

# DHHS - DIV COUNTY OPERATIONS

## Enabling Laws

Act 2299 of 2005

Act 2045 of 2005

Act 1858 of 2005

Administration (Central Office Operations)

- ACA 25-10-102

Economic and Medical Services Enrollment (Enrollment functions for the Food Stamp, Medicaid and TEA Programs)

- ACA 25-102-102
- Food Stamps - Food Stamp Act of 1977
- Medicaid - Titles XIX and XXI of the Social Security Act/ Section 7 of Act 280 of 1939 and Act 416 of 1977; Act 849 of 1999 and Act 747 of 2001 (ARKids First Program)
- Medicaid Expansion (Tobacco Settlement) - Act 1574 of 2001
- TEA Program (Cash Assistance) - Title IV-A of the Social Security Act; Act 1058 of 1997; Act 1264 of 2001; Act 1306 of 2003 and Act 1705 of 2005

County Operations Assistance - Community Services (Funding for the provision of services and activities designed to reduce poverty and hunger, revitalize low-income communities and increase self-sufficiency)

- Commodity Distribution and Emergency Food - Emergency Food Assistance Act of 1983
- Food Stamp Employment and Training - Food Stamp Act of 1977
- Refugee Resettlement Program - Title IV of the Immigration and Nationality Act
- Community Services Block Grant - Public Law 97-35 Federal Omnibus Reconciliation Act of 1981
- Shelter Plus Care - Public Law 97-35 Federal Omnibus Reconciliation Act of 1981 McKinney-Vento Homeless Assistance Act of 1987, Title IV as amended, Public Law 97-35 Federal Omnibus Reconciliation Act of 1981
- Aid to the Aged, Blind and Disabled - Title XVI of the Social Security Act; P.L. 93-66 and P.L. 93-233
- Weatherization - Energy Conservation and Production Act, Title IV, Part A, Public Law 94-385, 42 U.S.C. 6851-6872; Department of Energy Organization Act of 1977 as amended; Public Law 97-35 Federal Omnibus Reconciliation Act of 1981
- Low-Income Energy Assistance- Public Law 97-35 Federal Omnibus Reconciliation Act of 1981
- Homeless Assistance- McKinney-Vento Homeless Assistance Act of 1987, Title IV as amended, 42 U.S.C. 11371-78 Public Law 97-35 Federal Omnibus Reconciliation Act of 1981

## History and Organization

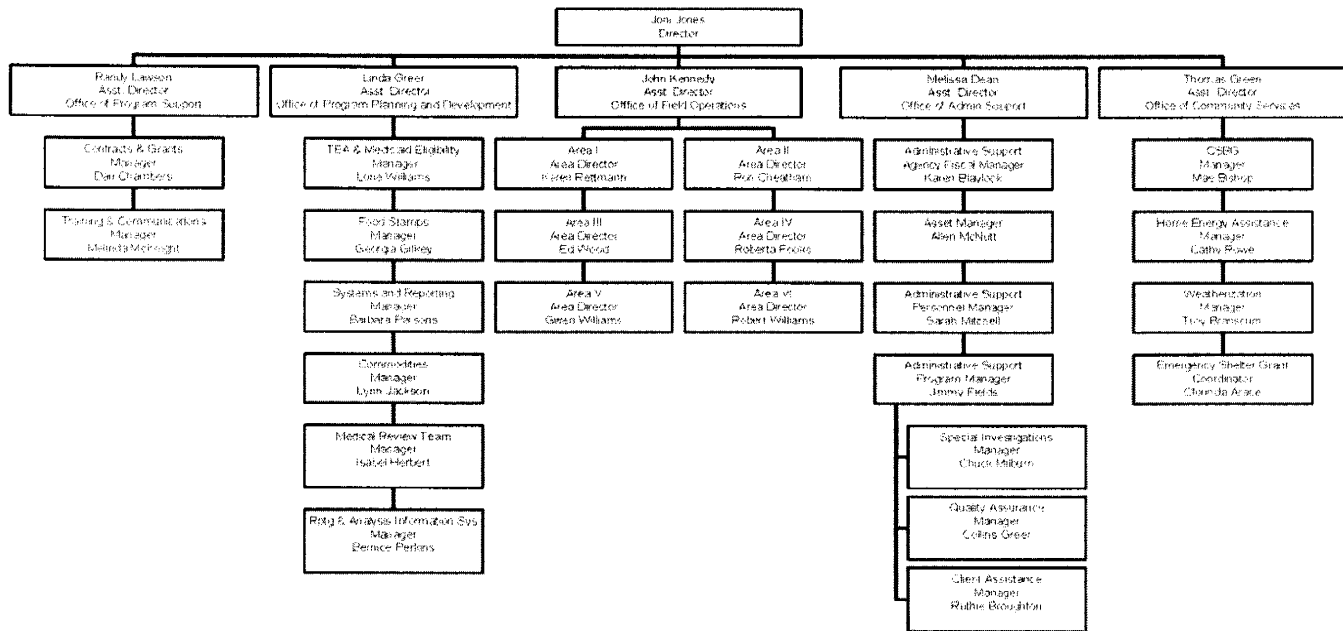
**Mission:** The mission of the Division of County Operations is to ensure the delivery of quality human services that strengthen the health and well being of Arkansas' children, families and adults.

**History:** The Arkansas Department of Public Welfare was created in 1935 to give public assistance to dependent children, the aged, and the blind. There have been several changes and significant growth in services since that time. Child Welfare was added in 1936. In 1937, Aid to Families with Dependent Children (AFDC), General Relief, and Commodity Distribution were added along with medical care for the indigent. The Food Stamp Program began in 1962. In 1971, the Department of Public Welfare was transferred to the Department of Social and Rehabilitative Services and was renamed the Division of Social Services. Later, the Prescription Drug, optional Medicaid and the Child Support programs were added. Act 348 of 1985 mandated a change in the name to the Division of Economic and Medical Services in the Department of Human Services. The Child Support Enforcement Unit was transferred to the Revenue Division of the Department of Finance and Administration effective July 1, 1993. Act 1198 of 1995 dissolved the Division of Economic and Medical Services and created a new Division of Medical Services, while the Economic Services component merged with the Division of County Operations. The reorganized Division of County Operations has responsibility for 83 DHS county offices in 75 counties and is also responsible for administering several programs, including: Transitional Employment Assistance (TEA) and Work Pays eligibility, Food Stamps, Medicaid eligibility, ARKids First, Commodity Distribution, Community Services and Emergency Services.

On August 22, 1996, the Personal Responsibility and Work Opportunity Reconciliation Act was signed into law. This Act initiated the most significant reform of public welfare programs in sixty years by placing time limits on the receipt of benefits and requiring non-exempt adults to move into the workforce. Act 1058 of 1997, the Arkansas Personal Responsibility and Public Assistance Reform Act, created the Transitional Employment Assistance Program on July 1, 1997 replacing the former AFDC and AFDC Jobs programs. This Act also established TEA Advisory Council to advise and assist all state agencies with the implementation and evaluation of the new TEA Program. In September 1997, Arkansas implemented the ARKids First Program designed to provide medical care to thousands of children of working parents whose income is not high enough to provide health insurance.

Act 1567 of 1999 amended the Arkansas Personal Responsibility and Public Assistance Reform Act by establishing the Arkansas Transitional Employment Board and enacted other provisions to strengthen the Arkansas TEA Program. The original Act was amended by Act 1264 of 2001 giving additional authority to the Transitional Employment Board to oversee funding to child care programs provided for current and former TEA recipients as well as low-income working families. The original Act was amended again by Act 1306 of 2003 to add several new targets and outcomes for the TEA Program.

Act 1705 of 2005 transferred overall responsibility for the administration of the TEA program to the Department of Workforce Services (DWS) with specific responsibility to provide case management.



## Agency Commentary

### **ADMINISTRATION - Appropriation 896**

Administration- The mission of the Division of County Operations (DCO) is "To ensure the delivery of quality human services that strengthen the health and well being of Arkansas' children, families and adults." To accomplish this mission, the central and county offices work together to ensure compliance with a host of State and Federal laws and regulations. Central Office support provided to the County Offices includes: information systems development and operations, inventory control, policy development and distribution, contract and grant development, personnel services, financial services, program and provider monitoring, quality assurance, fraud investigations, Americans with Disabilities Act compliance and training for staff and providers.

POSITION RESTORATIONS SALARIES/FRINGE - The Agency requests to restore 43 positions with funded appropriation of \$1,072,888 (\$482,797 State and \$590,091 Federal) for Salary costs and \$400,106 (\$180,045 State and \$220,061 Federal) for Fringe costs in SFY 2008, and \$1,072,888 for Salary costs (\$482,797 State and \$590,091 Federal) and \$400,106 (\$180,045 State and \$220,061 Federal) for Fringe costs for SFY 2009. The majority of these positions are located in local county offices to support the determination of eligibility for the Food Stamp, Medicaid, Transitional Employment Assistance and Work Pays Programs. These positions were left unbudgeted in the SFY 2007 Operating Budget due to insufficient funding. Without restoration, these positions will expire June 30, 2007. The Agency is requesting \$632,172 in State General Revenue for Salaries and \$203,307 for Fringe costs to replace "Other" funding that will no longer be available in SFY 2009. The Agency has not received additional SGR funding for administrative costs in several years and therefore has previously funded a portion of these positions with Federal Food Stamp Enhanced funds which are expected to be depleted by SFY 2009.

POSITION RESTORATIONS SALARIES/FRINGE - The Agency requests unfunded appropriation for the restoration of 95 positions left unbudgeted due to insufficient funding in the SFY 2007 Operating Budget. In SFY 2008, the unfunded appropriation of \$2,152,242 is for Salary Costs and \$837,810 is

for Fringe Costs. In SFY 2009, the Agency requests unfunded appropriation of \$2,152,242 for Salary Costs and \$838,146 for Fringe Costs. The majority of these positions are located in local county offices to support the determination of eligibility for the Food Stamp, Medicaid, Transitional Employment Assistance and Work Pays Programs. Without restoration, these positions will expire June 30, 2007. These positions, although unfunded, provide the County Offices with an opportunity to more efficiently manage their vacancies.

**POSITION TRANSFERS OUT** - The Agency requests to transfer unfunded appropriation of \$89,892 in Salaries and \$22,586 in Personal Services Matching for SFY 2008 and SFY 2009 for the transfer of one central office position to the DHHS Director's Office. This position is currently being used by the Director's Office to provide comprehensive interdivisional policy analysis for the numerous state and federal programs managed by the Department.

**EXTRA HELP** - The Agency requests \$106,494 in State General Revenue in SFY 2009 to replace "Other" funding that will no longer be available to fund Extra Help positions. These positions are primarily used in local county offices or to assist in taking applications when a state or federal disaster is declared. The Agency has previously funded these positions with Federal Food Stamp Enhanced funds which are expected to be depleted by SFY 2009.

**OPERATING EXPENSES INCREASES** - The Division is requesting appropriation and funding of \$976,875 (\$439,389 State and \$537,486 Federal) in 2008 to cover increased costs associated with Central Office and County Office administrative activities. The Agency is also requesting appropriation and funding of \$1,979,833 in 2009. Of this amount, \$1,437,731 is State General Revenue, of which \$541,237 is needed to replace "Other" funding that will no longer be available. The Agency has not received additional SGR funding for administrative costs in several years and therefore has previously funded a portion of these costs with Federal Food Stamp Enhanced funds which are expected to be depleted by SFY 2009. The remainder of this request is supported by \$1,083,339 in Federal funding.

- **County Office Operations** - The Agency requests \$543,955 (\$244,780 State and \$299,175 Federal) in funded appropriation for SFY 2008 and \$647,113 (\$291,201 State and \$355,912 Federal) in SFY 2009 to pay for increases in lease costs for DHS county offices, increases in utilities, office supplies, mileage and postage. The amount requested reflects a 4% increase in rent in 35 county offices in SFY 2008/2009 and 5 additional offices in SFY 2009.
- **Office of Field Operations/County Office Renovations and Relocations** - The Office of Field Operations provides guidance and support to the 83 county offices that are located throughout the State. The Agency requests funded appropriation of \$197,210 (\$88,745 State and \$108,465 Federal) in 2008 and \$1,054,760 (\$474,642 State and \$580,118 Federal) in 2009 for leases for new telephone systems in 10 county offices in 2008 and 12 county offices in 2009; county office insurance and security services; shredding services for county offices; and fuel purchases for State vehicles. Also included in this request is funding and appropriation for the renovation and relocation of county offices which are outdated and overcrowded.
- **Office of the Director** - The Office of the Director provides guidance and support of all the administrative and program activities associated with the provision of services to more than one million Arkansans. The Agency requests funded appropriation totaling \$33,994 (\$15,297

State and \$18,697 Federal) in 2008 and \$54,494 (\$24,522 State and \$29,972 Federal) in 2009 to address increases in agency costs that process through the DCO Director's Office. These increases include postage and shipping costs for the Division and an increase in travel costs for the DCO Director to address new Disaster Planning functions delegated to DCO.

