

FISCAL SESSION - MANUAL

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DEPARTMENT OF COMMUNITY CORRECTION

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF COMMUNITY CORRECTION
FOR THE YEAR ENDED JUNE 30, 2012

Findings

Recommendations

None

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2013
Required by A.C.A. 25-36-104

AGENCY: 0485 DEPARTMENT OF COMMUNITY CORRECTION

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Better Community Developers	\$52,000	X					
Chance Sobriety Ministries	\$50,000	X					
Chance Sobriety Ministries - Transitional Housing	\$254,000	X					
Gyst House	\$75,000	X					
New Hope Living Center	\$25,000	X					
Quality Living - Drug Court	\$25,000	X					
Quality Living Centers - Transitional Housing	\$125,000	X					
Quality Living Centers - Treatment	\$25,000	X					
Sober Living	\$50,000	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 9

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$11,291,242

% OF MINORITY CONTRACTS AWARDED 3.43 %

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1BA Community Correction - Federal	0	0	4,137,882	0	4,137,882	0	4,137,882	0	4,137,882	0	4,137,882	0
1BR Residents Cash Treasury	1,318,061	0	2,668,143	0	2,668,143	0	2,589,016	0	2,589,016	0	2,589,016	0
2GH Community Correction-Special	8,589,926	99	11,532,042	70	11,567,802	83	11,567,800	69	11,512,042	69	11,567,800	69
2GK County Jail Reimbursement	1,999,996	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0
510 Community Correction - State	73,275,471	1,225	77,061,522	1,274	82,017,694	1,293	82,102,142	1,307	84,733,474	1,343	82,102,142	1,307
86Y Best Practices	0	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
F76 Drug Courts	0	0	0	0	500,000	0	500,000	0	0	0	500,000	0
Total	85,183,454	1,324	100,399,589	1,344	105,891,521	1,376	105,896,840	1,376	107,972,414	1,412	105,896,840	1,376

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	10,398,997	10.8	11,272,522	10.5	7,115,144	6.8	7,115,144	6.4	7,115,144	6.8
General Revenue	4000010	71,975,619	74.6	78,885,772	73.4	78,934,087	75.1	85,035,926	76.5	78,934,087	75.1
Federal Revenue	4000020	340,898	0.4	4,288,632	4.0	4,292,882	4.1	4,292,882	3.9	4,292,882	4.1
Special Revenue	4000030	9,310,917	9.7	11,151,732	10.4	10,680,000	10.2	10,680,000	9.6	10,680,000	10.2
Cash Fund	4000045	1,311,794	1.4	1,891,075	1.8	2,589,016	2.5	2,589,016	2.3	2,589,016	2.5
DFA Motor Vehicle Acquisition	4000184	156,200	0.2	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	2,601	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	2,958,950	3.1	25,000	0.0	1,447,933	1.4	1,447,933	1.3	1,447,933	1.4
Total Funds		96,455,976	100.0	107,514,733	100.0	105,059,062	100.0	111,160,901	100.0	105,059,062	100.0
Excess Appropriation/(Funding)		(11,272,522)		(7,115,144)		837,778		(3,188,487)		837,778	
Grand Total		85,183,454		100,399,589		105,896,840		107,972,414		105,896,840	

BEFORE REVISED BUDGET

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1BA Community Correction - Federal	0	0	4,137,882	0	4,137,882	0	4,137,882	0	4,137,882	0	4,137,882	0
1BR Residents Cash Treasury	1,318,061	0	2,668,143	0	2,668,143	0	2,589,016	0	2,589,016	0	2,589,016	0
2GH Community Correction-Special	8,589,926	99	11,532,042	70	11,567,802	83	11,567,800	69	13,114,425	89	13,114,425	89
2GK County Jail Reimbursement	1,999,996	0	2,000,000	0	2,000,000	0	2,000,000	0	3,109,636	0	3,109,636	0
510 Community Correction - State	73,275,471	1,225	77,061,522	1,274	82,017,694	1,293	82,102,142	1,307	91,703,015	1,455	85,416,810	1,361
86Y Best Practices	0	0	3,000,000	0	3,000,000	0	3,000,000	0	4,000,000	0	4,000,000	0
F76 Drug Courts	0	0	0	0	500,000	0	500,000	0	500,000	0	500,000	0
Total	85,183,454	1,324	100,399,589	1,344	105,891,521	1,376	105,896,840	1,376	119,153,974	1,544	112,867,769	1,450

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	10,398,998	10.8	11,272,522	10.5	7,115,144	6.8	7,115,144	6.2	7,115,144	6.7
General Revenue	4000010	71,975,619	74.6	78,885,772	73.4	78,934,087	75.1	89,544,596	77.4	79,934,087	75.4
Federal Revenue	4000020	340,898	0.4	4,288,632	4.0	4,292,882	4.1	4,292,882	3.7	4,292,882	4.0
Special Revenue	4000030	9,310,917	9.7	11,151,732	10.4	10,680,000	10.2	10,680,000	9.2	10,680,000	10.1
Cash Fund	4000045	1,311,794	1.4	1,891,075	1.8	2,589,016	2.5	2,589,016	2.2	2,589,016	2.4
DFA Motor Vehicle Acquisition	4000184	156,200	0.2	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	2,601	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	2,958,950	3.1	25,000	0.0	1,447,933	1.4	1,447,933	1.3	1,447,933	1.4
Total Funds		96,455,977	100.0	107,514,733	100.0	105,059,062	100.0	115,669,571	100.0	106,059,062	100.0
Excess Appropriation/(Funding)		(11,272,523)		(7,115,144)		837,778		3,484,403		6,808,707	
Grand Total		85,183,454		100,399,589		105,896,840		119,153,974		112,867,769	

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 1BA - Community Correction - Federal

Funding Sources: FPF - Federal Fund

This appropriation is funded by federal funds and provides support for several federal grant programs. The programs are for offender substance abuse rehabilitation treatment, drug court, serious and violent offenders, transitional housing and preparation for release from incarceration with follow up. The Agency anticipates the grants to continue during the next biennium.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 1BA - Community Correction - Federal

Funding Sources: FPF - Federal Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	0	206,270	206,270	206,270	206,270	206,270
Conference & Travel Expenses	5050009	0	74,415	74,415	74,415	74,415	74,415
Professional Fees	5060010	0	3,210,386	3,210,386	3,210,386	3,210,386	3,210,386
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	0	646,811	646,811	646,811	646,811	646,811
Capital Outlay	5120011	0	0	0	0	0	0
Total		0	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882
Funding Sources							
Federal Revenue	4000020	0	4,137,882		4,137,882	4,137,882	4,137,882
Total Funding		0	4,137,882		4,137,882	4,137,882	4,137,882
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		0	4,137,882		4,137,882	4,137,882	4,137,882

Analysis of Budget Request

Appropriation: 1BR - Residents Cash Treasury

Funding Sources: NCC - Cash in Treasury

The Residential Services appropriation provides for the operation of the Community Correction Facilities commissaries. These are self-supporting operations in which residents can purchase various commissary supplies, primarily snack foods, in the Department's various centers. This appropriation also utilizes the proceeds from the coin-less telephone program in which the Agency receives partial reimbursement from the telephone company for phone calls made by the residents. The proceeds are used to purchase items of mutual benefit to all residents. The appropriation is also used for inmate assistance projects, security equipment and general operations.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 1BR - Residents Cash Treasury

Funding Sources: NCC - Cash in Treasury

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	1,318,061	2,198,373	2,198,373	2,182,846	2,182,846	2,182,846
Conference & Travel Expenses	5050009	0	62,870	62,870	62,870	62,870	62,870
Professional Fees	5060010	0	101,800	101,800	101,800	101,800	101,800
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	305,100	305,100	241,500	241,500	241,500
Total		1,318,061	2,668,143	2,668,143	2,589,016	2,589,016	2,589,016
Funding Sources							
Fund Balance	4000005	2,092,811	2,086,544		1,309,476	1,309,476	1,309,476
Cash Fund	4000045	1,311,794	1,891,075		2,589,016	2,589,016	2,589,016
Total Funding		3,404,605	3,977,619		3,898,492	3,898,492	3,898,492
Excess Appropriation/(Funding)		(2,086,544)	(1,309,476)		(1,309,476)	(1,309,476)	(1,309,476)
Grand Total		1,318,061	2,668,143		2,589,016	2,589,016	2,589,016

Analysis of Budget Request

Appropriation: 2GH - Community Correction-Special

Funding Sources: SPF - Community Correction Revolving Fund

The Department of Community Correction is responsible for adult probation and parole services. This appropriation is utilized to support these services as well as special programs primarily for alcohol and drug and mental health treatment. The fees also provide for safety equipment, vehicles, and drug testing supplies. The special revenue supporting this appropriation includes fees and sanctions levied by the courts or authorized by the Board of Corrections and paid by offenders. The probation/parole fee is \$25 each month.

There are two appropriation summaries provided for this appropriation:

Page 10 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 11 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The revised FY15 Agency Request represents an increase of \$1,546,625 above the FY15 ALC/JBC Legislative Recommendation, and reflects the following:

- Regular Salaries increase of \$677,220 and Personal Services Matching increase of \$255,176 in association with twenty (20) DCC Parole/Probation Officers (C118) to provide for additional staff in order to effectively supervise caseloads and reduce the current caseload-to-officer ratio.
- Operating Expenses increases of \$524,229 for increased rents, utilities, and fuel costs.
- Capital Outlay increases of \$90,000 for new equipment.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2GH - Community Correction-Special
Funding Sources: SPF - Community Correction Revolving Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	2,793,990	2,420,686	2,441,531	2,444,031	2,398,755	2,444,031
	#Positions	99	70	83	69	69	69
Personal Services Matching	5010003	1,285,356	889,781	904,696	905,275	894,793	905,275
Operating Expenses	5020002	122,939	203,417	203,417	203,417	203,417	203,417
Conference & Travel Expenses	5050009	0	1,000	1,000	1,000	1,000	1,000
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	324,404	0	0	0	0	0
WMSC Parking Srvs from Fees	5900046	10,000	10,000	10,000	10,000	10,000	10,000
Community Correction Program	5900047	4,053,237	8,007,158	8,007,158	8,004,077	8,004,077	8,004,077
Total		8,589,926	11,532,042	11,567,802	11,567,800	11,512,042	11,567,800
Funding Sources							
Fund Balance	4000005	6,015,801	4,349,828		969,518	969,518	969,518
Special Revenue	4000030	6,765,152	8,151,732		7,680,000	7,680,000	7,680,000
DFA Motor Vehicle Acquisition	4000184	156,200	0		0	0	0
M & R Sales	4000340	2,601	0		0	0	0
Total Funding		12,939,754	12,501,560		8,649,518	8,649,518	8,649,518
Excess Appropriation/(Funding)		(4,349,828)	(969,518)		2,918,282	2,862,524	2,918,282
Grand Total		8,589,926	11,532,042		11,567,800	11,512,042	11,567,800

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 2GH - Community Correction-Special
Funding Sources: SPF - Community Correction Revolving Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	2,793,990	2,420,686	2,441,531	2,444,031	3,121,251	3,121,251
	#Positions	99	70	83	69	89	89
Personal Services Matching	5010003	1,285,356	889,781	904,696	905,275	1,160,451	1,160,451
Operating Expenses	5020002	122,939	203,417	203,417	203,417	727,646	727,646
Conference & Travel Expenses	5050009	0	1,000	1,000	1,000	1,000	1,000
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	324,404	0	0	0	90,000	90,000
WMSC Parking Srvs from Fees	5900046	10,000	10,000	10,000	10,000	10,000	10,000
Community Correction Program	5900047	4,053,237	8,007,158	8,007,158	8,004,077	8,004,077	8,004,077
Total		8,589,926	11,532,042	11,567,802	11,567,800	13,114,425	13,114,425
Funding Sources							
Fund Balance	4000005	6,015,801	4,349,828		969,518	969,518	969,518
Special Revenue	4000030	6,765,152	8,151,732		7,680,000	7,680,000	7,680,000
DFA Motor Vehicle Acquisition	4000184	156,200	0		0	0	0
M & R Sales	4000340	2,601	0		0	0	0
Total Funding		12,939,754	12,501,560		8,649,518	8,649,518	8,649,518
Excess Appropriation/(Funding)		(4,349,828)	(969,518)		2,918,282	4,464,907	4,464,907
Grand Total		8,589,926	11,532,042		11,567,800	13,114,425	13,114,425

AFTER BUDGET REQUEST

Analysis of Budget Request

Appropriation: 2GK - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Arkansas Code §19-5-1045 provides Jail Reimbursement to Counties by the Department of Community Correction. Prior to this legislation, only Department of Correction could provide Jail Reimbursements to the Counties. In the event that the Department of Correction or Department of Community Correction could not accept inmates from county jails due to insufficient bed space, each agency would have to reimburse the counties for housing the inmates. Funding for this appropriation comes from general revenue.

