total Funding		10,306,489	8,391,413		7,821,826	9,821,826	9,821,826	7,821,826	9,821,826	9,821,826
Excess Appropriation/(Funding)		(7,905,405)	(569,587)		0	0	0	0	0	0
Grand Total		2,401,084	7,821,826		7,821,826	9,821,826	9,821,826	7,821,826	9,821,826	9,821,826

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

Change Level by Appropriation

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

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	470,000	0	470,000	100.0	470,000	0	470,000	100.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	470,000	0	470,000	100.0	470,000	0	470,000	100.0

Change Level by Appropriation

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

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	5,848,165	0	5,848,165	100.0	5,848,165	0	5,848,165	100.0
C01	Existing Program	2,000,000	0	7,848,165	134.2	2,000,000	0	7,848,165	134.2

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	5,848,165	0	5,848,165	100.0	5,848,165	0	5,848,165	100.0
C01	Existing Program	2,000,000	0	7,848,165	134.2	2,000,000	0	7,848,165	134.2

Justification

C01	This appropriation is for DHHS Divisions that have state owned facilities and is therefore located in the Administration Appropriation Act. This request specifically applies to the Division of Developmental Disabilities Services for unanticipated projects that might occur in the next Biennium.
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Change Level by Appropriation

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

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	450,000	0	450,000	100.0	450,000	0	450,000	100.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	450,000	0	450,000	100.0	450,000	0	450,000	100.0

Change Level by Appropriation

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

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	1,053,661	0	1,053,661	100.0	1,053,661	0	1,053,661	100.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	1,053,661	0	1,053,661	100.0	1,053,661	0	1,053,661	100.0

Analysis of Budget Request

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

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

Funding for this appropriation as indicated as Various Program Support is revenue transferred based on Cost Allocation derived from the program code to which funds are assigned and can be a mix of funding sources such as General Revenue, Federal Revenue, Other Revenue and/or a combination of each.

The agency Base Level and total request for this appropriation is \$671,500 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		2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	561,152	671,500	671,500	671,500	671,500	671,500	671,500	671,500	671,500
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		561,152	671,500	671,500	671,500	671,500	671,500	671,500	671,500	671,500
Funding Sources										
Various Program Support	4000730	561,152	671,500		671,500	671,500	671,500	671,500	671,500	671,500
Total Funding		561,152	671,500		671,500	671,500	671,500	671,500	671,500	671,500
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		561,152	671,500		671,500	671,500	671,500	671,500	671,500	671,500

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

Analysis of Budget Request

Appropriation: 896 - DHHS–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 DHHS 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.

Act 1954 of 2005 merged the Department of Health with the Department of Human Services and changed the name to the Arkansas Department of Health and Human Services and renamed Department of Health to the Division of Health. Functions of budget, funds management, accounts payable, accounts receivable, personnel and payroll functions as well as contract/grant processes, and information technology have been centralized in the Division of Administrative Services. The consolidated functions have allowed the program staff in the Division of Health to devote time and attention to programmatic aspects related to improved health of the State's citizens and designating appropriate administrative staff to work with Administrative Services staff in managing administrative and technology details.

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 DHHS Division staff, consumers and providers.

Office of Finance and Administration

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

Office of Systems and Technology

Technical Services, Program Applications, Support Services and Administrative Services related to Information/Data Systems is provided through staff and a contractual arrangement.

Funding for this appropriation includes General Revenues (DAS - Department of Human Services Administration Fund Account), Federal and Other Funds. The Federal funds are derived from support services allocated through cost allocation and Social Service Block Grant federal funds. Other funding which is indicated as Various Program Support is derived through cost allocation and can also include M&R proceeds.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the 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 Base Level request for this appropriation is \$29,184,539 each year of the biennium with 342 budgeted base level positions.

The agency Change Level request for this appropriation is \$1,947,351 each year of the biennium with additional General Revenue requested of \$382,187 each year of the biennium. The following delineates the agency request:

- Restoration of eight (8) positions that are authorized but not budgeted with salary and matching appropriation and General Revenue funding due to the increased responsibilities of the Division.
- Restoration of thirty-four (34) positions that are authorized but not budgeted with salary and matching appropriation only to maintain the daily operations of the Division.
- Fourteen (14) new positions with salary and matching appropriation and General Revenue funding due to the increased responsibilities of the Division.
- \$10,000 each year of the biennium is requested for the Operating Expenses line item for mileage, meals and lodging to facilitate reviews of cash handling controls, inventory controls and fixed asset controls at the DHHS 24 hour facilities, county offices and public health units.
- \$35,000 each year of the biennium is requested for the Travel line item for increase training related to auditing, budget analysis and cost accounting.

The Executive Recommendation provides for Base Level. Additionally, the fourteen (14) new positions have been provided for with salary and matching appropriation and additional General Revenue of \$254,995 each year of the biennium.

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

- \$254,995 each year of the biennium in new General Revenue associated with the (14) new positions.