- Office of Administrative Support - The Office of Administrative Support includes the Agency's financial and personnel support functions, conducts fraud investigations, responds to citizens calling toll free numbers to inquire about services and conducts federally mandated quality assurance activities. The Agency requests \$21,080 (\$9,486 State and \$11,594 Federal) in funded appropriation in 2008 and \$21,932 (\$9,869 State and \$12,063 Federal) in 2009 to address increases in operational and travel costs in the Office of Administrative Support. This additional appropriation/funding will be used for increased telephone costs associated with our toll-free customer service lines; replacement of cell phones used by Field Investigators; training costs for Quality Assurance reviewers throughout the State to meet new federally mandated review requirements; and increased costs for lodging, airline tickets and registration fees associated with attendance at meetings to be trained on new Federal requirements.
- Office of Community Services - The Office of Community Services administers Federal programs through a network of community based providers to serve low-income persons in Arkansas. These programs include the Community Services Block Grant (CSBG) Program, Emergency Shelter Grants (ESG) Program, Low-Income Home Energy Assistance Program (LIHEAP), Shelter Plus Care Program, and Weatherization Assistance Program. In addition, the Office of Community Services coordinates initiatives for homeless Arkansans. The Agency requests \$18,340 in additional Federal appropriation in 2008 and \$18,840 in 2009 for increases in operating and travel costs in the Office of Community Services. These additional Federal funds will be used to pay for data processing supplies, fuel and maintenance costs for agency vehicles, and increased costs for lodging, air fare and registration fees to attend federally mandated meetings and training sessions.
- Office of Program Support - The Office of Program Support provides training for new and existing employees working in local county offices. The Agency requests \$115,846 (\$52,131 State and \$63,715 Federal) in funded appropriation in 2008 and \$116,244 (\$52,310 State and \$63,934 Federal) in 2009 for the DCO Training Unit to address increased costs associated with county office training sessions for new and existing staff as well as a statewide training conference. Included in this request are increases in costs for mileage, meals and lodging, seminar fees, and training materials.
- Office of Program Planning and Development - The Office of Program Planning and Development provides policy development and Information Technology (IT) support for the Food Stamp, Medicaid, Transitional Employment Assistance and Work Pays Programs. The Agency requests funded appropriation in the amount of \$45,000 (\$27,500 State and \$17,500 Federal) in SFY 2008 and \$65,000 (\$42,500 State and \$22,500 Federal) in SFY 2009 for increases in operating costs in the Office of Program Planning and Development. This request includes additional appropriation/funding for postage and mailing costs, which are increasing due to higher postage rates, additional mass mailings to clients, and the re-bidding of a contract for commercial mail services. This request also includes increases in Temporary Employment Services which are utilized for processing applications for Federal and State

disaster declarations. These services are paid with 100% State funds.

- Commodity Distribution Operations - The Division of County Operations administers the Commodity Distribution program which was established in 1935 under the Agricultural and National School Lunch Act to encourage the consumption of overabundant domestic farm products while providing nutritious foods for participating individuals. This program contributes to the Division's mission of strengthening the health and well-being of Arkansas' children, families and adults. The Commodity Distribution Program provides storage and annual distribution of over 20 million pounds of USDA donated foods to Arkansas schools for the School Lunch Program, and to food banks, food pantries and soup kitchens. Program participants include 650 agencies serving one million customers each year.

The Division is requesting \$1,450 in State funded appropriation in 2008 and in 2009 to address increases in costs for administration of the Commodity Distribution Program. The request is for increasing vehicle maintenance and gasoline costs associated with the delivery of food to local school districts.

OVERTIME - The Agency requests State General Revenue of \$2,275 in 2009 to replace "Other" funding that will no longer be available. The Agency has previously funded a portion of these costs with Federal Food Stamp Enhanced funds which are expected to be depleted by SFY 2009.

TRAVEL AND CONFERENCE COSTS - The Agency requests funded appropriation of \$32,937 (\$5,819 State and \$27,118 Federal) in 2008 and \$35,670 (\$6,171 State and \$29,499 Federal) in 2009 for increased costs associated with business conference travel. The majority of this request is to allow employees to attend workshops that are fully paid for by federal agencies. The federal government is making significant program changes through new federal regulations. Increasingly, these complex changes are discussed at workshops or conferences. These provide a valuable opportunity to provide input on the impact of changes to Arkansas and to learn what other states are doing to implement program changes in the most efficient, cost effective manner to avoid audit and program findings that may result in penalties.

The Agency also requests funded appropriation to continue the \$5,000 in Federal appropriation in 2008 and 2009, established by a Miscellaneous Federal Grant (MFG) in SFY 2007, for the Office of Community Services. This additional appropriation is needed to allow staff to attend federally mandated training on updated procedures for the administration of the Low-Income Home Energy Assistance Program (LIHEAP) winter heating and summer cooling programs. No State General Revenue is being requested.

PROFESSIONAL FEES AND SERVICES - The Division is requesting \$3,360,945 (\$1,391,951 State and \$1,968,994 Federal) in funded appropriation in 2008 and \$2,444,919 (\$949,008 State and \$1,495,912 Federal) in 2009 for increased costs associated with contracts for client services, the contract which supports the electronic transfer of Food Stamp, TEA and Work Pays benefits and Information Technology (IT) support and development.

The Agency requests increases in contracted services for the Food Stamp Program resulting from rising case loads as well as program expansions. All of these professional services are funded with

100% Federal funds except for the Outreach program which requires a 50% State match. These services include:

- Employment and Training activities provided through local Adult Education Centers to Food Stamp participants who are classified as ABAWD (able-bodied adult without dependent children) and who live in one of the counties where an E&T Program is operational. Services include independent job search, job search training, education, work experience and vocational training. The request is \$150,000 in 2008 and \$200,000 in 2009. The cost is 100% Federal funds.
- Workfare services (community service jobs) for Food Stamp recipients. The intent of the program is to allow certain nonexempt work registration participants to participate in a work experience activity as a condition of eligibility in order to receive benefits to which their household is normally entitled. The primary goal of Workfare is to improve employability skills and enable individuals to move into regular employment. The request is \$500 in 2008 and \$600 in 2009. The cost is 100% Federal funds.
- Nutrition Education services are provided on a statewide basis to Food Stamp recipients and other low-income individuals and families. This Federally required program provides information in schools, community events, the local DHS County Office, and other sites about nutrition and meal preparation. The request is for \$130,000 in 2008 and \$150,000 in 2009. The cost is 100% Federal funds.
- Food Stamp Outreach services designed to increase participation among low-income Senior Citizens. The request is \$100,000 (\$50,000 State and \$50,000 Federal) in funded appropriation in 2008 and 2009.

The Agency requests increases in contracted services for the addition of two new Federally Qualified Health Centers (FQHC's) and to fund a 2% increase in operational costs in 2008 and 2009. The request is \$15,014 (\$7,507 State and \$7,507 Federal) in 2008 and \$31,278 (\$15,639 State and \$15,639 Federal) in 2009. Federal regulation requires that DCO provide an outstationed worker at the FQHC's to take applications for Medicaid services.

The Agency requests a small increase for costs associated with the determination of disability for certain Medicaid and TEA applicants. The request is \$4,000 (\$1,800 State and \$2,200 Federal) in 2008 and in 2009.

The Agency requests increases for the Electronic Benefits Transfer (EBT) System and the development of system enhancements for Call Centers and On-Line Verification processes.

- The Division of County Operations issues Food Stamp and Transitional Employment Assistance (TEA) and Work Pays cash assistance benefits through a statewide Electronic Benefits Transfer (EBT) System. Program participants are issued a debit card which is used to access Food Stamp, TEA and Work Pays benefits electronically. The Agency requests \$420,755 (\$189,340 State and \$231,415 Federal) in funded appropriation in 2008 and \$426,830 (\$192,074 State and \$234,756 Federal) in 2009 for increases in costs for the Electronic Benefits Transfer (EBT) system. This additional appropriation and funding are needed as a result of an increasing Food Stamp case load which directly impacts the operational costs of the EBT system, and the implementation of the new TEA Work Pays Program. Over the past two state fiscal years, Food Stamp participation has increased as

outreach efforts at both the state and federal levels expand, and more low-income families and individuals become aware of and participate in the program.

- As resources decline, the Agency has increasingly utilized Information Systems Technology to perform actions that allow more time for local county office staff to devote to determining eligibility. Our request is to provide \$1,540,676 (\$693,304 State and \$847,372 Federal) in funded appropriation in 2008 and \$532,211 (\$239,495 State and \$292,716 Federal) in 2009 for the development of Call Center technology whereby DCO program recipients use a toll free number to report changes in their case that may impact their eligibility for continued services. The change will then be processed by Call Center staff using enhanced systems capabilities. These are functions currently being performed by local county office staff that could be performed more efficiently and timely by reporting changes to a Call Center.
- The Agency also requests \$1,000,000 (\$450,000 State and \$550,000 Federal) in funded appropriation in 2008 and 2009 for the development of On-Line Verification processes and IT enhancements to the DCO ANSWER (Arkansas Network System for Welfare Eligibility Reporting) system. The On-Line Verification process links ANSWER with other State and Federally mandated data for the purpose of verifying client information in a timely, consistent and accurate manner. This initiative includes corrective actions to address findings by the Arkansas Division of Legislative Audit.

**CAPITAL OUTLAY** - The Office of Community Services is requesting approval to replace two existing vehicles (one in each year of the biennium) at a cost of \$22,500 each, to be paid for with 100% Federal funds. These vehicles are utilized by grant coordinators to monitor the sub-grantees for compliance with program regulations, and to make inspections in the Weatherization, Low-Income Home Energy Assistance (LIHEAP), Community Services Block Grant (CSBG) and Emergency Shelter Grant programs.

The Commodity Distribution Unit is requesting the purchase of two vehicles at a total cost of \$50,000 in 2008 to replace two aging trucks that have required increasing maintenance and are fuel inefficient. These vehicles will be used to conduct monitoring activities across the state. The funding is to be paid for with 100% Federal funds.

### **FOOD STAMP PROGRAM ADMINISTRATION - Appropriation 896**

The Food Stamp Act of 1977 authorizes the Food Stamp Program to increase the limited food purchasing power of low-income households to alleviate hunger and malnutrition. The Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA) pays 100% of the cost the food benefits and 50% of all administrative costs. National benefit levels are established by FNS annually. On average, 385,000 persons or 159,000 households participate in the Arkansas Food Stamp program each month. Approximately \$416 million in Food Stamp benefits are issued in Arkansas annually. The Food Stamp Program is an integral part of the Division's efforts to strengthen the health and well-being of children, families and adults.

DCO caseworkers located in the DHHS county offices throughout the state determine eligibility for the Food Stamp program. This eligibility is based on household size, monthly family income and



resources. The U.S. Department of Agriculture has recognized Arkansas as being among the best in the nation for improved access to the Food Stamp Program. Arkansas received a check for \$1.4 million for this achievement during federal fiscal year 2005. The funding is being used to support computer system enhancements to improve case management and client eligibility systems.

The Division continues to issue Food Stamp, TEA and Work Pays cash assistance benefits through a statewide Electronic Benefits Transfer (EBT) System. The EBT System has reduced fraud in these programs and has eliminated the problem of lost Food Stamp coupons and TEA cash assistance checks.

The Division works with the University of Arkansas at Pine Bluff and the University of Arkansas Cooperative Extension to provide nutrition education services to Food Stamp recipients. The USDA Food and Nutrition Service funds these educational activities. Through state fiscal year 2006, the Division contracted with the Arkansas Department of Workforce Education to provide USDA funded employment and training activities in twenty Arkansas counties. The DWE chose not to extend that contract into SFY 2007. Therefore, beginning in SFY 2007, the Division will contract directly with local Adult Education Centers and other interested entities to provide these activities to Food Stamp recipients in as many counties as possible.

### **MEDICAID ELIGIBILITY - Appropriation 896**

Medicaid is a federally supported and state administered assistance program that provides medical services for certain low-income individuals and families. The program is financed jointly with state and federal funds. The state administers the program within broad federal requirements and guidelines. The federal requirements allow some discretion in determining income and resource criteria for the eligibility and categories of assistance. The services provided under the Medicaid program assist the division with our mission to strengthen the health and well-being of Arkansas' children, families and adults.