There are two appropriation summaries provided for this appropriation:

Page 13 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 14 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The revised FY15 Agency Request reflects \$1,109,636 in additional appropriation and general revenue funding above the FY15 ALC/JBC Legislative Recommendation for reimbursement to county jails for housing state inmates.

The Executive Recommendation provides for the Agency Request in appropriation and \$1,000,000 in new general revenue funding.

Appropriation Summary

Appropriation: 2GK - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Refunds/Reimbursements 5110014	1,999,996	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total	1,999,996	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Funding Sources						
General Revenue 4000010	1,999,996	2,000,000		2,000,000	2,000,000	2,000,000
Total Funding	1,999,996	2,000,000		2,000,000	2,000,000	2,000,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	1,999,996	2,000,000		2,000,000	2,000,000	2,000,000

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 2GK - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Refunds/Reimbursements 5110014	1,999,996	2,000,000	2,000,000	2,000,000	3,109,636	3,109,636
Total	1,999,996	2,000,000	2,000,000	2,000,000	3,109,636	3,109,636
Funding Sources						
General Revenue 4000010	1,999,996	2,000,000		2,000,000	3,109,636	3,000,000
Total Funding	1,999,996	2,000,000		2,000,000	3,109,636	3,000,000
Excess Appropriation/(Funding)	0	0		0	0	109,636
Grand Total	1,999,996	2,000,000		2,000,000	3,109,636	3,109,636

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 510 - Community Correction - State

Funding Sources: HCP - Department of Community Correction Fund

The Department of Community Correction uses this appropriation for daily operations. Funding for this appropriation comes from general revenue and cash funds received from the rental of buildings at the Texarkana unit to other state agencies.

There are two appropriation summaries provided for this appropriation:

Page 17 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 18 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The revised FY15 Agency Request represents an increase of \$9,600,873 in appropriation and \$9,500,873 in general revenue funding over the FY15 ALC/JBC Legislative Recommendation, and reflects the following:

- Regular Salaries increase of \$4,187,443 and Personal Services Matching increase of \$1,305,834 in association with one hundred and forty-eight (148) new positions - one hundred and thirty six (136) DCC Parole/Probation Officers (C118) and twelve (12) DCC Parole/Probation Assistant Area Managers (C121) to provide for additional staff in order to effectively supervise caseloads and reduce the current caseload-to-officer ratio.
- Addition of an Overtime line item of \$100,000 in appropriation with a corresponding matching appropriation increase of \$21,890.
- Operating Expenses increases of \$3,661,706 for increased rents, utilities, and fuel costs.
- Capital Outlay increases of \$324,000 for new equipment.

The Executive Recommendation provides for the FY15 ALC/JBC recommendation with the following increases in appropriation only:

- Regular Salaries increase of \$1,849,846 and Personal Services Matching increase of \$242,932 in association with fifty (54) new positions - fifty (50) DCC Parole/Probation Officers (C118) and four (4) DCC Parole/Probation Assistant Area Managers (C121).

- Addition of an Overtime line item of \$100,000 with a corresponding matching increase of \$21,890.
- Operating Expenses increase of \$1,000,000.
- Capital Outlay increase of \$100,000.

Appropriation Summary

Appropriation: 510 - Community Correction - State

Funding Sources: HCP - Department of Community Correction Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	39,729,410	43,965,695	45,403,463	45,447,163	45,684,706	45,447,163
	#Positions	1,225	1,274	1,293	1,307	1,343	1,307
Extra Help	5010001	3,685	0	0	0	0	0
	#Extra Help	2	10	10	10	10	10
Personal Services Matching	5010003	14,644,753	16,181,786	17,370,442	17,380,556	17,200,701	17,380,556
Operating Expenses	5020002	11,036,562	9,400,094	10,019,842	10,019,842	12,090,798	10,019,842
Conference & Travel Expenses	5050009	0	2,400	2,400	2,400	44,400	2,400
Professional Fees	5060010	7,861,061	7,477,547	9,187,547	9,218,181	9,462,869	9,218,181
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	34,000	34,000	34,000	250,000	34,000
Total		73,275,471	77,061,522	82,017,694	82,102,142	84,733,474	82,102,142
Funding Sources							
General Revenue	4000010	69,975,623	76,885,772		76,934,087	83,035,926	76,934,087
Federal Revenue	4000020	340,898	150,750		155,000	155,000	155,000
Other	4000370	2,958,950	25,000		1,447,933	1,447,933	1,447,933
Total Funding		73,275,471	77,061,522		78,537,020	84,638,859	78,537,020
Excess Appropriation/(Funding)		0	0		3,565,122	94,615	3,565,122
Grand Total		73,275,471	77,061,522		82,102,142	84,733,474	82,102,142

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 510 - Community Correction - State

Funding Sources: HCP - Department of Community Correction Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	39,729,410	43,965,695	45,403,463	45,447,163	49,634,606	47,297,009
	#Positions	1,225	1,274	1,293	1,307	1,455	1,361
Extra Help	5010001	3,685	0	0	0	0	0
	#Extra Help	2	10	10	10	10	10
Personal Services Matching	5010003	14,644,753	16,181,786	17,370,442	17,380,556	18,708,280	17,645,378
Overtime	5010006	0	0	0	0	100,000	100,000
Operating Expenses	5020002	11,036,562	9,400,094	10,019,842	10,019,842	13,681,548	11,019,842
Conference & Travel Expenses	5050009	0	2,400	2,400	2,400	2,400	2,400
Professional Fees	5060010	7,861,061	7,477,547	9,187,547	9,218,181	9,218,181	9,218,181
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	34,000	34,000	34,000	358,000	134,000
Total		73,275,471	77,061,522	82,017,694	82,102,142	91,703,015	85,416,810
Funding Sources							
General Revenue	4000010	69,975,623	76,885,772		76,934,087	86,434,960	76,934,087
Federal Revenue	4000020	340,898	150,750		155,000	155,000	155,000
Other	4000370	2,958,950	25,000		1,447,933	1,447,933	1,447,933
Total Funding		73,275,471	77,061,522		78,537,020	88,037,893	78,537,020
Excess Appropriation/(Funding)		0	0		3,565,122	3,665,122	6,879,790
Grand Total		73,275,471	77,061,522		82,102,142	91,703,015	85,416,810

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 86Y - Best Practices

Funding Sources: TBP - Best Practices Trust

This appropriation was established by the Public Safety Improvement Act of 2011 also known as Act 570. The special revenue supporting this appropriation includes fees and sanctions levied by the courts or authorized by the Board of Corrections and paid by offenders. The probation/parole fee is \$10 each month. These fees go to support programs and services that implement practices that are proven to reduce the risk of having repeat offenders or recidivism, including programs that address treatment needs of offenders.

There are two appropriation summaries provided for this appropriation:

Page 20 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 21 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The revised FY15 Agency Request reflects \$1,000,000 in additional appropriation above the FY15 ALC/JBC Legislative Recommendation for implementation of training for staff, GPS monitoring, and transitional housing and other treatment programs for offenders.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 86Y - Best Practices

Funding Sources: TBP - Best Practices Trust

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Community Correction Prgm 5900046	0	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total	0	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Funding Sources						
Fund Balance 4000005	2,290,385	4,836,150		4,836,150	4,836,150	4,836,150
Special Revenue 4000030	2,545,765	3,000,000		3,000,000	3,000,000	3,000,000
Total Funding	4,836,150	7,836,150		7,836,150	7,836,150	7,836,150
Excess Appropriation/(Funding)	(4,836,150)	(4,836,150)		(4,836,150)	(4,836,150)	(4,836,150)
Grand Total	0	3,000,000		3,000,000	3,000,000	3,000,000

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 86Y - Best Practices

Funding Sources: TBP - Best Practices Trust

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Community Correction Prgm 5900046	0	3,000,000	3,000,000	3,000,000	4,000,000	4,000,000
Total	0	3,000,000	3,000,000	3,000,000	4,000,000	4,000,000
Funding Sources						
Fund Balance 4000005	2,290,385	4,836,150		4,836,150	4,836,150	4,836,150
Special Revenue 4000030	2,545,765	3,000,000		3,000,000	3,000,000	3,000,000
Total Funding	4,836,150	7,836,150		7,836,150	7,836,150	7,836,150
Excess Appropriation/(Funding)	(4,836,150)	(4,836,150)		(4,836,150)	(3,836,150)	(3,836,150)
Grand Total	0	3,000,000		3,000,000	4,000,000	4,000,000

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: F76 - Drug Courts

Funding Sources: HCP - Department of Community Correction Fund

The Drug Courts Appropriation was established by Section 20 of Act 1380 of 2013 to facilitate drug treatment in Arkansas Drug Courts.

Funding for this appropriation is composed of 100% general revenue.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, and Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: F76 - Drug Courts

Funding Sources: HCP - Department of Community Correction Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Drug Courts 5900046	0	0	500,000	500,000	500,000	500,000
Total	0	0	500,000	500,000	500,000	500,000
Funding Sources						
Fund Balance 4000005	0	0		0	0	0
Total Funding	0	0		0	0	0
Excess Appropriation/(Funding)	0	0		500,000	500,000	500,000
Grand Total	0	0		500,000	500,000	500,000

DEPARTMENT OF CORRECTION

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF CORRECTION
FOR THE YEAR ENDED JUNE 30, 2012

Findings

Recommendations

None

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
 Fiscal Year 2013
 Required by A.C.A. 25-36-104

AGENCY: 0480 DEPARTMENT OF CORRECTION

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Debra Goldman	\$215,280	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>1</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$4,497,629</u>
% OF MINORITY CONTRACTS AWARDED	<u>5.81 %</u>

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1MJ County Jail Reimbursement	5,807,956	0	7,453,607	0	7,453,607	0	7,453,607	0	7,453,607	0	7,453,607	0
2ZV Work Release Cash	2,030,365	0	7,257,662	0	7,257,662	0	6,896,771	0	6,896,771	0	6,896,771	0
33K ADC Sex Offender Assessment	0	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
4HS Fire Station Treasury Cash	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
509 Inmate Care & Custody	318,688,828	4,317	316,089,420	4,285	336,892,152	4,338	335,940,415	4,336	348,573,728	4,494	335,940,415	4,336
511 Prison Industry	7,640,438	47	9,821,719	60	11,491,030	60	11,281,041	61	11,237,823	61	11,281,041	61
512 Farm Operations	13,122,640	59	19,889,615	63	21,620,430	63	20,763,366	64	20,707,263	64	20,763,366	64
859 Inmate Welfare Treasury Cash	9,257,360	0	12,643,813	28	12,687,251	28	12,688,500	28	12,671,127	28	12,688,500	28
865 Non-Tax Revenue Receipts	2,121,707	0	3,000,000	0	6,440,000	0	6,440,000	0	6,440,000	0	6,440,000	0
Total	358,669,294	4,423	376,230,836	4,436	403,917,132	4,489	401,538,700	4,489	414,055,319	4,647	401,538,700	4,489