Appropriation Summary

Appropriation: 896 DHHS-Admin Paying Account
Funding Sources: PWP-Administration Paying

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	9,910,157	11,520,652	12,994,427	11,520,652	12,904,638	12,043,957	11,520,652	12,904,638	12,043,957
#Positions		326	342	384	342	398	356	342	398	356
Extra Help	5010001	26,701	64,480	64,480	64,480	64,480	64,480	64,480	64,480	64,480
#Extra Help		7	20	20	20	20	20	20	20	20
Personal Services Matching	5010003	3,146,484	3,533,370	4,088,123	3,800,737	4,319,102	3,966,607	3,800,737	4,319,102	3,966,607
Overtime	5010006	8,655	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	2,614,884	2,725,278	2,725,278	2,725,278	2,735,278	2,725,278	2,725,278	2,735,278	2,725,278
Conference & Travel Expenses	5050009	15,132	20,000	20,000	20,000	55,000	20,000	20,000	55,000	20,000
Professional Fees	5060010	8,326,602	9,075,792	9,075,792	9,075,792	9,075,792	9,075,792	9,075,792	9,075,792	9,075,792
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	20,380	0	0	0	0	0	0	0	0
Data Processing Services	5900044	2,320,549	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600
Total		26,389,544	28,917,172	30,945,700	29,184,539	31,131,890	29,873,714	29,184,539	31,131,890	29,873,714

Funding Sources										
General Revenue	4000010	9,054,662	10,681,126		10,779,882	11,162,069	11,034,877	10,779,882	11,162,069	11,034,877
Federal Revenue	4000020	17,130,888	18,024,704		18,191,361	18,841,928	18,625,541	18,191,361	18,841,928	18,625,541
Various Program Support	4000730	203,994	211,342		213,296	213,296	213,296	213,296	213,296	213,296
Total Funding		26,389,544	28,917,172		29,184,539	30,217,293	29,873,714	29,184,539	30,217,293	29,873,714
Excess Appropriation/(Funding)		0	0		0	914,597	0	0	914,597	0
Grand Total		26,389,544	28,917,172		29,184,539	31,131,890	29,873,714	29,184,539	31,131,890	29,873,714

Actual exceeds Authorized Appropriation by authority of Reallocation of Resources.

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

Change Level by Appropriation

Appropriation: 896-DHHS-Admin Paying Account
Funding Sources: PWP-Administration Paying

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	29,184,539	342	29,184,539	100.0	29,184,539	342	29,184,539	100.0
C01	Existing Program	1,032,754	22	30,217,293	103.5	1,032,754	22	30,217,293	103.5
C05	Unfunded Appropriation	914,597	34	31,131,890	106.6	914,597	34	31,131,890	106.6

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	29,184,539	342	29,184,539	100.0	29,184,539	342	29,184,539	100.0
C01	Existing Program	689,175	14	29,873,714	102.3	689,175	14	29,873,714	102.3
C05	Unfunded Appropriation	0	0	29,873,714	102.3	0	0	29,873,714	102.3

Justification

C01	Additional mileage and training is needed to facilitate reviews of cash handling controls, inventory controls and fixed asset controls at the DHHS 24 hour facilities and county offices and local public health units; to increase training for skills such as auditing, budget analysis and cost accounting; and for recruitment and placement. Also we are requesting 14 new positions and 8 restorations with appropriation and funding due to increased responsibilities in the overall operations in the department.
C05	Restoration of 34 unfunded positions to continue and maintain the daily operations for the department.

Analysis of Budget Request

Appropriation: 898 - DHHS-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 DHHS 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 \$259,047 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 898 DHHS-Grants Paying Account
Funding Sources: PWE-Grants Paying

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	31,985	259,047	684,438	259,047	259,047	259,047	259,047	259,047	259,047
Total	31,985	259,047	684,438	259,047	259,047	259,047	259,047	259,047	259,047
Funding Sources									
Federal Revenue 4000020	31,985	259,047		259,047	259,047	259,047	259,047	259,047	259,047
Total Funding	31,985	259,047		259,047	259,047	259,047	259,047	259,047	259,047
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	31,985	259,047		259,047	259,047	259,047	259,047	259,047	259,047

Analysis of Budget Request

Appropriation: C99 - Client Specific Emrgcy Srvs–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 FY2006 and \$120,000 is budgeted in FY2007.

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C99 Client Specific Emrgcy Srvs-Cash
Funding Sources: 120-Client Specific Emergency Services-Cash

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

Appropriation Summary

Appropriation: 1XM Annie Casey Foundation – Cash
Funding Sources: NHS-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	11,643	0	0	0	0	0	0	0	0
Total	11,643	0	0	0	0	0	0	0	0
Funding Sources									
Cash Fund 4000045	11,643	0		0	0	0	0	0	0
Total Funding	11,643	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	11,643	0		0	0	0	0	0	0

THIS APPROPRIATION IS NOT REQUESTED FOR THE NEW BIENNIUM.