Medical Services are provided to eligible individuals who are Aged (65 or older), Blind, Disabled, a child under age 18 or 19 (depending on the category), pregnant, or caretaker relatives of deprived children (children with an absent, disabled, or unemployed parent). Individuals who are eligible to receive cash assistance under the Supplemental Security Income (SSI) Program automatically receive Medicaid services. Individuals must meet income and resource tests to qualify. The state provides for an optional "Medically Needy" group, which includes persons whose incomes are above the income levels for the other categories of Medicaid, but who have medical expenses greater than their excess income. In addition, eligibility for limited services is provided to individuals who are not otherwise categorically eligible but who have been diagnosed with Breast or Cervical Cancer or Tuberculosis and who meet specified need standards.

The ARKids First Program, established in September 1997, provides health insurance to children of low-income working families that do not have health insurance coverage offered through their jobs. ARKids is one of the most successful children's health care programs in the nation. In August 2000, this program name was changed to ARKids B when the regular Medicaid program for children with family incomes below 100% of the federal poverty level was brought under the ARKids First umbrella as ARKids A. DCO determines eligibility for the both the ARKids A and ARKids B Programs.

Approximately 290,000 children are currently enrolled in the programs.

The Tobacco Settlement Funds were utilized to expand Medicaid coverage to two eligibility groups:

- 1) Pregnant Women from 133-200% of the Federal Poverty Level
- 2) Full Medicaid Benefit Package for Individuals 65 and over with incomes below 80% of the federal poverty level.

Tobacco Settlement Funds have also been authorized to expand Medicaid eligibility for limited coverage for adults age 19-64 through the new Arkansas Safety Net Benefit Program. This program will provide a limited health benefit package for employees earning less than 200% of the Federal Poverty Level who work for companies with less than 500 employees.

### **MEDICAID EXPANSION - Appropriation 642**

**POSITION RESTORATIONS SALARIES/FRINGE** - The Agency requests unfunded appropriation of \$35,472 for Salaries and \$15,658 for Fringe Benefits in SFY 2008 and SFY 2009 to restore two positions funded through by the Tobacco Settlement. Without restoration, these positions will expire on June 30, 2007.

**PROFESSIONAL FEES AND SERVICES** - The Agency requests \$200,000 in funded appropriation (\$100,000 Federal and \$100,000 Other) to allow for the development of an automated client eligibility system to support the new AR Safety Net Benefit Program. This program will provide a limited health benefit package for employees earning less than 200% of the Federal Poverty Level who work for companies with less than 500 employees. Due to restrictions in the movement of appropriation between Tobacco Settlement administrative line items, the Agency is requesting \$300,000 in unfunded appropriation in the event new programs are established or additional system modifications are needed in the Biennium for Medicaid Expansion Programs.

### **Transitional Employment Assistance (TEA) Program - Appro. 897**

**TRANSITIONAL EMPLOYMENT ASSISTANCE (TEA) PROGRAM (PWD7600 - TEA Cash Assistance and PWD7500 - TEA Employment Services)** - The Transitional Employment Assistance (TEA) Program was implemented on July 1, 1997, in accordance with Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and Arkansas Act 1058, the Arkansas Personal Responsibility and Public Assistance Reform Act of 1997. The TEA Program replaced the Aid to Families with Dependent Children (AFDC) Program as the focal point of the State's welfare reform effort and plays a critical role in the Division's mission to strengthen the well-being of children, families and adults. Act 1567 of 1999 amended Act 1058 of 1997 by establishing the Arkansas Transitional Employment Board. Act 1264 of 2001 and Act 1306 of 2003 enacted other provisions to strengthen the Arkansas TEA Program. Arkansas Act 1705 of 2005 transferred responsibility for the program to the Department of Workforce Services (DWS). Under this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remains with the Division of County Operations (DCO) while DWS is responsible for the provision of case management services and overall administration of the program. Act 1705 also created the Work Pays program which is an extension of the TEA program for former TEA recipients

who are working. DWS also has overall responsibility for Work Pays with eligibility determination and benefit delivery remaining with DCO. Both Programs are funded with State General Revenue and the Federal Temporary Assistance for Needy Families (TANF) Block Grant.

TEA Program eligibility is limited to economically needy families with children under the age of 18 who are U.S. citizens or aliens lawfully admitted to the United States under specific criteria and are residing in Arkansas. The parent(s) living with the children must cooperate in child support enforcement activities, if applicable to the family, and must sign and comply with a Personal Responsibility Agreement, which includes ensuring that their children are immunized and that they attend school. All able-bodied parent(s) must also actively engage in work related activities as a condition of the family's on-going eligibility. TEA cash assistance is limited to a maximum of twenty-four (24) months in an adult's lifetime. For those former TEA recipients who are employed at least 24 hours per week and meet the minimum federal work participation rates, an additional twenty-four (24) months of Work Pays benefits are available.

Assistance under the TEA and Work Pays Programs may include: monthly cash assistance payments to help meet the family's basic needs; employment services such as work experience, job search, and job readiness activities; assistance with basic and vocational education; assistance with supportive services such as childcare, transportation and other expenses related to work activity; case management services; and eligibility for extended support services to help the parent retain a job after the cash assistance case closes due to employment.

The TEA caseload has decreased by over 50% since the Program was implemented in July 1997. Fifty to seventy-five percent (50-75%) of the TEA recipients placed in jobs are still working when contacted at regular intervals. TEA recipients who have gone to work are earning between \$800 and \$1000 per month compared to an average TEA cash benefit for a mother and two children of \$204 per month. The reduction in the caseload has resulted in a comparable decrease in monthly cash assistance expenditures since July 1997. The Program expenditures have shifted to address employment related services, education/training and supportive services.

Congress reauthorized the TANF program through the Deficit Reduction Act of 2005. Although the Act requires States to meet higher rates of work participation, no significant changes were made in the program design beyond the initiatives and organizational changes prescribed by Act 1705 of 2005.

The Agency base level budget for TEA and Work Pays Cash Assistance (PWD7600) is \$19,820,750 Federal and \$2,240,650 State General Revenue. The Agency requests an additional \$4,223,250 in federally funded appropriation for cash assistance payments provided to TEA and Work Pays Program recipients. In addition, the Agency requests to move State General Revenue (SGR) funds of \$2,240,650 from the DHS Grants Fund to the Department of Workforce Services to support the TEA and Work Pays Programs. It is projected that \$800,000 in SGR for a proposed separate State Two Parent Program will need to be moved back to DHHS/DCO in 2008 and 2009. This will be authorized through Special Language in each agency's appropriation act that allows the transfer of SGR back to the DHS Grants Fund if needed.

The Agency base level budget for TEA and Work Pays Employment Services (PWD7500) is \$7,427,863 Federal and \$1,400,000 State General Revenue. The Agency requests an additional

\$2,460,925 in federally funded appropriation in SFY 2008 and SFY 2009 and \$3,711,212 in unfunded appropriation for employment bonuses paid to TEA and Work Pays Program participants. In addition, the Agency requests to move State General Revenue (SGR) funds of \$1,400,000 from the DHS Grants Fund to the Department of Workforce Services to support the TEA and Work Pays Programs. It is projected that \$1,800,000 in SGR will need to be moved back to DHHS/DCO in 2008 and 2009 for payments of client transportation bonuses. This will be authorized through Special Language in each agency's appropriation act that allows the transfer of SGR back to the DHHS Grants Fund if needed.

**STATE SUPPLEMENTARY PAYMENTS  
FOR THE AGED, BLIND AND DISABLED (AABD)  
APPROPRIATION 396**

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

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

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

**OFFICE OF COMMUNITY SERVICES**

The Office of Community Services administers the following Federal programs through a network of community based providers to serve low-income persons in Arkansas:

Community Services Block Grant (CSBG) Program, Emergency Shelter Grants (ESG) Program, Low-Income Home Energy Assistance Program (LIHEAP), Shelter Plus Care Program, and Weatherization Assistance Program. In addition, the Office of Community Services coordinates initiatives for homeless Arkansans.

COMMUNITY SERVICES BLOCK GRANT PROGRAM (Appro. 898) - This program helps low-income persons become more independent by providing a range of services through the local Community Action Agencies. These services help persons in need become more employable, better educated, better trained to handle their finances and improve their housing, and make use of available social services. It also helps them become more involved in improving their community. The CSBG Program has a base level budget of \$10.5 million. DCO is requesting additional appropriation totaling \$200,000 in SFY 2008 and \$200,000 in SFY 2009 to address projected increases in Federal

funding.

HOMELESS ASSISTANCE PROGRAM (Appro. 426) - This program provides Federal funds to local communities to renovate, rehabilitate or convert small buildings for emergency shelters for the homeless. Funds can be used for the provision of essential services and the payment of maintenance, operation, insurance, utilities, and furnishings of these facilities. These funds are distributed each year on a competitive basis. This program is currently funded at \$2.4 million. DCO is requesting \$200,000 in additional appropriation in SFY 2008 and \$200,000 in SFY 2009 to cover projected increases in Federal funding.

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (Appro. 411) - This program provides Federal funds to assist low-income households with their home energy expenses. Through grants to local Community Action Agencies, a one-time winter/summer assistance payment or a crisis intervention energy payment is made directly to an energy supplier for eligible households. The base level budget for this program is \$12.4 million. The agency is requesting \$3,026,028 in additional appropriation in each year of the Biennium, and \$6.9 million in additional Federal funding approved in SFY 2007 by a Miscellaneous Federal Grant, to address anticipated increase in Federal LIHEAP funding.

WEATHERIZATION ASSISTANCE PROGRAM (Appro. 409) - This program provides energy conservation assistance to the homes of low-income persons in Arkansas. Priority is given to the elderly, disabled and families with children. Assistance includes providing cost-efficient energy conservation measures for homes, such as insulation and furnace tune-ups. Fourteen community action agencies, and one other non-profit agency provide these services. This program is currently funded at \$5,420,000. The agency is requesting an additional appropriation of \$400,000 for SFY 2008 and \$400,000 for SFY 2009 to address projected increases in Federal funding.

#### SHELTER PLUS CARE - APPROPRIATION 1DK

The Shelter Plus Care Program provides rental assistance for hard-to-serve homeless persons with disabilities. This program is designed to provide housing and supportive services on a long-term basis for homeless persons with disabilities, (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases) and their families who are homeless or in emergency shelters. Funding is offered through competitive grants submitted by the Office of Community Services to the federal Department of Housing and Urban Development. The budget for this program is \$3,000,000.

### **REFUGEE RESETTLEMENT PROGRAM - Appropriation 412**

The Refugee Resettlement Program (RRP) serves refugee residents for the first five (5) years of their residency in the United States. Arkansas has experienced a decline in new arrivals and many of the refugees entering Arkansas find jobs within a few months. As a result, the State discontinued the provision of supportive services on October 1, 2002. Arkansas does provide cash and Medical assistance to new arrivals who qualify for these benefits. The Office of Refugee Resettlement operates the program with 100% federal funding. The budget for this program is \$12,000.

## **EMERGENCY FOOD PROGRAM - Appropriation 410**

The Emergency Food Program utilizes surplus USDA commodities to supplement low-income food programs in Arkansas. Agencies such as Food Banks and Community Program Action Agencies have Sub Agent Agreements with the DCO Commodity Distribution Office to provide foods through Soup Kitchens, Food Pantries and Mass Distribution for Households. This year the Emergency Food Program received approximately 3,308,028 pounds of USDA foods purchased with entitlement dollars and 2,016,820 pounds of USDA bonus commodities to supplement the diets of many needy Arkansans.

The Agency is requesting \$125,437 in additional Federal appropriation in 2008 and 2009 for the Emergency Food Program. This additional appropriation is needed to cover projected increases in Emergency Food Program funding during the Biennium. These funds will be used by the State for the distribution of commodities to Community Action Agencies and food banks.

The Division of County Operations (DCO) requests to continue the \$74,563 in Federal appropriation, established by a Miscellaneous Federal Grant (MFG) in SFY 2007, for the Emergency Food program. This additional appropriation will allow DCO to provide additional Federal funds to Community Action Agencies and food banks so that they can distribute more U.S.D.A. donated emergency food commodities throughout the State.