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	11,877,073	3.2	12,010,144	3.2	2,620,786	0.7	2,620,786	0.6	2,620,786	0.7
General Revenue	4000010	304,649,956	82.2	320,451,836	84.6	318,557,654	81.9	343,435,449	83.0	318,557,654	81.9
Federal Revenue	4000020	500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1
Special Revenue	4000030	16,475,579	4.4	21,625,000	5.7	31,970,086	8.2	31,970,086	7.7	31,970,086	8.2
Cash Fund	4000045	15,230,002	4.1	19,664,642	5.2	29,727,152	7.6	29,727,152	7.2	29,727,152	7.6
Merit Adjustment Fund	4000055	8,301,048	2.2	0	0.0	0	0.0	0	0.0	0	0.0
Budget Stabilization Trust	4000130	4,600,000	1.2	4,600,000	1.2	4,600,000	1.2	4,600,000	1.1	4,600,000	1.2
General Improvement Fund	4000265	9,045,780	2.4	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	0	0.0	0	0.0	1,000,000	0.3	1,000,000	0.2	1,000,000	0.3
Total Funds		370,679,438	100.0	378,851,622	100.0	388,975,678	100.0	413,853,473	100.0	388,975,678	100.0
Excess Appropriation/(Funding)		(12,010,144)		(2,620,786)		12,563,022		201,846		12,563,022	
Grand Total		358,669,294		376,230,836		401,538,700		414,055,319		401,538,700	

BEFORE REVISED BUDGET

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1MJ County Jail Reimbursement	5,807,956	0	7,453,607	0	7,453,607	0	7,453,607	0	14,118,672	0	14,118,672	0
2ZV Work Release Cash	2,030,365	0	7,257,662	0	7,257,662	0	6,896,771	0	6,896,771	0	6,896,771	0
33K ADC Sex Offender Assessment	0	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
4HS Fire Station Treasury Cash	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
509 Inmate Care & Custody	318,688,828	4,317	316,089,420	4,285	336,892,152	4,338	335,940,415	4,336	351,858,226	4,427	341,690,923	4,393
511 Prison Industry	7,640,438	47	9,821,719	60	11,491,030	60	11,281,041	61	11,237,823	61	11,281,041	61
512 Farm Operations	13,122,640	59	19,889,615	63	21,620,430	63	20,763,366	64	20,707,263	64	20,763,366	64
859 Inmate Welfare Treasury Cash	9,257,360	0	12,643,813	28	12,687,251	28	12,688,500	28	12,671,127	28	12,688,500	28
865 Non-Tax Revenue Receipts	2,121,707	0	3,000,000	0	6,440,000	0	6,440,000	0	6,440,000	0	6,440,000	0
Total	358,669,294	4,423	376,230,836	4,436	403,917,132	4,489	401,538,700	4,489	424,004,882	4,580	413,954,273	4,546

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	11,877,073	3.2	12,010,144	3.2	2,620,786	0.7	2,620,786	0.6	2,620,786	0.7
General Revenue	4000010	304,649,956	82.2	320,451,836	84.6	318,557,654	81.9	341,140,530	82.9	329,557,654	82.2
Federal Revenue	4000020	500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1
Special Revenue	4000030	16,475,579	4.4	21,625,000	5.7	31,970,086	8.2	31,970,086	7.8	31,970,086	8.0
Cash Fund	4000045	15,230,002	4.1	19,664,642	5.2	29,727,152	7.6	29,727,152	7.2	30,477,660	7.6
Merit Adjustment Fund	4000055	8,301,048	2.2	0	0.0	0	0.0	0	0.0	0	0.0
Budget Stabilization Trust	4000130	4,600,000	1.2	4,600,000	1.2	4,600,000	1.2	4,600,000	1.1	4,600,000	1.1
General Improvement Fund	4000265	9,045,780	2.4	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	0	0.0	0	0.0	1,000,000	0.3	1,000,000	0.2	1,000,000	0.2
Total Funds		370,679,438	100.0	378,851,622	100.0	388,975,678	100.0	411,558,554	100.0	400,726,186	100.0
Excess Appropriation/(Funding)		(12,010,144)		(2,620,786)		12,563,022		12,446,328		13,228,087	
Grand Total		358,669,294		376,230,836		401,538,700		424,004,882		413,954,273	

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 1MJ - County Jail Reimbursement
Funding Sources: MCJ - County Jail Reimbursement Fund

In the event the Arkansas Department of Correction cannot accept inmates from county jails due to insufficient bed space, the Agency reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and the Department of Correction and upon with approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in A.C.A. §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization fund and currently pays county jails \$28 per day for housing inmates sentenced to ADC.

There are two appropriation summaries provided for this appropriation:

Page 27 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 28 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The revised FY15 Agency Request reflects \$6,665,065 in additional appropriation and general revenue funding above the FY15 ALC/JBC Legislative Recommendation to provide for the increased number of state inmates housed by county jails.

The Executive Recommendation provides for the Agency Request in appropriation and \$6,000,000 in new general revenue funding.

Appropriation Summary

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Refunds/Reimbursements 5110014	5,807,956	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607
Total	5,807,956	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607
Funding Sources						
General Revenue 4000010	5,807,956	7,453,607		7,453,607	7,453,607	7,453,607
Total Funding	5,807,956	7,453,607		7,453,607	7,453,607	7,453,607
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	5,807,956	7,453,607		7,453,607	7,453,607	7,453,607

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Refunds/Reimbursements 5110014	5,807,956	7,453,607	7,453,607	7,453,607	14,118,672	14,118,672
Total	5,807,956	7,453,607	7,453,607	7,453,607	14,118,672	14,118,672
Funding Sources						
General Revenue 4000010	5,807,956	7,453,607		7,453,607	14,118,672	13,453,607
Total Funding	5,807,956	7,453,607		7,453,607	14,118,672	13,453,607
Excess Appropriation/(Funding)	0	0		0	0	665,065
Grand Total	5,807,956	7,453,607		7,453,607	14,118,672	14,118,672

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

The Work Release Program allows inmates to hold paid jobs in the community while being housed at a correctional facility. Work Release participants reimburse the Department of Correction \$17 per day to offset the cost for maintenance and operation of the centers. There are currently six Work Release Center located at Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. This is a cash funded appropriation that is supported by each inmate who participates in the Work Release Program.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	1,723,005	4,892,832	4,892,832	4,791,941	4,791,941	4,791,941
Conference & Travel Expenses	5050009	11,315	104,830	104,830	104,830	104,830	104,830
Professional Fees	5060010	40	500,000	500,000	500,000	500,000	500,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	296,005	1,260,000	1,260,000	1,000,000	1,000,000	1,000,000
Debt Service	5120019	0	500,000	500,000	500,000	500,000	500,000
Total		2,030,365	7,257,662	7,257,662	6,896,771	6,896,771	6,896,771
Funding Sources							
Fund Balance	4000005	5,043,755	4,921,462		0	0	0
Cash Fund	4000045	1,908,072	2,336,200		6,896,771	6,896,771	6,896,771
Total Funding		6,951,827	7,257,662		6,896,771	6,896,771	6,896,771
Excess Appropriation/(Funding)		(4,921,462)	0		0	0	0
Grand Total		2,030,365	7,257,662		6,896,771	6,896,771	6,896,771

Analysis of Budget Request

Appropriation: 33K - ADC Sex Offender Assessment

Funding Sources: SSC - ADC Sex Offender Assessment Fund

This appropriation request is for UAMS Juvenile Assessment. Funds for this appropriation are derived from collections by Arkansas Crime Information Center (ACIC) by collecting a \$250.00 fee from each individual who is required by law to register as a Level III or Level IV Sex Offender as required by provisions of ACA §12-12-910 and 12-12-911 et seq. The fees are split between ACIC and the Department of Correction.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 33K - ADC Sex Offender Assessment

Funding Sources: SSC - ADC Sex Offender Assessment Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	0	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		0	25,000	25,000	25,000	25,000	25,000
Funding Sources							
Fund Balance	4000005	16,876	34,953		34,953	34,953	34,953
Special Revenue	4000030	18,077	25,000		25,000	25,000	25,000
Total Funding		34,953	59,953		59,953	59,953	59,953
Excess Appropriation/(Funding)		(34,953)	(34,953)		(34,953)	(34,953)	(34,953)
Grand Total		0	25,000		25,000	25,000	25,000

Analysis of Budget Request

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

This appropriation provides for the construction of a new Fire Station at the Cummins Unit. Cash funds are collected through the Fire Protection Revolving Fund as authorized by Act 833 of 1991. The construction of the new Fire Station was completed by Department of Correction's in-house construction division utilizing inmate labor to lower the cost.

Page 34 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 35 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The revised FY15 Agency Request reflects a change in appropriation as follows:

- Reallocation of \$25,000 in Construction to Operating Expenses for support of the fire station.
- Reallocation of \$25,000 in Construction to Capital Outlay for new equipment.

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

Appropriation Summary

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Construction	5090005	0	50,000	50,000	50,000	50,000	50,000
Total		0	50,000	50,000	50,000	50,000	50,000
Funding Sources							
Fund Balance	4000005	9,037	24,119		24,119	24,119	24,119
Cash Fund	4000045	15,082	50,000		50,000	50,000	50,000
Total Funding		24,119	74,119		74,119	74,119	74,119
Excess Appropriation/(Funding)		(24,119)	(24,119)		(24,119)	(24,119)	(24,119)
Grand Total		0	50,000		50,000	50,000	50,000

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	0	0	0	0	25,000	25,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Construction	5090005	0	50,000	50,000	50,000	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	25,000	25,000
Total		0	50,000	50,000	50,000	50,000	50,000
Funding Sources							
Fund Balance	4000005	9,037	24,119		24,119	24,119	24,119
Cash Fund	4000045	15,082	50,000		50,000	50,000	50,000
Total Funding		24,119	74,119		74,119	74,119	74,119
Excess Appropriation/(Funding)		(24,119)	(24,119)		(24,119)	(24,119)	(24,119)
Grand Total		0	50,000		50,000	50,000	50,000

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 509 - Inmate Care & Custody

Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

The Arkansas Department of Correction (ADC) is responsible for administration of an efficient and humane system of correction for individuals committed to the Department by the courts. In addition to providing for basic physiological and psychological needs of inmates, the Agency operates extensive farming, industry, work release programs, inmate welfare activities, pen stores, and maintenance and construction activities. Cash and special revenues produced by these and other auxiliary activities allow the Department wide discretion in planning and operating new and expanded inmate care and custody programs as well as construction projects.

The Board of Corrections is comprised of seven voting members: five citizen members, the chairperson of the Post Prison Transfer Board and one member of a criminal justice faculty. Each member is appointed by the Governor and serves a seven-year term.

The Agency has five divisions. The divisions and responsibilities are:

Administrative Services provides support to all operational units of the ADC while ensuring Agency compliance with state and federal accounting, budgetary and personnel procedures;

Institutional Services oversees the various Institutions, Work Release Programs, Regional Jails, Transportation Services, Accreditation, Classification and Emergency Preparedness;

Operations directs the Agriculture and Industry Programs, the 309 County Jail Contracts Program (A.C.A. §12-30-401) and also coordinates inmate grievances;

Health and Correctional Programs is responsible for Medical and Mental Health Services, Religious Services, Substance Abuse Treatment Program (SATP) and Reduction of Sexual Victimization Program (RSVP). The Health and Correctional Programs Division also coordinates educational programs provided through the Department of Correction School District, which is accredited and supervised by the Arkansas Department of Education. During the 1999 Legislative Session, responsibility for assessment of sex offenders in prison and living in communities in Arkansas was assigned to ADC. A unit supervised by the Deputy Director of Health and Correctional Programs conducts the assessments as prescribed by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law;

Construction and Maintenance is responsible for ongoing and preventative maintenance programs at the various units and design and construction projects for the department. Construction of facilities is often completed with inmate labor, which costs substantially less than free-world labor.