## **INDIVIDUAL DEVELOPMENT ACCOUNT - APPROPRIATION 761**

Act 1217 of 1999, the Family Savings Initiative Act, authorized the establishment of the Arkansas Individual Development Account (IDA) program. The purpose of the IDA program is to provide low income individuals with an opportunity to accumulate assets by matching government funds with money deposited into IDA savings accounts by participants. For each \$1 contributed to an IDA savings account by the participant a match of \$3 is provided, up to a maximum of \$2,000 per IDA account holder or \$4,000 per household per year. The program requires participants to receive economic literacy training and achieve their savings goal before they can withdraw the matched funds for specific purposes. The Agency requests to transfer \$35,781 in Federal appropriation in 2008 and 2009 to the Department of Workforce Services (DWS) for the TEA Individual Development Account (IDA) Program. This program is now administered by DWS.

## **FOOD STAMP EDUCATION AND TRAINING PROGRAM - APPROP. 898**

The purpose of the Food Stamp Education and Training (E & T) Program is to provide Employment and Training activities which promote long term self sufficiency to Food Stamp recipients classified as an ABAWD (able-bodied adult without dependent children) and who live in one of the counties where an E & T Program is operational. Services include independent job search, job search training, education, work experience and vocational training. Client reimbursements for expenses associated with participation in the E & T Program, such as travel reimbursements, are funded with one-half State General Revenue and one-half Federal funds. The budget for this program is \$300,000.

## SALVAGE AND CONTAINER FUND - APPROPRIATION 930

The Commodity Distribution Program receives United States Department of Agriculture (USDA) donated foods for distribution to school districts, food banks, soup kitchens and food pantries. The donated foods are distributed through a contract with a local warehouse. In the event, that the donated food is damaged or destroyed from improper storage, care or handling, it is classified as a "food loss" claim. Compensation of the value of the donated food is provided by the contractor to the distributing agency (Division of County Operations Commodity Distribution Program). Compensation is deposited in the Salvage and Container Fund. Upon approval by the Federal government, these funds may be used for training and equipment utilized by the Commodity Distribution Program for enhancements of the program.

The Agency requests additional appropriation of \$3,950 for Conference Fees and Travel. This will enable the Commodity Distribution Unit to utilize these funds for the purpose of attending federally mandated training. There is no State General Revenue involved in these requests. The budget for this program is \$276,000.

### 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.

### Publications

#### A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
Semi-Annual report to the Arkansas Legislature on Voter Registration	Act 964 of 1995 (Voter Registration Act)	N	Y	1	A semi-annual report on the status of implementation of the National Voter Registration Act of 1993 is provided to the Arkansas Legislative Council at six month intervals.

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
1DK Cty-Shelter Plus Care Program	1,128,957	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
396 Cty-Aid To Aged, Blind, Disabled	0	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0
409 Cty-Weatherization Program	3,664,009	0	5,420,000	0	5,420,000	0	5,820,000	0	5,820,000	0	5,820,000	0	5,820,000	0
410 Cty-Emergency Food Program	496,468	0	554,563	0	480,000	0	680,000	0	680,000	0	680,000	0	680,000	0
411 Cty-Low Inc Energy Assist Prgm	14,995,627	0	19,393,006	0	12,459,034	0	22,419,034	0	22,419,034	0	22,419,034	0	22,419,034	0
412 Cty-Refugee Resettlement Prgm	81	0	12,000	0	30,000	0	12,000	0	12,000	0	12,000	0	12,000	0
426 Cty-Homeless Assistance Grant	1,123,567	0	2,400,100	0	2,400,100	0	2,600,100	0	2,400,100	0	2,600,100	0	2,400,100	0
642 DHS Medicaid Expansion Program	799,858	21	2,301,442	61	2,331,717	63	2,874,694	63	2,823,564	61	2,874,694	63	2,823,564	61
761 Cty-Individual Development Acct	402,762	0	35,781	0	500,000	0	0	0	0	0	0	0	0	0
896 Div of County Operations	97,673,689	1,870	105,685,863	1,745	113,767,892	1,883	115,697,386	1,882	109,848,635	1,839	115,738,734	1,882	109,800,318	1,839
897 TANF Block Grant	25,432,893	0	30,889,263	0	75,709,232	0	41,284,650	0	41,284,650	0	41,284,650	0	41,284,650	0
898 Community Svcs. Block Grant	8,644,359	0	10,831,604	0	11,431,604	0	11,031,604	0	11,031,604	0	11,031,604	0	11,031,604	0
930 Cty-Commodity Distrib & Salvage	8,010	0	276,000	0	333,175	0	279,950	0	276,000	0	279,950	0	276,000	0
<b>NOT REQUESTED FOR THE BIENNIUM</b>														
2YQ AR Rx Program-Operating Exp	0	0	0	0	235,000	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>154,370,280</b>	<b>1,891</b>	<b>180,803,622</b>	<b>1,806</b>	<b>228,101,754</b>	<b>1,946</b>	<b>205,703,418</b>	<b>1,945</b>	<b>199,599,587</b>	<b>1,900</b>	<b>205,744,766</b>	<b>1,945</b>	<b>199,551,270</b>	<b>1,900</b>

Funding Sources		%		%		%		%		%		%
General Revenue 4000010	44,213,607	28.6	45,078,142	24.9	44,415,842	22.8	41,913,113	22.2	45,916,378	23.5	41,913,640	22.2
Federal Revenue 4000020	105,887,868	68.6	128,915,288	71.3	143,755,962	73.7	140,137,450	74.1	143,781,855	73.7	140,138,202	74.1
Cash Fund 4000045	8,010	0.0	276,000	0.2	279,950	0.1	276,000	0.1	279,950	0.1	276,000	0.1
Trust Fund 4000050	402,762	0.3	35,781	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Tobacco Settlement 4000495	399,929	0.3	1,150,721	0.6	1,261,782	0.6	1,261,782	0.7	1,261,782	0.6	1,261,782	0.7
USDA Enhancement 4000720	2,269,911	1.5	3,774,912	2.1	3,774,912	1.9	3,774,912	2.0	2,289,427	1.2	3,774,912	2.0
Various Program Support 4000730	1,188,193	0.7	1,572,778	0.9	1,634,394	0.9	1,634,394	0.9	1,634,462	0.9	1,634,462	0.9
<b>Total Funds</b>	<b>154,370,280</b>	<b>100.0</b>	<b>180,803,622</b>	<b>100.0</b>	<b>195,122,842</b>	<b>100.0</b>	<b>188,997,651</b>	<b>100.0</b>	<b>195,163,854</b>	<b>100.0</b>	<b>188,998,998</b>	<b>100.0</b>
Excess Appropriation/(Funding)	0		0		10,580,576		10,601,936		10,580,912		10,552,272	
<b>Grand Total</b>	<b>154,370,280</b>		<b>180,803,622</b>		<b>205,703,418</b>		<b>199,599,587</b>		<b>205,744,766</b>		<b>199,551,270</b>	



## Agency Position Usage Report

FY2004-2005					FY2005-2006					FY2006-2007							
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
1,962	1,781	43	1,824	138	9.23%	1,948	1,684	127	1,811	137	13.55%	1,948	1,681	125	1,806	142	13.71%

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

The Shelter Plus Care Program initially began in FY95 through a grant from the U. S. Department of Housing and Urban Development, Office of Community Planning and Development. The program provides assistance to homeless persons whose primary disability is AIDS, or who is HIV positive with secondary disabilities of substance abuse or chronic mental illness. The Department of Health and Human Services is the grantee for two (2) sub-grantees that have a total of five (5) grants. There are two components to the program, Tenant-Based Rental Assistance and Sponsor-Based Rental Assistance. The Tenant-Based program allows for applicants to request funds to provide rental assistance on behalf of program participants who choose their own housing. Under the Sponsor-Based program, an applicant may request funds through a contract with a non-profit organization for rental of housing owned by the non-profit organization. The program provides out-reach, support and coordination of housing and services and monitoring. Funding for this appropriation is 100% funded from federal sources.

The agency Base Level request for this appropriation is \$3,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

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

### 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
Grants and Aid 5100004	1,128,957	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
<b>Total</b>	<b>1,128,957</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	1,128,957	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
<b>Total Funding</b>	<b>1,128,957</b>	<b>3,000,000</b>		<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>1,128,957</b>	<b>3,000,000</b>		<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>

FY2007 Appropriation Carry Forward Amount is \$1,871,042.67

## **Analysis of Budget Request**

**Appropriation:** 396 - Cty-Aid To Aged, Blind, Disabled  
**Funding Sources:** DGF-DHS Grants Fund

In 1974, the Aid to Aged, Blind and Disabled (AABD) program was converted to the Supplemental Security Income (SSI) Program through an amendment to the Medicaid State Plan. This amendment allowed individuals in the AABD categories that were not eligible under SSI criteria, but meet the State Medicaid eligibility criteria to receive SSI benefits. The Aid to Aged, Blind and Disabled appropriation provides cash assistance to individuals residing in Arkansas to supplement their SSI payments. These payments are made in accordance with section 1616 of the Social Security Act and section 212 of P. L. 93-66.

Through an agreement entered into between the Social Security Administration (SSA) and the Department of Health and Human Services, SSA makes these payments to individuals determined eligible by SSA. The State pays Social Security Administration for making the payments to eligible individuals and for administrative fees for determining eligibility.

Funding for this appropriation is from General Revenues through the Department of Human Services Grants Fund Account (DGF-DHS Grants Fund) as authorized in Arkansas Code Annotated §19-5-306(10)(A)(iii).

The agency Base Level request for this appropriation is \$4,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 396            Cty-Aid To Aged, Blind, Disabled  
**Funding Sources:** DGF-DHS Grants Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid      5100004	0	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
<b>Total</b>	<b>0</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
<b>Funding Sources</b>									
General Revenue      4000010	0	4,000		4,000	4,000	4,000	4,000	4,000	4,000
<b>Total Funding</b>	<b>0</b>	<b>4,000</b>		<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>0</b>	<b>4,000</b>		<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>

## **Analysis of Budget Request**

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

**Funding Sources:** FWF-DHHS Federal

The Weatherization Program provides funding for energy conservation in the homes of low income persons, particularly the elderly, people with disabilities and families with children. This Program installs energy conservation materials on the homes of 1300 low-income families annually to lower utility bills. An automated energy audit, National Energy Audit (NEAT), is used to determine the most cost effective measures on single frame houses. The Mobile Home Energy Audit (MHEA) is used to determine the most effective measures to be installed on mobile homes.

### **Measures installed on single framed houses and multi-family units include:**

- Replace broken windows.
- Caulk and weatherstrip doors and windows.
- Insulating uninsulated ceilings, walls and floors.
- Installing storm windows, thermostats and furnace tune-ups.
- Health and safety measures that are required prior to weatherizing the house.

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

- Replace broken windows.
- Caulk and weatherstrip doors and windows
- Install thermostats and furnace tune-ups.
- Health and safety measures that are required prior to weatherizing the mobile home.

Funding for this appropriation is 100% federal from the Department of Energy and the U. S. Department of Health and Human Services.

The agency Base Level request for this appropriation is \$5,420,000 each year of the biennium.

The agency Change Level request for this appropriation is \$400,000 each year of the biennium to cover anticipated increases in federal funding for the Weatherization Program.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

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

### 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
Grants and Aid 5100004	3,664,009	5,420,000	5,420,000	5,420,000	5,820,000	5,820,000	5,420,000	5,820,000	5,820,000
<b>Total</b>	<b>3,664,009</b>	<b>5,420,000</b>	<b>5,420,000</b>	<b>5,420,000</b>	<b>5,820,000</b>	<b>5,820,000</b>	<b>5,420,000</b>	<b>5,820,000</b>	<b>5,820,000</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	3,664,009	5,420,000		5,420,000	5,820,000	5,820,000	5,420,000	5,820,000	5,820,000
<b>Total Funding</b>	<b>3,664,009</b>	<b>5,420,000</b>		<b>5,420,000</b>	<b>5,820,000</b>	<b>5,820,000</b>	<b>5,420,000</b>	<b>5,820,000</b>	<b>5,820,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>3,664,009</b>	<b>5,420,000</b>		<b>5,420,000</b>	<b>5,820,000</b>	<b>5,820,000</b>	<b>5,420,000</b>	<b>5,820,000</b>	<b>5,820,000</b>

FY2007 Appropriation Carry Forward Amount is \$1,755,991.35

## **Change Level by Appropriation**

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

**Funding Sources:** FWF-DHHS Federal

### **Agency Request**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,420,000</b>	<b>0</b>	<b>5,420,000</b>	<b>100.0</b>	<b>5,420,000</b>	<b>0</b>	<b>5,420,000</b>	<b>100.0</b>
C01	Existing Program	400,000	0	5,820,000	107.3	400,000	0	5,820,000	107.3

### **Executive Recommendation**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,420,000</b>	<b>0</b>	<b>5,420,000</b>	<b>100.0</b>	<b>5,420,000</b>	<b>0</b>	<b>5,420,000</b>	<b>100.0</b>
C01	Existing Program	400,000	0	5,820,000	107.3	400,000	0	5,820,000	107.3

### **Justification**

C01 \$400,000 in additional federal appropriation in 2008 and 2009 for the Weatherization Assistance Program. This additional appropriation is needed to cover projected increases in federal Department of Energy funding during the Biennium. No State General Revenue is being requested.