Funding for Inmate Care and Custody (ICC) is primarily from general revenue. The opening of the Jefferson and Delta Regional Jail Units in FY92 provided a new fund source for the Department. Legislation specifies that fees collected from contracting with counties for an agreed upon number of beds is to be deposited in the "Regional Facilities Operation Account" and used for payment of debt service on, or operation of, regional facilities. The operation of these facilities is funded within Inmate Care and Custody appropriation with a portion of the cost defrayed by a transfer of the cash funds to the Inmate Care and Custody Fund. The use of cash and special revenue income for Inmate Care & Custody Fund Operations allows the Agency to prepare fiscal year budgets to help meet the contingencies of population growth.

There are two appropriation summaries provided for this appropriation:

Page 39 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 40 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The revised FY15 Agency Request represents an increase of \$15,917,811 in appropriation and general revenue funding, and reflects the following:

- Regular Salaries increase of \$10,169,323 and Personal Services matching increase of \$1,889,628 in association with ninety-one (91) new positions - eighty (80) ADC/DCC Corporals (C113), five (5) Correctional Sergeants (C115), two (2) ADC/DCC Lieutenants (C117), two (2) Licensed Master Social Workers (C120), one (1) ADC/DCC Food Preparation Manager (C116), and one (1) ADC/DCC Records Supervisor. These positions are necessary to provide additional staff in order to open new beds in certain facilities (C116).
- Operating Expenses increases of \$1,537,310 for support of these positions in facilities operations.
- Conference Fees and Travel increases of \$12,280 for employee training.
- Professional Fees and Services increases of \$1,926,720 for inmate medical costs.
- Capital Outlay increase of \$382,550 for new equipment.

The Executive Recommendation provides for the FY15 ALC/JBC recommendation with a \$5,750,508 increase in appropriation and a \$5,000,000 increase in new general revenue funding as detailed below:

- Regular Salaries increase of \$1,900,987 and Personal Services Matching increase of \$836,440 in association with fifty (57) new positions - forty-eight (48) ADC/DCC Corporals (C113), five (5) Correctional Sergeants (C115), one (1) ADC/DCC Lieutenants (C117), one (1) Licensed Master Social Workers (C120), one (1) ADC/DCC Food Preparation Manager (C116), and one (1) ADC/DCC Records Supervisor (C116).
- Operating Expenses increases of \$1,297,699 for support of these positions in facilities operations.
- Conference Fees and Travel increases of \$7,288 for employee training.
- Professional Fees and Services increases of \$1,477,044 for inmate medical costs.
- Capital Outlay increase of \$231,050 for new equipment.

Appropriation Summary

Appropriation: 509 - Inmate Care & Custody

Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	151,542,430	151,136,830	160,263,509	160,398,109	162,551,947	160,398,109
	#Positions	4,317	4,285	4,366	4,336	4,494	4,336
Extra Help	5010001	50,951	100,000	100,000	100,000	100,000	100,000
	#Extra Help	5	170	170	170	170	170
Personal Services Matching	5010003	57,347,233	58,589,337	63,594,398	63,628,116	62,844,008	63,628,116
Overtime	5010006	328,298	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Operating Expenses	5020002	49,730,670	48,074,903	48,074,903	48,074,903	52,477,773	48,074,903
Conference & Travel Expenses	5050009	199,988	150,000	150,000	150,000	236,480	150,000
Professional Fees	5060010	57,678,480	54,955,350	59,448,679	59,448,679	66,222,912	59,448,679
Data Processing	5090012	0	0	0	0	0	0
Claims	5110015	30,000	0	0	0	0	0
Capital Outlay	5120011	349,862	0	2,177,663	1,057,608	1,057,608	1,057,608
Jail Contracts	5900047	1,430,916	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000
Total		318,688,828	316,089,420	336,892,152	335,940,415	348,573,728	335,940,415

Funding Sources						
General Revenue	4000010	298,842,000	312,998,229		311,104,047	311,104,047
Federal Revenue	4000020	500,000	500,000		500,000	500,000
Cash Fund	4000045	2,000,000	2,591,191		3,669,254	3,669,254
Merit Adjustment Fund	4000055	8,301,048	0		0	0
General Improvement Fund	4000265	9,045,780	0		0	0
Total Funding		318,688,828	316,089,420		315,273,301	315,273,301
Excess Appropriation/(Funding)		0	0		20,667,114	20,667,114
Grand Total		318,688,828	316,089,420		335,940,415	335,940,415

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 509 - Inmate Care & Custody

Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	151,542,430	151,136,830	160,263,509	160,398,109	170,567,432	162,299,096
	#Positions	4,317	4,285	4,338	4,336	4,427	4,393
Extra Help	5010001	50,951	100,000	100,000	100,000	100,000	100,000
	#Extra Help	5	170	170	170	170	170
Personal Services Matching	5010003	57,347,233	58,589,337	63,594,398	63,628,116	65,517,744	64,464,556
Overtime	5010006	328,298	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Operating Expenses	5020002	49,730,670	48,074,903	48,074,903	48,074,903	49,612,213	49,372,602
Conference & Travel Expenses	5050009	199,988	150,000	150,000	150,000	162,280	157,288
Professional Fees	5060010	57,678,480	54,955,350	59,448,679	59,448,679	61,375,399	60,925,723
Data Processing	5090012	0	0	0	0	0	0
Claims	5110015	30,000	0	0	0	0	0
Capital Outlay	5120011	349,862	0	2,177,663	1,057,608	1,440,158	1,288,658
Jail Contracts	5900047	1,430,916	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000
Total		318,688,828	316,089,420	336,892,152	335,940,415	351,858,226	341,690,923

Funding Sources							
General Revenue	4000010	298,842,000	312,998,229		311,104,047	327,021,858	316,104,047
Federal Revenue	4000020	500,000	500,000		500,000	500,000	500,000
Cash Fund	4000045	2,000,000	2,591,191		3,669,254	3,669,254	4,419,762
Merit Adjustment Fund	4000055	8,301,048	0		0	0	0
General Improvement Fund	4000265	9,045,780	0		0	0	0
Total Funding		318,688,828	316,089,420		315,273,301	331,191,112	321,023,809
Excess Appropriation/(Funding)		0	0		20,667,114	20,667,114	20,667,114
Grand Total		318,688,828	316,089,420		335,940,415	351,858,226	341,690,923

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Correctional Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. The primary goal of the Industries program is to administer and operate the various industry programs in an efficient and cost-effective manner that provides inmates with productive and significant training opportunities. More than 500 inmates participate in the various work programs. Principal operations include printing and graphic arts, digital imaging, engraving, janitorial product manufacturing, school bus/fire truck repair, furniture manufacturing, refinishing and upholstery, vinyl products and athletic equipment. Prison Industry Enhancement (PIE) Programs at the McPherson and Pine Bluff Units are a partnership with private sector companies operating within prison fences and employing inmates at prevailing wages. FY12 sales totaled just over \$6.5 million.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	1,639,421	2,125,134	2,231,953	2,233,453	2,198,837	2,233,453
	#Positions	47	60	60	61	61	61
Personal Services Matching	5010003	653,945	819,100	856,977	857,348	848,746	857,348
Overtime	5010006	0	8,000	8,000	8,000	8,000	8,000
Operating Expenses	5020002	5,180,356	6,551,785	8,076,400	8,076,960	8,076,960	8,076,960
Conference & Travel Expenses	5050009	6,538	39,400	39,400	41,280	41,280	41,280
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	160,178	278,300	278,300	64,000	64,000	64,000
Total		7,640,438	9,821,719	11,491,030	11,281,041	11,237,823	11,281,041
Funding Sources							
Fund Balance	4000005	2,214,104	1,721,719		0	0	0
Special Revenue	4000030	7,148,053	8,100,000		11,237,823	11,237,823	11,237,823
Total Funding		9,362,157	9,821,719		11,237,823	11,237,823	11,237,823
Excess Appropriation/(Funding)		(1,721,719)	0		43,218	0	43,218
Grand Total		7,640,438	9,821,719		11,281,041	11,237,823	11,281,041

Analysis of Budget Request

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

The agricultural operation of the ADC is a self-supported division. The Agricultural Division is involved in almost every area of farming providing fresh and frozen vegetables, meat, milk and eggs which are consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. The primary goal of the Farm Program is to provide useful and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. A Vegetable Processing facility is located at the Varner Unit and annually provides approximately 2.4 million pounds of vegetables for inmate consumption. A Cold Storage facility located at the Cummins Unit provides beef and pork products to all units for consumption. A state of the art Creamery operation is also located at the Cummins Unit and provides milk and juice products. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY12 cash crop sales totaled \$9.1 million. The Farm Program provides jobs for approximately 400 inmates. The Livestock Division consists of 2,300 beef cows, a 319-cow dairy, swine production facilities, and egg layer operation as well as responsibility for all the horses being used in the cattle operation and at various units around the state for security and regional maintenance.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	2,379,990	2,589,524	2,660,116	2,662,316	2,617,380	2,662,316
	#Positions	59	63	63	64	64	64
Personal Services Matching	5010003	855,320	945,948	976,187	976,732	965,565	976,732
Operating Expenses	5020002	8,710,915	12,138,824	13,768,808	13,750,209	13,750,209	13,750,209
Conference & Travel Expenses	5050009	9,004	53,010	53,010	53,010	53,010	53,010
Professional Fees	5060010	25,142	128,354	128,354	128,354	128,354	128,354
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	638,510	3,383,955	3,383,955	2,542,745	2,542,745	2,542,745
Purchase Cattle/Meat	5900047	503,759	650,000	650,000	650,000	650,000	650,000
Total		13,122,640	19,889,615	21,620,430	20,763,366	20,707,263	20,763,366
Funding Sources							
Fund Balance	4000005	1,002,806	1,789,615		0	0	0
Special Revenue	4000030	9,309,449	13,500,000		20,707,263	20,707,263	20,707,263
Budget Stabilization Trust	4000130	4,600,000	4,600,000		4,600,000	4,600,000	4,600,000
Other	4000370	0	0		1,000,000	1,000,000	1,000,000
Total Funding		14,912,255	19,889,615		26,307,263	26,307,263	26,307,263
Excess Appropriation/(Funding)		(1,789,615)	0		(5,543,897)	(5,600,000)	(5,543,897)
Grand Total		13,122,640	19,889,615		20,763,366	20,707,263	20,763,366

Analysis of Budget Request

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Self-supported Pen Store operations within institutions provide the opportunity for inmates to purchase various commissary supplies such as hygiene items, paper, and stamps as well as various snack foods. A centralized banking system manages inmate funds, and the profits from the stores are used to purchase items that benefit inmates such as tables and chairs for visitation, televisions, and recreational equipment for inmate use.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	0	784,436	817,338	818,338	804,426	818,338
	#Positions	0	28	28	28	28	28
Personal Services Matching	5010003	0	330,417	340,953	341,202	337,741	341,202
Operating Expenses	5020002	9,257,360	11,028,960	11,028,960	11,028,960	11,028,960	11,028,960
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	500,000	500,000	500,000	500,000	500,000
Total		9,257,360	12,643,813	12,687,251	12,688,500	12,671,127	12,688,500
Funding Sources							
Fund Balance	4000005	2,184,510	2,300,253		2,343,691	2,343,691	2,343,691
Cash Fund	4000045	9,373,103	12,687,251		12,671,127	12,671,127	12,671,127
Total Funding		11,557,613	14,987,504		15,014,818	15,014,818	15,014,818
Excess Appropriation/(Funding)		(2,300,253)	(2,343,691)		(2,326,318)	(2,343,691)	(2,326,318)
Grand Total		9,257,360	12,643,813		12,688,500	12,671,127	12,688,500

Analysis of Budget Request

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

This cash appropriation is funded by proceeds derived from contractual agreement with a telephone service provider for the operation of a coin-less telephone system that was implemented in the 1995-97 biennium. The program allows inmates to call family or friends collect with a portion of the receipts from such calls paid to the Department of Correction by the telephone company. The appropriation is used for inmate assistance projects, security equipment, long term needs, and general operations as annually approved by the Arkansas Board of Corrections.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	1,447,494	1,596,200	3,829,195	3,829,195	3,829,195	3,829,195
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	9,525	50,000	200,000	200,000	200,000	200,000
Construction	5090005	631,446	1,250,000	2,010,805	2,010,805	2,010,805	2,010,805
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	33,242	103,800	400,000	400,000	400,000	400,000
Total		2,121,707	3,000,000	6,440,000	6,440,000	6,440,000	6,440,000
Funding Sources							
Fund Balance	4000005	1,405,985	1,218,023		218,023	218,023	218,023
Cash Fund	4000045	1,933,745	2,000,000		6,440,000	6,440,000	6,440,000
Total Funding		3,339,730	3,218,023		6,658,023	6,658,023	6,658,023
Excess Appropriation/(Funding)		(1,218,023)	(218,023)		(218,023)	(218,023)	(218,023)
Grand Total		2,121,707	3,000,000		6,440,000	6,440,000	6,440,000

DOE - Public School Fund

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2012

Findings

Recommendations

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2013

None

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
057 Smart Start/Smart Step	10,867,302	0	10,094,295	0	10,666,303	0	10,666,303	0	10,666,303	0	10,666,303	0
082 English Language Learners	11,751,640	0	13,049,411	0	13,075,049	0	14,059,595	0	13,514,685	0	14,059,595	0
088 At Risk	1,852,205	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0
091 Special Ed-Catastrophic	11,000,000	0	11,000,000	0	12,900,000	0	12,900,000	0	12,900,000	0	12,900,000	0
094 Youth Shelters	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0
108 Tech Improvements	498,547	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
119 Tech Grants	3,602,375	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0
136 Distressed School District Support	7,831	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
150 Home School Test	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
1PS Non-Traditional Licensure	28,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1QV Content & Curriculum	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1XE Economic Education	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0
2HP State Foundation Funding	1,880,752,714	0	1,923,089,661	0	1,923,089,661	0	1,961,843,724	0	1,891,315,753	0	1,961,843,724	0
2HR National School Lunch	195,907,571	0	200,253,906	0	200,253,906	0	213,768,543	0	205,472,186	0	213,768,543	0
2HS Prof Development Fund	24,170,187	0	24,643,985	0	24,692,402	0	25,225,822	0	24,246,287	0	25,225,822	0
2HU Supplemental Millage	2,991,328	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
2HX Distance Learning Operations	7,574,507	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0
2HY Education Renewal Zones	1,021,216	4	1,452,637	5	1,475,373	5	1,475,373	5	1,470,087	5	1,475,373	5
2JA Content Standards	0	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0
2JC Teacher Recruitment	2,099,999	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
2ZH School Funding Contingency	0	0	0	0	25,000,000	0	25,000,000	0	25,000,000	0	25,000,000	0
2ZK Leadership Acdmy-Mstr Principal	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2ZM Master Principal Bonus	157,000	0	90,000	0	200,000	0	200,000	0	200,000	0	200,000	0
2ZS Special Needs Isolated Funding	8,202,364	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
311 Alternative Learning	23,020,310	0	23,272,290	0	23,318,012	0	23,830,996	0	22,860,796	0	23,830,996	0
326 General Facilities Funding	2,426,779	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0
331 Isolated Funding	2,693,633	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0
332 Student Growth	39,776,517	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0
336 Bonded Debt Assistance	15,992,960	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0
34N 98% URT Actual Collection Adj	17,489,855	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0
380 Dept of Correction	6,024,799	0	5,597,675	0	6,220,892	0	6,396,775	0	6,396,775	0	6,396,775	0
394 Residential Ctrs/Juv Detention	21,344,079	0	15,188,254	0	16,345,087	0	16,345,087	0	16,345,087	0	16,345,087	0
421 Consolidation Incentive	0	0	0	0	3,760,200	0	5,640,300	0	5,640,300	0	5,640,300	0

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos	
434	Coop Education Tech Centers	1,200,000	0	0	0	0	1,200,000	0	1,200,000	0	1,200,000	0	
437	Teacher Retirement Matching	8,299,018	0	6,655,000	0	10,102,189	0	11,112,407	0	11,112,407	0	11,112,407	0
438	NH Bd Prof Teaching Standards	11,098,084	0	9,106,160	0	13,516,160	0	15,016,160	0	15,016,160	0	15,016,160	0
440	Advanced Placement Incentive	822,304	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0
444	Criminal Background Checks	39	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
445	AR Easter Seals	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0
446	Public School Employee Ins	36,441,131	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0
447	School Food Services	1,650,000	0	0	0	1,650,000	0	1,650,000	0	1,650,000	0	1,650,000	0
450	Surplus Commodities	1,000,000	0	780,000	0	1,349,810	0	1,349,810	0	1,349,810	0	1,349,810	0
451	Grants to School Districts	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0
452	Workers' Compensation	152,256	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
454	School Food-Legislative Audit	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
457	Gifted & Talented	1,225,804	0	1,085,381	0	1,335,381	0	1,335,381	0	1,335,381	0	1,335,381	0
458	School Worker Defense	23,435	0	0	0	390,000	0	390,000	0	390,000	0	390,000	0
459	Assessment/End Course Testing	17,215,594	0	22,250,189	0	24,223,861	0	24,223,861	0	24,223,861	0	24,223,861	0
460	Court Ordered Desegregation	67,179,405	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0
4HM	Teacher of the Year	59,100	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
4HN	Declining Enrollment	11,145,512	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0
565	Intervention Block Grants	302,000	0	227,000	0	302,000	0	302,000	0	302,000	0	302,000	0
566	Serious Offender	1,716,859	0	1,050,946	0	1,716,859	0	1,716,859	0	1,716,859	0	1,716,859	0
59V	Coord School Health	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0
59W	School Facility Joint Use	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
59X	Add Public School Employee Ins	15,000,000	0	58,000,000	0	58,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
652	Better Chance Program	109,807,980	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0
668	Special Education Services	2,810,170	0	1,145,285	0	2,802,527	0	2,802,527	0	2,802,527	0	2,802,527	0
669	Human Dev Ctr Education Aid	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0
670	Education Service Cooperatives	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0
688	APSCN	21,150,746	45	22,627,814	48	22,872,943	48	22,875,544	48	22,830,415	48	22,875,544	48
697	Early Childhood Special Educ	16,897,920	0	15,623,079	0	16,897,920	0	16,897,920	0	16,897,920	0	16,897,920	0
698	Distance Learning	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0
699	Teacher Licensing/Mentoring	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0
F77	Safe School Init	0	0	0	0	691,500	0	691,500	0	0	0	691,500	0
F78	ALE Center-Trans	0	0	0	0	70,000	0	70,000	0	0	0	70,000	0

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
F79 Alt Learning Enviro Center - Truancy Ofcr	0	0	0	0	275,000	0	275,000	0	0	0	275,000	0
F80 Technology R&D	0	0	0	0	3,000,000	0	3,000,000	0	0	0	3,000,000	0
F81 School Recognition	0	0	0	0	10,000,000	0	10,000,000	0	0	0	10,000,000	0
F82 Inter Baccalaureate Prgm	0	0	0	0	75,000	0	75,000	0	0	0	75,000	0
Total	2,636,976,222	49	2,756,488,068	53	2,821,673,135	53	2,837,541,587	53	2,742,060,699	53	2,837,541,587	53

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	59,097,833	2.2	67,285,943	2.4	67,285,943	2.3	67,285,943	2.4	67,285,943	2.3
Merit Adjustment Fund	4000055	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Court Ordered Desegregation	4000180	67,143,463	2.5	69,814,372	2.5	69,814,372	2.4	69,814,372	2.5	69,814,372	2.4
DOE Public School Fund	4000195	1,961,576,841	72.5	2,008,442,215	71.1	2,062,741,865	71.4	2,015,479,189	71.7	2,062,741,865	71.4
E-Rate Credit	4000207	7,838,477	0.3	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3
Educational Adequacy Fund	4000210	434,031,542	16.0	434,031,542	15.4	434,031,542	15.0	434,031,542	15.5	434,031,542	15.0
Educational Excellence Fund	4000220	193,026,503	7.1	195,904,939	6.9	191,942,515	6.6	191,942,515	6.8	191,942,515	6.6
General Improvement Fund	4000265	0	0.0	43,000,000	1.5	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	35,941	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Adjustments	4000345	8,242,189	0.3	0	0.0	0	0.0	0	0.0	0	0.0
Property Tax Relief Trust	4000390	350,000	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TANF Transfer	4000478	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3
Trnfr frm DOE Pub School Fund	4000525	(35,872,219)	(1.3)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)
Transit Tax	4000700	1,291,595	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0
Unfunded Appropriation	4000715	0	0.0	0	0.0	57,106,711	2.0	25,200,000	0.9	57,106,711	2.0
Total Funds		2,704,262,165	100.0	2,823,774,011	100.0	2,888,217,948	100.0	2,809,048,561	100.0	2,888,217,948	100.0
Excess Appropriation/(Funding)		(67,285,943)		(67,285,943)		(50,676,361)		(66,987,862)		(50,676,361)	
Grand Total		2,636,976,222		2,756,488,068		2,837,541,587		2,742,060,699		2,837,541,587	

FY14 Budget and Authorized amounts for Additional Public School Employee Insurance (Fund Center 59X) reflect an additional \$43,000,000 appropriated by Act 5 of the First Extraordinary Session of 2013.

Budget and/or Actuals exceed Authorized in Smart Start/Smart Step, At Risk, Special Needs Isolated Funding, Student Growth and Residential Centers/Juvenile Detention due to special language which provides for Appropriation Transfer Authority.

BEFORE REVISED BUDGET

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
057 Smart Start/Smart Step	10,867,302	0	10,094,295	0	10,666,303	0	10,666,303	0	10,666,303	0	10,666,303	0
082 English Language Learners	11,751,640	0	13,049,411	0	13,075,049	0	14,059,595	0	14,004,642	0	14,004,642	0
088 At Risk	1,852,205	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0
091 Special Ed-Catastrophic	11,000,000	0	11,000,000	0	12,900,000	0	12,900,000	0	12,900,000	0	12,900,000	0
094 Youth Shelters	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0
108 Tech Improvements	498,547	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
119 Tech Grants	3,602,375	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0
136 Distressed School District Support	7,831	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
150 Home School Test	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
1PS Non-Traditional Licensure	28,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1QV Content & Curriculum	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1XE Economic Education	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0
2HP State Foundation Funding	1,880,752,714	0	1,923,089,661	0	1,923,089,661	0	1,961,843,724	0	1,962,310,105	0	1,962,310,105	0
2HR National School Lunch	195,907,571	0	200,253,906	0	200,253,906	0	213,768,543	0	213,768,543	0	213,768,543	0
2HS Prof Development Fund	24,170,187	0	24,643,985	0	24,692,402	0	25,225,822	0	25,126,997	0	25,126,997	0
2HU Supplemental Millage	2,991,328	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
2HX Distance Learning Operations	7,574,507	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0
2HY Education Renewal Zones	1,021,216	4	1,452,637	5	1,475,373	5	1,475,373	5	1,475,373	5	1,475,373	5
2JA Content Standards	0	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0
2JC Teacher Recruitment	2,099,999	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
2ZH School Funding Contingency	0	0	0	0	25,000,000	0	25,000,000	0	25,000,000	0	25,000,000	0
2ZK Leadership Acdmy-Mstr Principal	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2ZM Master Principal Bonus	157,000	0	90,000	0	200,000	0	200,000	0	200,000	0	200,000	0
2ZS Special Needs Isolated Funding	8,202,364	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
311 Alternative Learning	23,020,310	0	23,272,290	0	23,318,012	0	23,830,996	0	23,733,153	0	23,733,153	0
326 General Facilities Funding	2,426,779	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0
331 Isolated Funding	2,693,633	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0
332 Student Growth	39,776,517	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0
336 Bonded Debt Assistance	15,992,960	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0
34N 98% URT Actual Collection Adj	17,489,855	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0
380 Dept of Correction	6,024,799	0	5,597,675	0	6,220,892	0	6,396,775	0	6,396,775	0	6,396,775	0
394 Residential Ctrs/Juv Detention	21,344,079	0	15,188,254	0	16,345,087	0	16,345,087	0	16,345,087	0	16,345,087	0
421 Consolidation Incentive	0	0	0	0	3,760,200	0	5,640,300	0	5,640,300	0	5,640,300	0