## **Analysis of Budget Request**

**Appropriation:** 410 - Cty-Emergency Food Program

**Funding Sources:** FWF-DHHS Federal

The Emergency Food Program provides food on an emergency basis for families in need and the homeless. Donated food is also made available for Disaster Assistance. Additionally, Division of County Operations (DCO) utilizes surplus USDA commodities to supplement low-income food programs in Arkansas. Agencies such as Food Banks and Community Program Action Agencies have agreements with DCO to provide food through soup kitchens, food pantries and mass distribution for households. In FY2006, the Emergency Food Program received approximately 3,308,028 pounds of USDA food purchased with entitlement dollars and 2,016,820 pounds of USDA bonus commodities to supplement many needy Arkansans.

Funding for this appropriation is 100% federal from the U. S. Department of Agriculture, Food and Consumer Services.

The agency Base Level request for this appropriation is \$480,000 each year of the biennium.

The agency Change Level request for this appropriation is \$200,000 each year of the biennium. The following delineates the agency request:

- \$74,563 each year of the biennium to continue FY2007 approved Miscellaneous Federal Grant appropriation into the new biennium for the administration of the Emergency Food Program.
- \$125,437 each year of the biennium to allow for increases in Emergency Food Program funding during the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

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

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	496,468	554,563	480,000	480,000	680,000	680,000	480,000	680,000	680,000
<b>Total</b>	<b>496,468</b>	<b>554,563</b>	<b>480,000</b>	<b>480,000</b>	<b>680,000</b>	<b>680,000</b>	<b>480,000</b>	<b>680,000</b>	<b>680,000</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	496,468	554,563		480,000	680,000	680,000	480,000	680,000	680,000
<b>Total Funding</b>	<b>496,468</b>	<b>554,563</b>		<b>480,000</b>	<b>680,000</b>	<b>680,000</b>	<b>480,000</b>	<b>680,000</b>	<b>680,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>496,468</b>	<b>554,563</b>		<b>480,000</b>	<b>680,000</b>	<b>680,000</b>	<b>480,000</b>	<b>680,000</b>	<b>680,000</b>

Actual and Budget exceeds Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.  
 FY2007 Appropriation Carry Forward Amount is \$58,095.30

## **Change Level by Appropriation**

**Appropriation:** 410-Cty-Emergency Food Program

**Funding Sources:** FWF-DHHS Federal

### **Agency Request**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>480,000</b>	<b>0</b>	<b>480,000</b>	<b>100.0</b>	<b>480,000</b>	<b>0</b>	<b>480,000</b>	<b>100.0</b>
C01	Existing Program	125,437	0	605,437	126.1	125,437	0	605,437	126.1
C06	Restored Position	74,563	0	680,000	141.6	74,563	0	680,000	141.6

### **Executive Recommendation**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>480,000</b>	<b>0</b>	<b>480,000</b>	<b>100.0</b>	<b>480,000</b>	<b>0</b>	<b>480,000</b>	<b>100.0</b>
C01	Existing Program	125,437	0	605,437	126.1	125,437	0	605,437	126.1
C06	Restored Position	74,563	0	680,000	141.6	74,563	0	680,000	141.6

<b>Justification</b>	
C01	\$125,437 in additional Federal appropriation in 2008 and 2009 for the Emergency Food Program. This appropriation is needed to cover projected increases in Emergency Food Program funding during the Biennium. These funds will be used by the State for the distribution of commodities to Community Action Agencies and food banks.
C06	Continue the \$74,563 in Federal appropriation, established by a Miscellaneous Federal Grant (MFG) in SFY 2007, for the Emergency Food program. This additional appropriation will allow DCO to provide additional Federal funds to Community Action Agencies and food banks so that they can distribute more U.S.D.A. donated emergency food commodities throughout the State.

## **Analysis of Budget Request**

**Appropriation:** 411 - Cty-Low Inc Energy Assist Prgm

**Funding Sources:** FWF-DHHS Federal

The Low Income Home Energy Assistance (LIHEAP) program provides federal funds to assist low-income households with their home energy expenses. The Home Energy Assistance Program provides financial assistance to approximately 60,000 households each year to help them meet the costs of home energy i.e. gas, electricity, propane, etc. The program assists low income persons with home energy costs by administering the Winter/Summer Assistance Program and Crisis Intervention Program. Assistance is provided in the form of a one-time per year payment to the energy supplier of an eligible household, or in some cases, directly to the applicant. The Crisis Intervention Program provides assistance to eligible households in energy related emergencies. Eligibility is based on 125% of current Office of Management and Budget (OMB) income poverty guidelines for all households.

Funding for this appropriation is 100% federal from the U. S. Department of Health and Human Services, Administration for Children and Families.

The agency Base Level request for this appropriation is \$12,459,034 each year of the biennium.

The agency Change Level request for this appropriation is for \$9,960,000 each year of the biennium. The following delineates the agency request:

- \$6,933,972 each year of the biennium to continue FY2007 approved Miscellaneous Federal Grant appropriation into the new biennium for the Low Income Home Energy Assistance program.
- \$3,026,028 each year of the biennium to allow for increases in Low Income Home Energy Assistance program funding during the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 411 Cty-Low Inc Energy Assist Prgm  
**Funding Sources:** FWF-DHHS Federal

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	14,995,627	19,393,006	12,459,034	12,459,034	22,419,034	22,419,034	12,459,034	22,419,034	22,419,034
<b>Total</b>	<b>14,995,627</b>	<b>19,393,006</b>	<b>12,459,034</b>	<b>12,459,034</b>	<b>22,419,034</b>	<b>22,419,034</b>	<b>12,459,034</b>	<b>22,419,034</b>	<b>22,419,034</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	14,995,627	19,393,006		12,459,034	22,419,034	22,419,034	12,459,034	22,419,034	22,419,034
<b>Total Funding</b>	<b>14,995,627</b>	<b>19,393,006</b>		<b>12,459,034</b>	<b>22,419,034</b>	<b>22,419,034</b>	<b>12,459,034</b>	<b>22,419,034</b>	<b>22,419,034</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>14,995,627</b>	<b>19,393,006</b>		<b>12,459,034</b>	<b>22,419,034</b>	<b>22,419,034</b>	<b>12,459,034</b>	<b>22,419,034</b>	<b>22,419,034</b>

Actual and Budget exceeds Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.  
 FY2007 Appropriation Carry Forward Amount is \$7,397,379.00

## **Change Level by Appropriation**

**Appropriation:** 411-Cty-Low Inc Energy Assist Prgm

**Funding Sources:** FWF-DHHS Federal

### **Agency Request**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>12,459,034</b>	<b>0</b>	<b>12,459,034</b>	<b>100.0</b>	<b>12,459,034</b>	<b>0</b>	<b>12,459,034</b>	<b>100.0</b>
C01	Existing Program	3,026,028	0	15,485,062	124.2	3,026,028	0	15,485,062	124.2
C06	Restored Position	6,933,972	0	22,419,034	179.9	6,933,972	0	22,419,034	179.9

### **Executive Recommendation**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>12,459,034</b>	<b>0</b>	<b>12,459,034</b>	<b>100.0</b>	<b>12,459,034</b>	<b>0</b>	<b>12,459,034</b>	<b>100.0</b>
C01	Existing Program	3,026,028	0	15,485,062	124.2	3,026,028	0	15,485,062	124.2
C06	Restored Position	6,933,972	0	22,419,034	179.9	6,933,972	0	22,419,034	179.9

<b>Justification</b>	
C01	\$3,026,028 in additional Federal appropriation in 2008 and 2009 for the Low-Income Home Energy Assistance Program (LIHEAP). This appropriation is needed to cover projected increases in Federal funding during the Biennium for the LIHEAP program due to rising energy costs. No State General Revenue is being requested.
C06	Continue the \$6,933,972 in Federal appropriation, established by a Miscellaneous Federal Grant (MFG) in SFY 2007, for the Low-Income Home Energy Assistance Program (LIHEAP). This appropriation is needed to address increases in Federal funding levels during the Biennium for the LIHEAP program due to rising energy costs. No State General Revenue is being requested.

## **Analysis of Budget Request**

**Appropriation:** 412 - Cty-Refugee Resettlement Prgm  
**Funding Sources:** FWF-DHHS Federal

The Refugee Resettlement Program provides temporary assistance to refugees and entrants to the state to help in becoming self-sufficient and self-reliant. This program was established by the 1980 Immigration and Nationality Act and authorizes cash assistance, medical assistance and social services to refugees for up to five years. Refugees may apply for cash, medical and food program assistance at Department of Health and Human Services offices in their county of residence.

Specialized services are available to refugees living in the Fort Smith/Van Buren area through the Fort Smith Adult Education Center. The program offers services in job re-certification, training and placement, social adjustment, health related services, interpreter services and English as a second language. The personnel at the center may assist in applying for Social Security cards and obtaining health screenings for new arrivals. Persons wishing to complete high school may study and test for their GED at the center. Study booklets are available for driver's license and citizenship testing.

Although the program has had high usage since its implementation over 25 years ago, there were only 21 persons statewide who were eligible for Social Services during FY2002. Therefore, due to the steady decline in eligibles, Arkansas chose to discontinue the optional Social Services component of the program effective October 1, 2002. Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) will continue to be available through the county offices to any new arrivals entering the State in the future.

Funding for this appropriation is 100% federal from the U. S. Department of Health and Human Services, Administration for Children and Families and is available to states as well as non-profit organizations to help offset costs related to resettlement efforts.

The agency Base Level request for this appropriation is \$12,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 412 Cty-Refugee Resettlement Prgm  
**Funding Sources:** FWF-DHHS Federal

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	81	12,000	30,000	12,000	12,000	12,000	12,000	12,000	12,000
<b>Total</b>	<b>81</b>	<b>12,000</b>	<b>30,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	81	12,000		12,000	12,000	12,000	12,000	12,000	12,000
<b>Total Funding</b>	<b>81</b>	<b>12,000</b>		<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>81</b>	<b>12,000</b>		<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>

FY2007 Appropriation Carry Forward Amount is \$29,919.00



## **Analysis of Budget Request**

**Appropriation:** 426 - Cty-Homeless Assistance Grant

**Funding Sources:** FWF-DHHS Federal

The Homeless Assistance Grant is a federal program through the U. S. Department of Housing and Urban Development. This program is designed to assist local communities in helping to improve the quality of life for the homeless by providing grants for renovation, rehabilitation or conversion of buildings to be used as emergency shelters. Funds can be used for paying for operations, maintenance, insurance, utilities, and furnishings, essential social services that are connected with the shelters and for prevention efforts. A special enumeration survey was conducted and, on any given night, the estimated homeless count in the State of Arkansas is 7,400. Funding for this appropriation is 100% federal.

The agency Base Level request for this appropriation is \$2,400,100 each year of the biennium.

The agency Change Level request for this appropriation is \$200,000 each year of the biennium to allow for increases in the Emergency Shelter Grant program funding during the biennium.

The Executive Recommendation provides for Base Level.