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
434	Coop Education Tech Centers	1,200,000	0	0	0	0	1,200,000	0	1,200,000	0	1,200,000	0
437	Teacher Retirement Matching	8,299,018	0	6,655,000	0	0	10,102,189	0	11,112,407	0	11,112,407	0
438	NH Bd Prof Teaching Standards	11,098,084	0	9,106,160	0	0	13,516,160	0	15,016,160	0	15,016,160	0
440	Advanced Placement Incentive	822,304	0	825,000	0	0	825,000	0	825,000	0	825,000	0
444	Criminal Background Checks	39	0	25,000	0	0	25,000	0	25,000	0	25,000	0
445	AR Easter Seals	193,113	0	193,113	0	0	193,113	0	193,113	0	193,113	0
446	Public School Employee Ins	36,441,131	0	37,273,600	0	0	37,273,600	0	57,373,600	0	57,373,600	0
447	School Food Services	1,650,000	0	0	0	0	1,650,000	0	1,650,000	0	1,650,000	0
450	Surplus Commodities	1,000,000	0	780,000	0	0	1,349,810	0	1,349,810	0	1,349,810	0
451	Grants to School Districts	67,856	0	67,856	0	0	67,856	0	67,856	0	67,856	0
452	Workers' Compensation	152,256	0	450,000	0	0	450,000	0	450,000	0	450,000	0
454	School Food-Legislative Audit	75,000	0	75,000	0	0	75,000	0	75,000	0	75,000	0
457	Gifted & Talented	1,225,804	0	1,085,381	0	0	1,335,381	0	1,335,381	0	1,335,381	0
458	School Worker Defense	23,435	0	0	0	0	390,000	0	390,000	0	390,000	0
459	Assessment/End Course Testing	17,215,594	0	22,250,189	0	0	24,223,861	0	24,223,861	0	24,223,861	0
460	Court Ordered Desegregation	67,179,405	0	69,814,372	0	0	69,814,372	0	69,814,372	0	69,814,372	0
4HM	Teacher of the Year	59,100	0	100,000	0	0	100,000	0	100,000	0	100,000	0
4HN	Declining Enrollment	11,145,512	0	13,963,389	0	0	13,963,389	0	13,963,389	0	13,963,389	0
565	Intervention Block Grants	302,000	0	227,000	0	0	302,000	0	302,000	0	302,000	0
566	Serious Offender	1,716,859	0	1,050,946	0	0	1,716,859	0	1,716,859	0	1,716,859	0
59V	Coord School Health	2,000,000	0	2,000,000	0	0	2,000,000	0	2,000,000	0	2,000,000	0
59W	School Facility Joint Use	500,000	0	500,000	0	0	500,000	0	500,000	0	500,000	0
59X	Add Public School Employee Ins	15,000,000	0	58,000,000	0	0	58,000,000	0	15,000,000	0	15,000,000	0
652	Better Chance Program	109,807,980	0	111,000,000	0	0	111,000,000	0	111,000,000	0	111,000,000	0
668	Special Education Services	2,810,170	0	1,145,285	0	0	2,802,527	0	2,802,527	0	2,802,527	0
669	Human Dev Ctr Education Aid	526,150	0	526,150	0	0	526,150	0	526,150	0	526,150	0
670	Education Service Cooperatives	6,129,270	0	6,129,270	0	0	6,129,270	0	6,129,270	0	6,129,270	0
688	APSCN	21,150,746	45	22,627,814	48	0	22,872,943	48	22,875,544	48	22,875,544	48
697	Early Childhood Special Educ	16,897,920	0	15,623,079	0	0	16,897,920	0	16,897,920	0	16,897,920	0
698	Distance Learning	4,760,000	0	4,760,000	0	0	4,760,000	0	4,760,000	0	4,760,000	0
699	Teacher Licensing/Mentoring	5,008,758	0	5,008,758	0	0	5,008,758	0	5,008,758	0	5,008,758	0
F77	Safe School Init	0	0	0	0	0	691,500	0	691,500	0	691,500	0
F78	ALE Center-Trans	0	0	0	0	0	70,000	0	70,000	0	70,000	0

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
F79 Alt Learning Enviro Center - Truancy Ofcr	0	0	0	0	275,000	0	275,000	0	275,000	0	275,000	0
F80 Technology R&D	0	0	0	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
F81 School Recognition	0	0	0	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
F82 Inter Baccalaureate Prgm	0	0	0	0	75,000	0	75,000	0	75,000	0	75,000	0
Total	2,636,976,222	49	2,756,488,068	53	2,821,673,135	53	2,837,541,587	53	2,857,856,347	53	2,857,856,347	53

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	59,097,833	2.2	67,285,943	2.4	67,285,943	2.3	67,285,943	2.3	67,285,943	2.3
Merit Adjustment Fund	4000055	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Court Ordered Desegregation	4000180	67,143,463	2.5	69,814,372	2.5	69,814,372	2.4	69,814,372	2.4	69,814,372	2.4
DOE Public School Fund	4000195	1,961,576,841	72.5	2,008,442,215	71.1	2,062,741,865	71.4	2,073,860,269	71.9	2,073,860,269	71.9
E-Rate Credit	4000207	7,838,477	0.3	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3
Educational Adequacy Fund	4000210	434,031,542	16.0	434,031,542	15.4	434,031,542	15.0	434,031,542	15.0	434,031,542	15.0
Educational Excellence Fund	4000220	193,026,503	7.1	195,904,939	6.9	191,942,515	6.6	191,942,515	6.7	191,942,515	6.7
General Improvement Fund	4000265	0	0.0	43,000,000	1.5	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	35,941	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Adjustments	4000345	8,242,189	0.3	0	0.0	0	0.0	0	0.0	0	0.0
Property Tax Relief Trust	4000390	350,000	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TANF Transfer	4000478	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3
Trnfr frm DOE Pub School Fund	4000525	(35,872,219)	(1.3)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)
Transit Tax	4000700	1,291,595	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0
Unfunded Appropriation	4000715	0	0.0	0	0.0	57,106,711	2.0	42,353,950	1.5	42,353,950	1.5
Total Funds		2,704,262,165	100.0	2,823,774,011	100.0	2,888,217,948	100.0	2,884,583,591	100.0	2,884,583,591	100.0
Excess Appropriation/(Funding)		(67,285,943)		(67,285,943)		(50,676,361)		(26,727,244)		(26,727,244)	
Grand Total		2,636,976,222		2,756,488,068		2,837,541,587		2,857,856,347		2,857,856,347	

FY14 Budget and Authorized amounts for Additional Public School Employee Insurance (Fund Center 59X) reflect an additional \$43,000,000 appropriated by Act 5 of the First Extraordinary Session of 2013.

Budget and/or Actuals exceed Authorized in Smart Start/Smart Step, At Risk, Special Needs Isolated Funding, Student Growth and Residential Centers/Juvenile Detention due to special language which provides for Appropriation Transfer Authority.

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 2HY - Education Renewal Zones

Funding Sources: JAA - Department of Education Public School Fund

The Office of Educational Renewal Zones is responsible for developing guidelines for the approval of education renewal zone strategic plans and guidelines for the evaluation and reporting of education renewal zone activities. The purpose of an education renewal zone is to: identify and implement education and management strategies designed specifically to improve public school performance and student academic achievement, with special focus on the State's most academically distressed public schools; provide for collaboration among the State's smaller schools and districts in order to achieve some of the advantages of economies of scale in providing educational and related activities; maximize benefits and outcomes of public schooling by concentrating and coordinating the resources of Arkansas' higher education institutions, the expertise of the regional education service cooperatives, and the technical assistance of other service providers to improve public school performance and student academic achievement; and enable small, rural, and low-wealth schools to make the best use of the latest cost-effective distance learning technology to enhance curricula and professional development through two-way interactive learning environments.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2HY - Education Renewal Zones

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	213,978	249,054	259,688	259,688	259,688	259,688
	#Positions	4	5	5	5	5	5
Personal Services Matching	5010003	70,210	78,546	86,535	86,535	86,535	86,535
Operating Expenses	5020002	34,810	91,800	91,800	91,800	91,800	91,800
Conference & Travel Expenses	5050009	2,218	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	0	306,900	306,900	306,900	306,900	306,900
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	700,000	713,337	717,450	717,450	717,450	717,450
Capital Outlay	5120011	0	0	0	0	0	0
Total		1,021,216	1,452,637	1,475,373	1,475,373	1,475,373	1,475,373
Funding Sources							
DOE Public School Fund	4000195	1,021,216	1,452,637		1,457,923	1,457,923	1,457,923
Unfunded Appropriation	4000715	0	0		17,450	17,450	17,450
Total Funding		1,021,216	1,452,637		1,475,373	1,475,373	1,475,373
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		1,021,216	1,452,637		1,475,373	1,475,373	1,475,373

Analysis of Budget Request

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Arkansas Public School Computer Network (APSCN) - From a non-profit Agency begun in 1992, APSCN became a part of the Department of Education in 1998. APSCN's mission is to implement a statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the Department of Education to provide electronic access to administrative computing services and remote instructional services. Schools, district offices and Cooperatives use APSCN to process financial and student data.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	2,136,191	2,397,471	2,328,377	2,330,477	2,330,477	2,330,477
	#Positions	45	48	48	48	48	48
Personal Services Matching	5010003	691,656	755,451	791,477	791,978	791,978	791,978
Operating Expenses	5020002	18,297,653	18,967,642	19,245,839	19,245,839	19,245,839	19,245,839
Conference & Travel Expenses	5050009	1,299	7,250	7,250	7,250	7,250	7,250
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	23,947	200,000	200,000	200,000	200,000	200,000
Data Access Implementation	5900046	0	300,000	300,000	300,000	300,000	300,000
Total		21,150,746	22,627,814	22,872,943	22,875,544	22,875,544	22,875,544
Funding Sources							
DOE Public School Fund	4000195	13,312,269	14,627,814		14,675,544	14,675,544	14,675,544
E-Rate Credit	4000207	7,838,477	8,000,000		8,000,000	8,000,000	8,000,000
Unfunded Appropriation	4000715	0	0		200,000	200,000	200,000
Total Funding		21,150,746	22,627,814		22,875,544	22,875,544	22,875,544
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		21,150,746	22,627,814		22,875,544	22,875,544	22,875,544

FY14 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2013-2015 Biennium.

Analysis of Budget Request

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

The Department of Education Public School Fund provides the primary State financial assistance to Arkansas' public elementary and secondary schools. For FY14, the major funding sources for the Department of Education Public School Fund are projected as: General Revenue funding of approximately \$2.008 billion, the Educational Excellence Trust Fund will provide \$195.9 million, and the Educational Adequacy Fund will provide \$434 million.

The following discussion summarizes the fiscal status and change level requests for each program in the Department of Education Public School Fund.