## Appropriation Summary

**Appropriation:** 426 Cty-Homeless Assistance Grant  
**Funding Sources:** FWF-DHHS Federal

### 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
Grants and Aid 5100004	1,123,567	2,400,100	2,400,100	2,400,100	2,600,100	2,400,100	2,400,100	2,600,100	2,400,100
<b>Total</b>	<b>1,123,567</b>	<b>2,400,100</b>	<b>2,400,100</b>	<b>2,400,100</b>	<b>2,600,100</b>	<b>2,400,100</b>	<b>2,400,100</b>	<b>2,600,100</b>	<b>2,400,100</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	1,123,567	2,400,100		2,400,100	2,600,100	2,400,100	2,400,100	2,600,100	2,400,100
<b>Total Funding</b>	<b>1,123,567</b>	<b>2,400,100</b>		<b>2,400,100</b>	<b>2,600,100</b>	<b>2,400,100</b>	<b>2,400,100</b>	<b>2,600,100</b>	<b>2,400,100</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>1,123,567</b>	<b>2,400,100</b>		<b>2,400,100</b>	<b>2,600,100</b>	<b>2,400,100</b>	<b>2,400,100</b>	<b>2,600,100</b>	<b>2,400,100</b>

FY2007 Appropriation Carry Forward Amount is \$1,276,532.80

## **Change Level by Appropriation**

**Appropriation:** 426-Cty-Homeless Assistance Grant  
**Funding Sources:** FWF-DHHS Federal

### **Agency Request**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,400,100</b>	<b>0</b>	<b>2,400,100</b>	<b>100.0</b>	<b>2,400,100</b>	<b>0</b>	<b>2,400,100</b>	<b>100.0</b>
C01	Existing Program	200,000	0	2,600,100	108.3	200,000	0	2,600,100	108.3

### **Executive Recommendation**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,400,100</b>	<b>0</b>	<b>2,400,100</b>	<b>100.0</b>	<b>2,400,100</b>	<b>0</b>	<b>2,400,100</b>	<b>100.0</b>
C01	Existing Program	0	0	2,400,100	100.0	0	0	2,400,100	100.0

### **Justification**

C01 \$200,000 in additional federal appropriation in 2008 and 2009 for the Homeless Assistance program. This appropriation is needed to cover anticipated increases in federal Emergency Shelter Grants (ESG) funding during the Biennium. No State General Revenue is being requested.

## **Analysis of Budget Request**

**Appropriation:** 642 - DHS Medicaid Expansion Program

**Funding Sources:** PTA-Medicaid Expansion Program Account

This appropriation is for the additional administrative costs to the Division of County Operations associated with the Medicaid Expansion Programs established by Initiated Act 1 of 2000. The expanded Medicaid programs are as follows:

1. Expansion of Medicaid coverage and benefits to pregnant women with incomes up to 200 percent of the Federal Poverty Level (approved for implementation November 1, 2001)
2. Expansion of inpatient and outpatient hospital reimbursements and benefits to adults age 19 to 64 to reduce coinsurance payment from 22 percent to 10 percent of the cost of the first Medicaid covered day of each admission and cover additional medically necessary days in the hospital form 20 days up to 24 allowed days per State Fiscal Year (approved for implementation November 1, 2001)
3. Expansion of non-institutional coverage and benefits to adults aged 65 and over, referred to as ARSeniors, extends full Medicaid benefits to older adults who have been identified as Qualified Medicare Beneficiaries (QMB) and meet specific income limits (approved for implementation October 1, 2002)
4. Creation of a limited benefit package to assist adults age 19 to 64 who are uninsured low-wage employees of small Arkansas businesses. This program, Arkansas Safety Net Benefit Program, has recently been approved by the Centers for Medicare and Medicaid Services (CMS). Arkansas Medicaid plans to have the program operational beginning January 1, 2007.

Funding for this appropriation is derived from Tobacco Settlement Funds and Federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

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 \$2,323,564 each year of the biennium with 61 budgeted Base Level positions.

The agency Change Level request for this appropriation is \$551,130 each year of the biennium. The following delineates the agency request:

- Restoration of 2 positions that were authorized but not budgeted with salary and matching appropriation only. These positions provide the Division with an opportunity to more efficiently manage their vacancies.
- \$500,000 each year of the biennium for the Professional Fees line item. Of this amount, \$200,000 in funded appropriation to allow for the development of an automated client eligibility system to support the new Arkansas Safety Net Benefit Program and the remaining \$300,000 in unfunded appropriation to provide for possible new programs or system modifications in the biennium.

The Executive Recommendation provides for Base Level. Additionally, the \$500,000 each year of the biennium has been provided for in the Professional Fees line item.

## Appropriation Summary

**Appropriation:** 642 DHS Medicaid Expansion Program  
**Funding Sources:** PTA-Medicaid Expansion Program Account

### 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	462,936	1,512,172	1,540,391	1,512,172	1,547,644	1,512,172	1,512,172	1,547,644	1,512,172
<b>#Positions</b>	<b>21</b>	<b>61</b>	<b>63</b>	<b>61</b>	<b>63</b>	<b>61</b>	<b>61</b>	<b>63</b>	<b>61</b>
Personal Services Matching 5010003	322,788	543,475	545,531	565,597	581,255	565,597	565,597	581,255	565,597
Operating Expenses 5020002	3,058	195,795	195,795	195,795	195,795	195,795	195,795	195,795	195,795
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	500,000	500,000	0	500,000	500,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Data Processing Services 5900044	11,076	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total</b>	<b>799,858</b>	<b>2,301,442</b>	<b>2,331,717</b>	<b>2,323,564</b>	<b>2,874,694</b>	<b>2,823,564</b>	<b>2,323,564</b>	<b>2,874,694</b>	<b>2,823,564</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	399,929	1,150,721		1,161,782	1,261,782	1,261,782	1,161,782	1,261,782	1,261,782
Tobacco Settlement 4000495	399,929	1,150,721		1,161,782	1,261,782	1,261,782	1,161,782	1,261,782	1,261,782
<b>Total Funding</b>	<b>799,858</b>	<b>2,301,442</b>		<b>2,323,564</b>	<b>2,523,564</b>	<b>2,523,564</b>	<b>2,323,564</b>	<b>2,523,564</b>	<b>2,523,564</b>
Excess Appropriation/(Funding)	0	0		0	351,130	300,000	0	351,130	300,000
<b>Grand Total</b>	<b>799,858</b>	<b>2,301,442</b>		<b>2,323,564</b>	<b>2,874,694</b>	<b>2,823,564</b>	<b>2,323,564</b>	<b>2,874,694</b>	<b>2,823,564</b>

Tobacco Settlement Funds do not carry forward into the new biennium unless criteria is met as prescribed in Initiated Act 1 of 2000.  
 FY2007 Appropriation Carry Forward Amount is \$1,477,239.48

## **Change Level by Appropriation**

**Appropriation:** 642-DHS Medicaid Expansion Program  
**Funding Sources:** PTA-Medicaid Expansion Program Account

### **Agency Request**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,323,564</b>	<b>61</b>	<b>2,323,564</b>	<b>100.0</b>	<b>2,323,564</b>	<b>61</b>	<b>2,323,564</b>	<b>100.0</b>
C05	Unfunded Appropriation	351,130	2	2,674,694	115.1	351,130	2	2,674,694	115.1
C08	Technology	200,000	0	2,874,694	123.7	200,000	0	2,874,694	123.7

### **Executive Recommendation**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,323,564</b>	<b>61</b>	<b>2,323,564</b>	<b>100.0</b>	<b>2,323,564</b>	<b>61</b>	<b>2,323,564</b>	<b>100.0</b>
C05	Unfunded Appropriation	300,000	0	2,623,564	112.9	300,000	0	2,623,564	112.9
C08	Technology	200,000	0	2,823,564	121.5	200,000	0	2,823,564	121.5

<b>Justification</b>	
C05	\$35,472 in unfunded appropriation in Regular Salaries and \$15,658 in Personal Services Match in 2008 and 2009 to support the restoration of two positions in the Medicaid Expansion Program (Tobacco Settlement) that were not budgeted in SFY 2007. \$300,000 in unfunded appropriation in 2008 and 2009 in Professional Fees and Services for the Medicaid Expansion Program to allow the Agency to make changes to its client eligibility systems in the event that new programs are established or additional systems modifications are needed during the Biennium for the Medicaid Expansion programs.
C08	\$200,000 in funded appropriation in 2008 and 2009 in Professional Fees and Services for the Medicaid Expansion Program (Tobacco Settlement) to support changes to the DCO client eligibility systems for the new Arkansas Safety Net Benefit Program. This program will provide a limited health benefit package for employees age 19-64 earning less than 200% of the Federal Poverty Limit who work for companies with less than 500 employees.

## **Analysis of Budget Request**

**Appropriation:** 761 - Cty-Individual Development Acct  
**Funding Sources:** TID-Individual Development Account Trust Fund

The Individual Development Account appropriation was created in Act 1217 of 1999 to assist in the Welfare Reform effort by providing low income families with an opportunity to accumulate assets, facilitate good savings habits, promote home ownership, micro enterprise development, education, saving for retirement, and stabilize and build communities. Program participants must participate in mandatory training and establish a savings goal. For each \$1 contributed by program participants to their IDA savings account, the State matches their deposits by \$3. Funds are only available once the savings goal has been met or for qualified emergency withdrawals as specified by the agency. The Division of County Operations provides IDA program services by contracting with fiduciary organizations that are non-profit organizations.

Funding for this appropriation is 100% federally funded with Transitional Employment Assistance Program funds (TANF Block Grant).

The agency Base Level request for this appropriation is \$35,781 each year of the biennium.

The agency Change Level request for this appropriation is (\$35,781) each year of the biennium. This request is to transfer the Individual Development Account appropriation of \$35,781 and the Individual Development Account Trust Fund (A.C.A 19-5-999) to the Department of Workforce Services in conjunction with the State initiatives and organizational changes prescribed by Act 1705 of 2005.

The Executive Recommendation provides for the Agency Request.



## Appropriation Summary

**Appropriation:** 761            Cty-Individual Development Acct  
**Funding Sources:** TID-Individual Development Account Trust 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	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	402,762	35,781	500,000	35,781	0	0	35,781	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>402,762</b>	<b>35,781</b>	<b>500,000</b>	<b>35,781</b>	<b>0</b>	<b>0</b>	<b>35,781</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>										
Trust Fund	4000050	402,762	35,781		35,781	0	0	35,781	0	0
<b>Total Funding</b>		<b>402,762</b>	<b>35,781</b>		<b>35,781</b>	<b>0</b>	<b>0</b>	<b>35,781</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>402,762</b>	<b>35,781</b>		<b>35,781</b>	<b>0</b>	<b>0</b>	<b>35,781</b>	<b>0</b>	<b>0</b>

Transfer the Individual Development Account appropriation of \$35,781 and the Individual Development Account Trust Fund (A.C.A 19-5-999) to the Department of Workforce Services in conjunction with the State initiatives and organizational changes prescribed by Act 1705 of 2005.

## **Change Level by Appropriation**

**Appropriation:** 761-Cty-Individual Development Acct

**Funding Sources:** TID-Individual Development Account Trust Fund

### **Agency Request**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>35,781</b>	<b>0</b>	<b>35,781</b>	<b>100.0</b>	<b>35,781</b>	<b>0</b>	<b>35,781</b>	<b>100.0</b>
C07	Agency Transfer	(35,781)	0	0	0.0	(35,781)	0	0	0.0

### **Executive Recommendation**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>35,781</b>	<b>0</b>	<b>35,781</b>	<b>100.0</b>	<b>35,781</b>	<b>0</b>	<b>35,781</b>	<b>100.0</b>
C07	Agency Transfer	(35,781)	0	0	0.0	(35,781)	0	0	0.0

### **Justification**

C07	Transfer \$35,781 in Federal appropriation in 2008 and 2009 to the Department of Workforce Services (DWS) for the TEA Individual Development Account (IDA) Program. This program is now administered by DWS.
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## **Analysis of Budget Request**

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

**Funding Sources:** PWP-Administration Paying

The Division of County Operations was established originally in Act 348 of 1985 in the reorganization of the Department of Human Services under the title of Program Operations. Act 164 of 1995 amended Arkansas Code §25-10-102 and created the Division of Medical Services, re-named the Division of Program Operations to County Operations and transferred functions that were a part of the Division of Economic and Medical Services to County Operations. Functions transferred to the Division of County Operations were Aid to Families with Dependent Children, Food Stamp Program, Project Success and the Community Services Block Grant.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, eliminated the open-ended federal entitlement program of Aid to Families with Dependent Children (AFDC) and created a federal block grant program for states to provide cash assistance to families on a time-limited basis under the Temporary Assistance to Needy Families (TANF) program. The Arkansas Personal Responsibility and Public Assistance Reform Act, Act 1058 of 1997 was enacted during the 81st General Assembly and signed by the Governor on April 3, 1997, thereby establishing the Transitional Employment Assistance (TEA) program. With the enactment of these laws, the AFDC and Project Success programs were eliminated and replaced by the TEA program. Enacted during the 85th General Assembly and signed by the Governor, Act 1705 of 2005 transferred responsibility for the program to the Department of Workforce Services (DWS). Pursuant to this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remains with the Division of County Operations while DWS is responsible for the provision of case management services and overall administration of the program.

The Division of County Operations has the primary responsibility for providing the leadership and support in each of the eighty-three (83) county offices in the 75 counties, and administering the Food Stamp, TEA, Medicaid and ARKids Programs to citizens across Arkansas. Additional programs administered at the county level through local organizations include such areas as Community Services Block Grant, Energy and Weatherization Assistance for low income elderly, people with disabilities and families with children; Homeless and Housing Assistance; and Commodity Distribution. The Division is responsible for the physical office space in each of the counties including rent, utilities, telephone charges, janitorial services and other items needed at the local level. The Division coordinates the services of the various DHHS Divisions at the local level and provides clerical support. The Division currently has five (5) distinct areas of operation: Field Operations, Program Planning and Development, Program Support, Community Services and Administrative Support.

Funding for this appropriation is derived from a mix of sources that includes General Revenue (DCO - County Operations Fund Account), Federal and Other Revenues. Federal funding sources include revenues derived from administrative costs for TEA, Food Stamp, Community Services Block Grant, Refugee Resettlement, Emergency Shelter, Commodities, Child Health Insurance (CHIP) and Medicaid (Regular and Enhanced) programs. Other funding sources include USDA - FCS Enhanced Funding and revenues as indicated as Various Program Support which can include sources such as

## Title XIX match and miscellaneous collections.

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 \$106,898,561 for FY2008 and \$106,899,908 for FY2009 with 1,745 budgeted Base Level positions.

The agency Change Level request for this appropriation is \$8,798,825 for FY2008 and \$8,838,826 for FY2009, which includes General Revenue requests of \$2,502,729 for FY2008 and \$4,002,738 for FY2009. In FY2009, of the \$4,002,738 in new General Revenue, \$1,485,485 is requested to replace USDA Enhancement funding that is projected to be depleted. The following delineates the agency request:

- Restoration of 43 positions that were authorized but not budgeted with salary and matching appropriation and funding. The agency has in the past, utilized USDA Enhancement funding on a portion of these positions but is projecting these funds to be depleted by FY2009.
- Restoration of 95 positions that were authorized but not budgeted with salary and matching appropriation only. These positions provide the county offices with an opportunity to more efficiently manage their vacancies.
- Transfer 1 position (DHS Communications Director - grade 99) to the Director's Office with appropriation only as part of restructuring the Director's Office.
- \$976,875 in FY2008 and \$1,979,833 in FY2009 for the Operating Expenses line item. This includes increases for items such as postage, telecommunications, network services, freight, printing, advertising and clipping services, building and grounds maintenance, office equipment maintenance, telephone system repair, vehicle maintenance, electricity, water and sewage, natural gas and propane, rent, rent of office equipment, mileage, meals and lodging, parking fees, conferences and seminar fees, vehicle insurance, building and contents insurance, dues, janitorial services, security services, trash pickup services, temporary employment services, tires, fuel, office supplies, data processing supplies and software/licenses.
- \$37,937 in FY2008 and \$40,670 in FY2009 for the Travel line item for increased costs associated with business conference travel. Of these amounts, \$5,000 each year of the biennium is requested to continue FY2007 approved Miscellaneous Federal Grant appropriation into the new biennium for the Low Income Home Energy Assistance Program.
- \$3,360,945 in FY2008 and \$2,444,919 in FY2009 for the Professional Fees line item for increased costs associated with contracts for client services, the contract which supports the electronic transfer of Food Stamp, TEA and Work Pays benefits and information technology support and development.
- \$72,500 in FY2008 and \$22,500 in FY2009 for the Capital Outlay line item. This includes increases for replacing three (3) existing vehicles in FY2008 and one (1) existing vehicle in FY2009.

The Executive Recommendation provides for Base Level. Additionally, the request for restoration of

the 95 positions have been provided for along with salary and matching appropriation and the request to transfer the one (1) position to the Director's Office with appropriation only. Finally, the request for additional appropriation of \$72,500 in FY2008 and \$22,500 in FY2009 has been provided for in the Capital Outlay line item.

## 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	51,279,322	51,799,220	57,318,859	51,799,220	54,934,458	53,861,575	51,799,220	54,934,458	53,861,575
<b>#Positions</b>		<b>1,870</b>	<b>1,745</b>	<b>1,883</b>	<b>1,745</b>	<b>1,882</b>	<b>1,839</b>	<b>1,745</b>	<b>1,882</b>	<b>1,839</b>
Extra Help	5010001	196,559	234,052	234,052	234,052	234,052	234,052	234,052	234,052	234,052
<b>#Extra Help</b>		<b>30</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>
Personal Services Matching	5010003	16,444,974	16,705,521	18,545,069	17,940,719	19,156,049	18,755,938	17,942,066	19,157,732	18,757,621
Overtime	5010006	125,864	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	17,812,350	20,316,160	20,522,812	20,316,160	21,293,035	20,316,160	20,316,160	22,295,993	20,316,160
Conference & Travel Expenses	5050009	81,742	129,600	124,600	124,600	162,537	124,600	124,600	165,270	124,600
Professional Fees	5060010	8,141,137	11,478,810	12,000,000	11,478,810	14,839,755	11,478,810	11,478,810	13,923,729	11,478,810
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	10,190	17,500	17,500	0	72,500	72,500	0	22,500	22,500
Data Processing Services	5900044	3,581,551	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
<b>Total</b>		<b>97,673,689</b>	<b>105,685,863</b>	<b>113,767,892</b>	<b>106,898,561</b>	<b>115,697,386</b>	<b>109,848,635</b>	<b>106,899,908</b>	<b>115,738,734</b>	<b>109,800,318</b>

Funding Sources										
General Revenue	4000010	40,551,619	41,280,053		41,755,674	44,258,403	41,755,674	41,756,201	45,758,939	41,756,201
Federal Revenue	4000020	53,663,966	59,058,120		59,733,581	63,152,093	59,733,581	59,734,333	63,177,986	59,734,333
USDA Enhancement	4000720	2,269,911	3,774,912		3,774,912	3,774,912	3,774,912	3,774,912	2,289,427	3,774,912
Various Program Support	4000730	1,188,193	1,572,778		1,634,394	1,634,394	1,634,394	1,634,462	1,634,462	1,634,462
<b>Total Funding</b>		<b>97,673,689</b>	<b>105,685,863</b>		<b>106,898,561</b>	<b>112,819,802</b>	<b>106,898,561</b>	<b>106,899,908</b>	<b>112,860,814</b>	<b>106,899,908</b>
Excess Appropriation/(Funding)		0	0		0	2,877,584	2,950,074	0	2,877,920	2,900,410
<b>Grand Total</b>		<b>97,673,689</b>	<b>105,685,863</b>		<b>106,898,561</b>	<b>115,697,386</b>	<b>109,848,635</b>	<b>106,899,908</b>	<b>115,738,734</b>	<b>109,800,318</b>

Actual exceeds Authorized Appropriation by authority of the Overtime Holding Account.

Budget exceeds Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.

## 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
<b>BL</b>	<b>Base Level</b>	<b>106,898,561</b>	<b>1,745</b>	<b>106,898,561</b>	<b>100.0</b>	<b>106,899,908</b>	<b>1,745</b>	<b>106,899,908</b>	<b>100.0</b>
C01	Existing Program	2,954,820	43	109,853,381	102.7	3,996,875	43	110,896,783	103.7
C05	Unfunded Appropriation	2,990,052	95	112,843,433	105.5	2,990,388	95	113,887,171	106.5
C06	Restored Position	5,000	0	112,848,433	105.5	5,000	0	113,892,171	106.5
C07	Agency Transfer	(112,478)	(1)	112,735,955	105.4	(112,478)	(1)	113,779,693	106.4
C08	Technology	2,961,431	0	115,697,386	108.2	1,959,041	0	115,738,734	108.2

### Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>106,898,561</b>	<b>1,745</b>	<b>106,898,561</b>	<b>100.0</b>	<b>106,899,908</b>	<b>1,745</b>	<b>106,899,908</b>	<b>100.0</b>
C01	Existing Program	72,500	0	106,971,061	100.0	22,500	0	106,922,408	100.0
C05	Unfunded Appropriation	2,990,052	95	109,961,113	102.8	2,990,388	95	109,912,796	102.8
C06	Restored Position	0	0	109,961,113	102.8	0	0	109,912,796	102.8
C07	Agency Transfer	(112,478)	(1)	109,848,635	102.7	(112,478)	(1)	109,800,318	102.7
C08	Technology	0	0	109,848,635	102.7	0	0	109,800,318	102.7

Justification	
C01	Funded appropriation to address increases in costs that process through the DCO Director's Office; operational and travel costs in the Office of Administrative Support; county office training sessions for new and existing staff as well as a statewide training conference; operating and travel costs in the Office of Community Services; operating costs in the Office of Program Planning and Development; Food Stamp Program; administration of the Commodity Distribution Program; Office of Field Operations; operating costs for the 15 county offices located in Area 1 (North West); operating costs for the 14 county offices located in Area 2 (North East); operating costs for the 13 county offices located in Area 3 (Central); operating costs for the 18 county offices located in Area 4 (South West); operating costs for the 14 county offices located in Area 5 (South East) and operating costs for the 5 county offices located in Area 6 (Pulaski County).
C05	\$2,152,242 in unfunded appropriation in Regular Salaries and \$837,810 in Personal Services Match requests \$837,810 in 2008 and \$838,146 in 2009 to support the restoration of 95 positions that were not budgeted in SFY 2007. The majority of these positions is located in the local county offices and supports the determination of eligibility for the Food Stamp, Medicaid and TEA programs. The restoration of these positions provides DCO the opportunity to more efficiently manage its vacancies.
C06	Continue the \$5,000 in Federal appropriation, established by a Miscellaneous Federal Grant (MFG) in SFY 2007, for the Office of Community Services. This appropriation is needed to allow staff to attend federally mandated training on updated procedures for the administration of the Low-Income Home Energy Assistance Program (LIHEAP) winter heating and summer cooling programs. No State General Revenue is being requested.
C07	Transfer unfunded appropriation of \$89,892 in Salaries and \$22,586 in Personal Services Matching for SFY 2008 and SFY 2009 for one central office position to the DHHS Director's Office. This position is currently being used by the Director's Office to provide comprehensive interdivisional policy analysis for the numerous state and federal programs managed by the Department.
C08	Funded appropriation in 2008 and 2009 for increases in costs for the Electronic Benefits Transfer (EBT) system which issues benefits for the Food Stamp and Transitional Employment Assistance (TEA) programs in Arkansas; for the development of Call Center technology. As resources decline, the Agency has increasingly utilized Information Systems Technology to perform actions that allows more time for local county office staff to devote to determining eligibility; the Agency also requests funded appropriation in 2008 and 2009 for the development of On-Line Verification processes and IT enhancements to the DCO ANSWER (Arkansas Network System for Welfare Eligibility Reporting) system.

## **Analysis of Budget Request**

**Appropriation:** 897 - DHHS-Grants Paying Account

**Funding Sources:** PWD-Grants Paying

With the enactment of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and the Arkansas Personal Responsibility and Public Assistance Reform Act of 1997, open ended entitlement for Aid to Families with Dependent Children (AFDC) was replaced with federal block grant funding to states. The Arkansas program is entitled Transitional Employment Assistance (TEA). The Arkansas 81st General Assembly passed Act 1058 of 1997 and in so doing, declared that "welfare reform is one of the major human service priorities of state government and establishes the goals of achieving a significant reduction in the number of citizens who are enrolled in such programs, transforming a "one size fits all" welfare system that fosters dependence, low self-esteem, and irresponsible behavior to one that rewards work and fosters self-reliance, responsibility and family stability. Act 1567 of 1999 amended Act 1058 of 1997 by establishing the Arkansas Transitional Employment Board. Act 1264 of 2001 and Act 1306 of 2003 enacted other provisions to strengthen the Arkansas TEA Program. Arkansas Act 1705 of 2005 transferred responsibility for the program to the Department of Workforce Services (DWS). Under this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remains with the Division of County Operations (DCO) while DWS is responsible for the provision of case management services and overall administration of the program. Act 1705 of 2005 also created the Work Pays program, which is an extension of the TEA program for former TEA recipients who are working. DWS has overall responsibility for the Work Pays program with eligibility determination and benefit delivery remaining with DCO.

TEA Program eligibility is limited to economically needy families with children under the age of 18 who are U.S. citizens or aliens lawfully admitted to the United States under specific criteria and are residing in Arkansas. The parent(s) living with the children must cooperate in child support enforcement activities, if applicable to the family, and must sign and comply with a Personal Responsibility Agreement, which includes ensuring that their children are immunized and that they attend school. All able-bodied parent(s) must actively engage in work related activities as a condition of the family's on-going eligibility. TEA cash assistance is limited to a maximum of twenty-four (24) months in an adult's lifetime. For those former TEA recipients who are employed at least 24 hours per week and meet the minimum federal work participation rates, an additional twenty-four (24) months of Work Pays benefits are available.