Grants to School Districts (451) - These payments are made for educating students in North Arkansas who can't get to their assigned district because Bull Shoals Lake separates them from their district, which would require a round trip of more than 35 miles to attend their assigned school.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Economic Education (1XE) - The objective of this program is to integrate economics into the K-12 curriculum by training teachers and administrators in economic principles.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Intervention Block Grants (565) - This program provides grants to local school districts, schools and education cooperatives to provide services targeting parent involvement. The grants support the Smart Start and Smart Step Initiatives by providing the child's first teacher, the parent, with resources that will support literacy and mathematics achievement.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Technology Grants (119) - The Technology Grants appropriation is used to make technology grants to school districts for such programs as the Environmental and Spatial Technology (EAST) Initiative. The EAST program has received high praise from local school administrators and parents as well as national recognition. The EAST Initiative began in the 1996-97 school year at Greenbrier High School with 20 students. Today, the program has grown to over 10,000 students. Through their schools' EAST labs, students use technology and their training and knowledge to solve real-world problems facing their communities.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Non-Traditional Licensure Grants (1PS) - This program supplements the cash funded Alternative Certification program which was developed by the Department of Education for certifying individuals, that have expertise and knowledge in a particular subject, but do not have the standard teaching certificate, to teach.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

At-Risk Children & Youth (84U) - Act 132 of 2012 authorized this program to provide grants for after-school, literacy and nutrition services for at-risk children and youth.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Additional Public School Employee Health Insurance (59X) - This program was added to the Education Public School Fund in FY10. This appropriation allows the Department of Education to pay up to \$15,000,000 in additional health insurance contributions for eligible employees electing to participate in the public school employees' health insurance program administered by the State and Public School Life and Health Insurance Board. The Department of Education is authorized to make these payments if 98% of the URT used in the calculation for State Foundation Funding Aid exceeds \$920,731,819.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Better Chance Program (652) - This program funds innovative and developmentally appropriate early childhood programs for educationally deprived children ages 3-5. Act 1132 of 1997 transferred the Early Childhood Commission to the Department of Human Services with the Grants remaining with the Department of Education.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Distance Learning Operating Grants (2HX) - These grants provide funding for acquiring and or leasing equipment and telecommunications services, and operating expenses necessary for school districts to have two-way interactive television for distance learning education. The primary purpose is to provide distance learning resources to assist school districts in receiving advanced high school courses, advanced placement courses, enriched course content, or other academic courses not otherwise available in the school district.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Declining Enrollment (4HN) - Act 20 of the 1st Extraordinary Session of 2006 provides school districts with declining enrollment additional funding equal to the difference between the average of the two immediately preceding years' average daily membership and the average daily membership for the previous school year multiplied by Foundation Funding or the special needs isolated funding under A.C.A. § 6-20-604. A school district may receive both declining enrollment funding and special needs isolated funding only if sufficient funding is available.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

School Worker Defense (458) - This program provides for claims and legal fees for liability suits against school personnel.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

School Funding Contingency (2ZH) - The School Funding Contingency appropriation is an authorization of unfunded appropriation that is used to address unforeseen problems that arise during the course of a biennium. The Department of Education has special language allowing the transfer of this appropriation to address problem areas.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

School Food - Legislative Audit (454) - This is a fund transfer up to \$75,000 each year to compensate Legislative Audit for auditing school food funds in the local school districts.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Serious Offender Program (566) - Serious Offender Units for juveniles are operated by the Department of Human Services, but the Department of Education pays the educational costs of those located in these units through a Memorandum of Understanding (MOU) with DHS. School districts are provided funds based on the number of Serious Offender participants in the district. The funds then flow to the provider in the district. There are currently Serious Offender Programs (SOP) located in Mansfield, Harrisburg, Lewisville, Palestine-Wheatley, and Dermott school districts.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Special Education Services (668) - This program provides extended year summer programs for students with disabilities, provides special education services to foster children who are wards of the State placed in out-of-state residential facilities, and provides funds for the partial reimbursement of special education supervisors.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Special Education - Catastrophic (091) - Provides for state funding to school districts for local occurrences when the costs of special education and related services required by an individual child are unduly expensive, extraordinary, or beyond the routine and normal costs associated with special education. Reimbursement from this program for an individual child can be sought only after eligible costs equal or exceed \$30,000 for the special education child. Medicaid and other third party funding are obtained prior to requesting state catastrophic funding.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Smart Start/Smart Step Assessment (057) - The Smart Start program is a comprehensive initiative that focuses on improving the academic achievement of Kindergarten through fourth grade students in the areas of reading and mathematics. Since its inception in FY00, this program has been expanded to include Smart Step and Next Step which covers grades five through eight. A state network of literacy and mathematics specialists assist schools with professional development to maintain a highly qualified teaching staff. In addition, the program provides professional development opportunities to all K-12 educators through statewide conferences, regional workshops and satellite delivered meetings. K-12 schools are also provided a variety of resources including professional books and videos.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any

Governor's Letters adopted and member amendments.

Public School Athletic Training Program Certified (86U) - This program provides grants to public schools to provide access to athletic trainers and to promote the health and safety of students by the Department of Education. This appropriation was authorized under Act 269 of 2012.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Professional Development Funding (2HS) - This aid, through A.C.A § 6-20-2305(b)(5), is a formula driven program that provides \$32.40 per the previous year ADM students to school districts for professional development activities. Professional development is used to provide activities and materials to improve the knowledge of teachers and administrators to ensure that all students demonstrate proficiency in the state academic standards.

There are two appropriation summaries provided for this appropriation:

Page 84 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 87 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The revised FY15 Agency Request reflects the following change from the FY15 ALC/JBC Legislative Recommendation:

- \$98,825 appropriation decrease to align appropriation levels with the recommendation of an inflationary adjustment of 1.8% on the Professional Development categorical by the House and Senate Interim Committees on Education.

The Executive Recommendation provides for the Agency Request.

National Board of Professional Teaching Standards (438) - A.C.A. §6-17-413(a)(1)(A) calls for teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees

and substitute pay required for candidacy, and a support system for those candidates.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Public School Employee Insurance (446) - This program pays the state contribution for insurance premiums for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals, and the school operated by the Department of Correction, and \$131 per month for each eligible employee electing to participate in the public school employee health insurance program.

There are two appropriation summaries provided for this appropriation:

Page 84 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 87 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The revised FY15 Agency Request reflects the following changes from the FY15 ALC/JBC Legislative Recommendation:

- \$20,100,000 in appropriation and \$10,000,000 in new general revenue funding would allow the Department of Education to pay additional health insurance contributions for eligible employees electing to participate in the public school employees' health insurance program administered by the State and Public School Life and Health Insurance Board.

The Executive Recommendation provides for the Agency Request.

School Food Services (447) - This program combined with the Surplus Commodities program provides the State match for the total school food program in local schools. This grant is paid to school districts based on the number of lunches served.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

School Facility Joint Use Support (59W) - As part of the 2009 Healthcare Initiative, this program is designed to encourage schools to allow their physical plants, both indoor and outdoor, to be used by the public and by community members as an accessible and safe environment for community and family physical activity.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Residential Centers/Juvenile Detention (394) - This program provides reimbursement to school districts for the educational costs associated with disabled and non-disabled students placed in approved residential psychiatric and drug and alcohol treatment facilities or juvenile detention centers.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Teacher Recruitment High-Priority District (2JC) - A.C.A. §6-17-811 requires the Department of Education to provide a system of incentives for teacher recruitment and retention in high priority districts. A "High-Priority District" is one that has 1,000 or fewer students in which 80% or more of public school students are eligible for the free or reduced-price lunch program under the National School Lunch Act and have a three-quarter ADM of 1,000 or fewer for the 2003-2004 school year. Beginning in the 2004-2005 school year, a teacher licensed by the state board who teaches in a school in a high-priority district shall receive, in addition to all other salary and benefits, bonus payments as specified by law.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Teacher of the Year (4HM) - Act 17 of the 1st Extraordinary Session of 2006 established a grant for the Arkansas Teacher of the Year award. The Act requires the Department of Education to develop a process for selecting the Arkansas Teacher of the Year and provides that

the teacher shall be placed on administrative leave for the year following his or her selection to assist with improving teaching conditions in the state.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Teacher Licensure/Mentoring (699) - This program covers the Arkansas Induction program for new teachers and administrators. The Induction program provides Pathwise mentoring for support, retention, and professional growth of new educators. To date, there have been 200 mentor trainers certified statewide, and 12,000 mentors successfully trained in the Pathwise Observation mentoring model. Praxis III performance assessment is also a component of the Induction program. Praxis III is the teaching performance assessment that is conducted by a trained, site-based assessor for determining standard licensure decisions for new teachers. Currently there are 80 assessors trained for this purpose.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Teacher Retirement Matching (437) - This is the employer matching for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals and the school operated by the Department of Correction.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Youth Shelters (094) - The Department of Human Services (DHS) maintains contracts with community providers for the operation of 10 youth shelters with approximately 250 beds. This program partially reimburses school districts for the additional costs of providing educational services to students placed in these facilities by DHS.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any

Governor's Letters adopted and member amendments.

Workers' Compensation (452) - Claims and administrative expenses are paid by a fund transfer to the Miscellaneous Revolving Fund based on the previous year's claims. This appropriation is for claims made before 1994-95 when districts were required by Act 862 of 1993 to provide their own workers' compensation coverage.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Technology Improvements (108) - These improvements are used to update the technology hardware and software available to Educational Service Cooperatives and local school districts. The funds are also used to make educational technology resources available through statewide projects such as APSCN and joint efforts with the state library system. The technology improvement grants and resources provided through this appropriation affect virtually every district in the state.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Student Growth Funding (332) - Student Growth Funding is a program that provides supplemental funding to school districts that have a growth in students over the previous school year. Pursuant to Act 272 of 2007, student growth funding is comprised of four calculations. One quarter (1/4) of the per student foundation funding is multiplied by any increase in the school district's: (1) first quarter current year Average Daily Membership (ADM) over the 3-quarter ADM of the previous school year; (2) second quarter current year ADM over the 3-quarter ADM of the previous school year; (3) third quarter current year ADM over the 3-quarter ADM of the previous school year; and (4) fourth quarter current year ADM over the 3-quarter ADM of the previous school year, excluding any increase resulting solely from consolidation or annexation with another district.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

State Foundation Funding (2HP) - State Foundation Funding is the amount of state financial aid provided to each school district. Act 59 of the Second Extraordinary Session of 2003 changed the process by which aid is distributed to school districts. Act 1467 of 2013 amended A.C.A. § 6-20-2305(a) to establish the Foundation Funding amount as \$6,393 in FY14 multiplied by the school district's average daily membership (ADM) for the previous school year.

The amount paid as State Foundation Funding is computed as the difference between the Foundation Funding amount established by the General Assembly (\$6,521 for FY15) times the ADM of the previous school year and less the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus 100% of miscellaneous funds (average over a 5 year period) of the school district. Open-Enrollment Charter Schools are also funded from the Foundation Funding line item at the Foundation amount multiplied by the current year ADM of the school.

There are two appropriation summaries provided for this appropriation:

Page 85 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 88 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The revised FY15 Agency Request reflects the following change from the FY15 ALC/JBC Legislative Recommendation:

- \$466,381 appropriation increase to align appropriation levels with the recommendation of an inflationary adjustment of 2% on State Foundation Funding by the House and Senate Interim Committees on Education.

The Executive Recommendation provides for the Agency Request.

Special Needs Isolated (2ZS) - Act 1452 of 2005 created this program for certain isolated schools and certain school districts with a low student density. The program allows for these schools that meet the eligibility criteria set by the Department to receive additional funding to provide for an adequate education for the students.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any

Governor's Letters adopted and member amendments.

Student Success Pilot (86T) - Act 269 of 2012 authorized this program to implement a pilot student research and data project which will allow easy access to multiple types of student, teacher, school and district data.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Surplus Commodities (450) - The Department of Human Services administers the Surplus Commodities Program. School districts currently receive a large share of the commodities. Under an agreement with DHS, the Department of Education provides funding to supplement transportation costs resulting from delivery of the goods to the school districts.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Supplemental Transportation (86C) - This program was authorized under Act 269 of 2011 for the purpose of distributing supplemental transportation funds to address the extraordinary transportation needs of public school districts.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Supplemental Millage Incentive Funding (2HU) - Act 2206 of 2005 repealed A.C.A. § 6-20-2406 for supplemental millage funding. However, A.C.A. § 6-20-2503 (f)(2)(A) requires state financial assistance under this program to be paid out over a ten year period by reducing the amount received by a school district after Fiscal Year 2006 by one-tenth in each year of the ten year period. Act 1 of the First Extraordinary Session of 2013 requires the savings in this program during each fiscal year to be transferred to the Employee Benefits Division of the Department of Finance and Administration for the exclusive benefit of public school employees participating in the State and Public School Life and Health Insurance Program.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

National School Lunch Student Funding (2HR) - Funding for national school lunch students shall be based on the number of students eligible for free or reduced-price lunch program under the National School Lunch Act (NSLA) identified on the Arkansas Public School Computer Network Cycle Two Report.