Assistance under the TEA and Work Pays Programs may include: monthly cash assistance payments to help meet the family's basic needs; employment services such as work experience, job search, and job readiness activities; assistance with basic and vocational education; assistance with supportive services such as childcare, transportation and other expenses related to work activity; case management services; and eligibility for extended support services to help the parent retain a job after the cash assistance case closes due to employment.

The TEA caseload has decreased by over 50% since the Program was implemented in July 1997. Fifty to seventy-five percent (50-75%) of the TEA recipients placed in jobs are still working when contacted at regular intervals. TEA recipients who have gone to work are earning between \$800 and



\$1000 per month compared to an average TEA cash benefit for a mother and two children of \$204 per month. The reduction in the caseload has resulted in a comparable decrease in monthly cash assistance expenditures since July 1997. The Program expenditures have shifted to address employment related services, education/training and supportive services.

Congress reauthorized the TANF program through the Deficit Reduction Act of 2005. Although the Act requires States to meet higher rates of work participation, no significant changes were made in the program design beyond the State initiatives and organizational changes prescribed by Act 1705 of 2005.

Funding for this appropriation is derived from the federal Temporary Assistance for Needy Families (TANF) Block Grant and General Revenue from the Department of Human Services Grants Fund Account (DGF-DHS Grants Fund) as authorized in Arkansas Code Annotated §19-5-306(10)(A)(iv).

The agency Base Level request for this appropriation is \$30,889,263 each year of the biennium.

The agency Change Level request for this appropriation is for \$10,395,387 each year of the biennium with General Revenue funding transfer requests of (\$3,640,650) each year of the biennium to the Department of Workforce Services as a result of the transfer of the TANF program by Act 1705 of 2005. The following delineates the agency request:

- \$4,223,250 each year of the biennium in federally funded appropriation for cash assistance payments provided to TEA and Work Pays program recipients.
- \$2,460,925 each year of the biennium in federally funded appropriation for employment bonuses paid to TEA and Work Pays program recipients.
- \$3,711,212 each year of the biennium in unfunded appropriation for employment bonuses paid to TEA and Work Pays program recipients, if funding becomes available.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 897 DHHS-Grants Paying Account  
**Funding Sources:** PWD-Grants 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	
TANF Block Grant 5100004	25,432,893	30,889,263	75,709,232	30,889,263	41,284,650	41,284,650	30,889,263	41,284,650	41,284,650	
<b>Total</b>	<b>25,432,893</b>	<b>30,889,263</b>	<b>75,709,232</b>	<b>30,889,263</b>	<b>41,284,650</b>	<b>41,284,650</b>	<b>30,889,263</b>	<b>41,284,650</b>	<b>41,284,650</b>	
<b>Funding Sources</b>										
General Revenue 4000010	3,601,497	3,640,650		3,640,650	0	0	3,640,650	0	0	
Federal Revenue 4000020	21,831,396	27,248,613		27,248,613	33,932,788	33,932,788	27,248,613	33,932,788	33,932,788	
<b>Total Funding</b>	<b>25,432,893</b>	<b>30,889,263</b>		<b>30,889,263</b>	<b>33,932,788</b>	<b>33,932,788</b>	<b>30,889,263</b>	<b>33,932,788</b>	<b>33,932,788</b>	
Excess Appropriation/(Funding)	0	0		0	7,351,862	7,351,862	0	7,351,862	7,351,862	
<b>Grand Total</b>	<b>25,432,893</b>	<b>30,889,263</b>		<b>30,889,263</b>	<b>41,284,650</b>	<b>41,284,650</b>	<b>30,889,263</b>	<b>41,284,650</b>	<b>41,284,650</b>	

## **Change Level by Appropriation**

**Appropriation:** 897-DHHS-Grants Paying Account

**Funding Sources:** PWD-Grants Paying

### **Agency Request**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>30,889,263</b>	<b>0</b>	<b>30,889,263</b>	<b>100.0</b>	<b>30,889,263</b>	<b>0</b>	<b>30,889,263</b>	<b>100.0</b>
C01	Existing Program	6,684,175	0	37,573,438	121.6	6,684,175	0	37,573,438	121.6
C05	Unfunded Appropriation	3,711,212	0	41,284,650	133.6	3,711,212	0	41,284,650	133.6

### **Executive Recommendation**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>30,889,263</b>	<b>0</b>	<b>30,889,263</b>	<b>100.0</b>	<b>30,889,263</b>	<b>0</b>	<b>30,889,263</b>	<b>100.0</b>
C01	Existing Program	6,684,175	0	37,573,438	121.6	6,684,175	0	37,573,438	121.6
C05	Unfunded Appropriation	3,711,212	0	41,284,650	133.6	3,711,212	0	41,284,650	133.6

### **Justification**

C01	\$4,223,250 in Federally funded appropriation for cash assistance payments provided to TEA and Work Pays Program recipients. In addition, the Agency requests to move State General Revenue (SGR) funds of \$2,240,650 from the DHS Grants Fund to the Department of Workforce Services to support the TEA and Work Pays Programs. It is projected that \$800,000 in SGR for a proposed separate State Two Parent Program will need to be moved back to DHHS/DCO in 2008 and 2009. This will be authorized through Special Language in each agency's appropriation act that allows the transfer of SGR back to the DHS Grants Fund if needed. \$2,460,925 in Federally funded appropriation for employment bonuses paid to TEA and Work Pays Program participants. In addition, the Agency requests to move State General Revenue (SGR) funds of \$1,400,000 from the DHS Grants Fund to the Department of Workforce Services to support the TEA and Work Pays Programs. It is projected that \$1,800,000 in SGR will need to be moved back to DHHS/DCO in 2008 and 2009 for payments of client transportation bonuses. This will be authorized through Special Language in each agency's appropriation act that allows the transfer of SGR back to the DHS Grants Fund if needed.
C05	\$3,711,212 in unfunded appropriation in the TEA Program to allow for increases in clients who are eligible for employment bonus payments in the Work Pays programs.

## **Analysis of Budget Request**

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

**Funding Sources:** PWE-Grants Paying

The Community Services Block Grant program helps low income persons become more independent by providing a range of services through local Community Action Agencies. The services are designed to impact the causes of poverty and assist low income persons gain the skills necessary for employment, offer better educational and training activities to handle finances, improve housing, make use of social services available to them and become involved in community activities. Additionally, the program provides funds for involvement of low income persons in community development activities, essential services to homeless persons and development of innovative approaches, at both the local and state level, to meet the nutritional needs of low income persons. Eligibility is based on current OMB poverty income guidelines.

Funding for this appropriation is derived from the federal Community Services Block Grant, U. S. Department of Health and Human Services, Administration for Children and Families and General Revenue from the Department of Human Services Grants Fund Account (DGF-DHS Grants Fund) as authorized in Arkansas Code Annotated §19-5-306(10)(A)(xi).

The agency Base Level request for this appropriation is \$10,831,604 each year of the biennium.

The agency Change Level request for this appropriation is \$200,000 each year of the biennium, with no additional General Revenue requested. This increase in appropriation is requested for projected increases in federal funding for these services.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 898 DHHS-Grants Paying Account  
**Funding Sources:** PWE-Grants 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
Community Srvs. Block Grant 5100004	8,644,359	10,831,604	11,431,604	10,831,604	11,031,604	11,031,604	10,831,604	11,031,604	11,031,604
<b>Total</b>	<b>8,644,359</b>	<b>10,831,604</b>	<b>11,431,604</b>	<b>10,831,604</b>	<b>11,031,604</b>	<b>11,031,604</b>	<b>10,831,604</b>	<b>11,031,604</b>	<b>11,031,604</b>
<b>Funding Sources</b>									
General Revenue 4000010	60,491	153,439		153,439	153,439	153,439	153,439	153,439	153,439
Federal Revenue 4000020	8,583,868	10,678,165		10,678,165	10,878,165	10,878,165	10,678,165	10,878,165	10,878,165
<b>Total Funding</b>	<b>8,644,359</b>	<b>10,831,604</b>		<b>10,831,604</b>	<b>11,031,604</b>	<b>11,031,604</b>	<b>10,831,604</b>	<b>11,031,604</b>	<b>11,031,604</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>8,644,359</b>	<b>10,831,604</b>		<b>10,831,604</b>	<b>11,031,604</b>	<b>11,031,604</b>	<b>10,831,604</b>	<b>11,031,604</b>	<b>11,031,604</b>

## **Change Level by Appropriation**

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

### **Agency Request**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>10,831,604</b>	<b>0</b>	<b>10,831,604</b>	<b>100.0</b>	<b>10,831,604</b>	<b>0</b>	<b>10,831,604</b>	<b>100.0</b>
C01	Existing Program	200,000	0	11,031,604	101.8	200,000	0	11,031,604	101.8

### **Executive Recommendation**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>10,831,604</b>	<b>0</b>	<b>10,831,604</b>	<b>100.0</b>	<b>10,831,604</b>	<b>0</b>	<b>10,831,604</b>	<b>100.0</b>
C01	Existing Program	200,000	0	11,031,604	101.8	200,000	0	11,031,604	101.8

### **Justification**

C01 \$200,000 in additional Federal appropriation in 2008 and 2009 for the Community Services Block Grant (CSBG) program. This additional appropriation is needed to cover projected increases in CSBG funding during the Biennium. No State General Revenue is being requested.

## **Analysis of Budget Request**

**Appropriation:** 930 - Cty-Commodity Distrib & Salvage Container

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

The Commodity Distribution and Salvage Container Program receive United States Department of Agriculture (USDA) donated foods for distribution to school districts, food banks, soup kitchens and food pantries, etc. The donated foods are distributed through a contract with a local warehouse. In the event, that the donated food is damaged or destroyed from improper storage, care or handling, it is classified as a "food loss" claim. Compensation of the value of the donated food is provided by the contractor to the distributing agency (Division of County Operations Commodity Distribution Program). Compensation is deposited in the Salvage and Container Cash Fund.

The agency Base Level request for this appropriation is \$276,000 each year of the biennium in the Operating Expenses line item.

The agency Change Level request for this appropriation is \$3,950 each year of the biennium to establish the Travel line item in this appropriation so staff can attend training.

The Executive Recommendation provides for Base Level. Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 930                   Cty-Commodity Distrib & Salvage Container  
**Funding Sources:** NHS-Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	8,010	276,000	333,175	276,000	276,000	276,000	276,000	276,000	276,000
Conference & Travel Expenses 5050009	0	0	0	0	3,950	0	0	3,950	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>8,010</b>	<b>276,000</b>	<b>333,175</b>	<b>276,000</b>	<b>279,950</b>	<b>276,000</b>	<b>276,000</b>	<b>279,950</b>	<b>276,000</b>
<b>Funding Sources</b>									
Cash Fund 4000045	8,010	276,000		276,000	279,950	276,000	276,000	279,950	276,000
Total Funding	8,010	276,000		276,000	279,950	276,000	276,000	279,950	276,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>8,010</b>	<b>276,000</b>		<b>276,000</b>	<b>279,950</b>	<b>276,000</b>	<b>276,000</b>	<b>279,950</b>	<b>276,000</b>



## **Change Level by Appropriation**

**Appropriation:** 930-Cty-Commodity Distrib & Salvage Container

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

### **Agency Request**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>276,000</b>	<b>0</b>	<b>276,000</b>	<b>100.0</b>	<b>276,000</b>	<b>0</b>	<b>276,000</b>	<b>100.0</b>
C01	Existing Program	3,950	0	279,950	101.4	3,950	0	279,950	101.4

### **Executive Recommendation**

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>276,000</b>	<b>0</b>	<b>276,000</b>	<b>100.0</b>	<b>276,000</b>	<b>0</b>	<b>276,000</b>	<b>100.0</b>
C01	Existing Program	0	0	276,000	100.0	0	0	276,000	100.0

### **Justification**

C01 Establish \$3,950 in appropriation in 09 - Travel and Conferences for the Salvage and Container (SAC) Fund program to allow staff from the Commodity Distribution Program to attend federally mandated training. No State General Revenue funding is being requested as the SAC Fund consists of funding from payments for damaged or destroyed foods provided through the U.S.D.A Commodities programs.

## Appropriation Summary

**Appropriation:** 2YQ AR Rx Program-Operating Exp  
**Funding Sources:** SRX-Arkansas Rx Program 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	0	0	235,000	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	0	0	235,000	0	0	0	0	0	0

THIS APPROPRIATION IS NOT REQUESTED FOR THE NEW BIENNIUM.