The current rates for the NLSA as listed in A.C.A. § 6-20-2305(b)(4)(A), are:

- School districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$1,549;
- For school districts in which at least 70% but less than 90% of the enrolled students are national school lunch students, funding shall be \$1,033; and
- For school districts in which less than 70% of the enrolled students are national school lunch students, funding shall be \$517.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Content Standards and Curriculum Frameworks Revision (1QV) - Act 1706 of 2003 grants appropriation for expenses associated with the development of a comprehensive plan to revise content standards and curriculum frameworks in the core academic areas of reading, writing, mathematics, science, history, geography, and civics.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Consolidation Incentive (421) - These are additional funds provided to schools created as a result of consolidation of existing school districts. The incentive is unrestricted and may be used at the discretion of the local school district.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Bonded Debt Assistance (336) - A.C.A. §6-20-2503 created the Bonded Debt Assistance Program to enable the Division of Public School Academic Facilities and Transportation to provide eligible school districts with financial assistance for the purpose of retiring outstanding bonded indebtedness in existence as of January 1, 2005. The Commission for Public School Academic Facilities and Transportation directs the Division to work with the Department of Education to determine the amount of financial assistance for each eligible school district. The Division is responsible for ascertaining the scheduled debt payment on a fiscal year basis from the principal and interest payment in effect and on file with the Department. The available funding after final payments have been made for this program are then transferred to the Education Partnership Fund.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Content Standards Revision (2JA) - This appropriation is for the cost associated with the periodic review and revision of Academic Content Standards as required by A.C.A. §6-15-404(c). Academic Content Standards are a series of documents that specify what a student enrolled in an Arkansas Public School should know and be able to do. The Academic Content Standards also provide the foundation for the development of the State assessment system.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Court Ordered Desegregation (460) - This appropriation was established for costs stemming from the Pulaski County School Desegregation Settlement Agreement and the Camden Fairview Desegregation Settlement.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any

Governor's Letters adopted and member amendments.

Coordinated School Health (59V) - This program was part of the 2009 Healthcare Initiative and is designed to facilitate working relationships between schools and communities through collaborative partnerships to provide or improve existing student health services and garner existing local resources.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Cooperative Education Tech Centers (434) - Technology Coordinators in the Education Service Cooperatives assist local school districts by providing technology training, advising school districts in software/hardware purchases and overseeing technology initiatives. This program provides grants to each of the State's 15 Education Service Cooperatives.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Alternative Learning (311) - A.C.A. §6-18-508 requires every school district to establish an alternative learning environment (ALE) for students who have shown an inability to function in a standard learning environment. It also requires the Department to establish an incentive program for districts whose ALE programs meet Department guidelines. ALE's must provide all of the educational programs available in other classrooms, and must provide additional services to meet the needs of this group of at-risk children. Additionally, A.C.A. § 6-20-2305(b)(2)(A)(i) establishes the ALE funding amount for FY2014 shall be \$4,305 (\$4,383 in FY15) multiplied by the number of identified ALE students enrolled during a school district's previous school year.

There are two appropriation summaries provided for this appropriation:

Page 85 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 88 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted

and member amendments. The revised FY15 Agency Request reflects the following change from the FY15 ALC/JBC Legislative Recommendation:

- \$97,843 appropriation decrease to align appropriation levels with the recommendation of an inflationary adjustment of 1.8% on the Alternative Learning categorical by the House and Senate Interim Committees on Education.

The Executive Recommendation provides for the Agency Request.

Advanced Placement Incentive (440) - This provides support to establish advanced placement courses that are easily accessible and will prepare students for admission to, and success in, a postsecondary educational environment. The major aspect of this incentive program, now that the state is paying for all student AP exams, is support for professional development for AP and Pre-AP teachers.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

98% URT Actual Collection Adjustment (34N) - To insure that every public school district receives the full amount of Foundation Funding, the 86th General Assembly created Act 272 of 2007, amending A.C.A. §6-20-2305(a)(4)(A), which states by the end of each school year, for a school district whose net revenues are less than the sum of 98% of the uniform rate of tax (URT) multiplied by the property tax assessment of the school district, the Department of Education shall distribute to the school district the difference between the net revenues of the school district and the sum of 98% of the URT multiplied by the property assessment of the school district.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Alternative Pay (34K) - Act 847 of 2007 created the Alternative Pay program to establish rules for determining a salary amount that is part of the licensed or classified employee's total compensation for additional responsibilities, mastery of new knowledge and skills, advanced career opportunities, increase student achievement, attracting highly qualified teachers or professional development exceeding state minimums.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

At Risk (088) - The College Preparatory Enrichment Program (CPEP) is funded from the At Risk appropriation. The program provides remedial instruction during the summer for students entering the eleventh and twelfth grade whose scores on the American College Test (ACT) are below 19 in the areas of reading and/or mathematics. The students are provided 75 hours of instruction over a minimum of twenty days. At the conclusion of the program, students are given the opportunity to take the ACT and the cost is covered by the program. This is a special administration of the ACT for the students who have successfully completed the CPEP program. This program also utilizes the assessment programs such as Explore, a program designed for 8th and 9th grade students planning to take the ACT; Plan, which is for 10th grade students and the Preliminary SAT/ National Merit Scholarship Qualifying Tests.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Assessment/End of Level Testing (459) - A.C.A. §6-15-404 requires standards based testing at the primary, intermediate, and middle levels, which currently is administered at grades 4, 6, and 8. It also requires end-of-course testing for Algebra, Geometry, and Literacy (grade 11). Included in this appropriation is the cost of the Advance Placement exams. This appropriation also pays for awards of up to \$50 to schools for each score of 3 or better on AP exams

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Arkansas Easter Seals (445) - This program, established in the 1960s, partially funds the cost of educational services provided by the Easter Seal Society to children ages 3 to 21 who have orthopedic and/or communicative disorders. This funding reduces the amount that local school districts have to pay for these educational services and also qualifies the facility as "state supported" so that federal funds are available to further reduce the cost to local school districts.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and

Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any

Home School Testing (150) - Each student enrolled in a home school program who is considered to be at grade level or no more than two (2) years beyond the normal age for the appropriate grade for which the state mandates norm-referenced tests for public school students shall be tested using a nationally recognized norm-referenced achievement test selected by the State Board of Education.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Gifted and Talented (457) - This program provides: (1) salary support for 15 Gifted and Talented supervisors in the Cooperatives; (2) funding for the Arkansas Governor's School; (3) Act 56 - Outstanding Gifted Program Awards (3 annually); and, (4) an annual contribution to the AGATE (Arkansans for Gifted and Talented Education Conference).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

General Facilities Funding (326) - A.C.A. §6-20-2503 (e)(1) et. seq. requires the Commission of Academic Facilities and Transportation to compute the amount of general facilities funding that each school district received or would have received under the Supplemental School District Funding Act of 2003 during FY2005, then the commission shall phase out state financial assistance under the general facilities funding over a 10 year period by reducing the amount received by a school district after FY2006 by one tenth (1/10) in each year of the ten year period. Act 1 of the First Extraordinary Session of 2013 requires the savings in this program during each fiscal year to be transferred to the Employee Benefits Division of the Department of Finance and Administration for the exclusive benefit of public school employees participating in the State and Public School Life and Health Insurance Program.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Human Development Center Education Aid (669) - This program provides funding for educational services to the children in the State's

Human Development Centers.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Master Principal Bonus (2ZM) - Act 44 of the 2nd Extraordinary Session of 2003 provided for incentive bonuses for principals achieving Master Principal status through the Arkansas Leadership Academy. Section 3 of Act 44 allows for \$9,000 annually for five years while serving as a full-time principal in a public school in Arkansas. Section 4 provides for \$25,000 annually while working as a full time principal in an Arkansas "low-performing" school.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Leadership Academy - Master Principal (2ZK) - The Arkansas Leadership Academy is responsible for administering the Master School Principal Program. The program provides training programs and opportunities to expand the knowledge base and leadership skills of public school principals, as well as teachers, superintendents and other administrators, and school board members.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Isolated Funding (331) - Because of location or geographic barriers, some districts are not able to share resources with other districts or may have unusual transportation needs. These districts under 350 Average Daily Membership (ADM) are termed "isolated" and receive additional funding. Act 65 of the Second Extraordinary Session of 2003 established 56 "isolated" school districts and set a per student dollar amount to be paid to each district for the 2003-04 school year. Beginning in the 2004-05 school year, and each year thereafter, isolated funding will be provided to each district in an amount equal to the prior year three-quarter average daily membership of the isolated school area multiplied by the per student isolated funding amount set for the 2003-04 school year.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and

Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Distance Learning (698) - The purpose of this program is to provide for the establishment, organization, and administration of a distance learning program designed to improve course offerings available to students throughout the state. The program will demonstrate the efficiency of using distance learning to enhance elementary and secondary education and prepare students for greater success in a postsecondary educational environment.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Department of Correction (380) - A.C.A. §12-29-301 et seq. established the Department of Correction School District and establishes a formula to determine the funding level and states that the cost of running the Department of Correction School District shall be borne by the Department of Correction and the Department of Education.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Criminal Background Checks (444) - This program provides \$50,000 each year to pay the costs of both state and federal criminal background checks for the first renewal of non-expired licenses for certified personnel. The checks cost \$15 for the State Police check and \$24 for the FBI.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Distressed School District Support (136) - The Arkansas Academic Distress Program was legislated by Act 915 of 1995. The purpose of this Act is to improve the capacity of local school districts whose students are not achieving at academically desired levels by school

through targeted assistance coordinated by the Department of Education.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

English Language Learners (082) - English Language Learners (formerly Limited English Proficiency, amended by Act 59 of the Second Extraordinary Session of 2003) serves students identified as not being proficient in the English language. This program helps enable school districts to provide specially-trained staff, instructional materials and training for teachers with these qualified students. The Agency also holds summer training academies for teachers desiring additional training in teaching and assisting these students. A.C.A. §6-20-2305(b)(3)(A) states that beginning with the 2013-2014 school year English language learners funding shall be \$311 (FY15 \$317) for each identified English language learner.

There are two appropriation summaries provided for this appropriation:

Page 85 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 88 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The revised FY15 Agency Request reflects the following change from the FY15 ALC/JBC Legislative Recommendation:

- \$54,953 appropriation decrease to align appropriation levels with the recommendation of an inflationary adjustment of 1.8% on the English Language Learners categorical by the House and Senate Interim Committees on Education.

The Executive Recommendation provides for the Agency Request.

Education Service Cooperatives (670) - The fifteen (15) educational cooperatives around the State facilitate the sharing of resources and services between local school districts.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and

Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Early Childhood Special Education (697) - This program provides special education services through local education agencies for three to five year old preschool children with disabilities. Funds are also provided to Education Service Cooperatives for behavioral intervention services to all community preschool programs as well as to coordinate required transition activities for children ages 0 - 2 that will remain in special education as 3 - 5 preschoolers. Also in this program are funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Safe School Initiative (F77) - This appropriation provides for grants and aid to local school districts participating in the Safe School Initiative Act. Act 484 of 2013 established the Safe School Initiative Act, in which the Criminal Justice Institute provides the necessary training and education for school district personnel, law enforcement officers, emergency management personnel and other persons who will conduct school safety assessments and active shooter drills on a school campus.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Alternative Learning Environment Center - Transportation (F78) - This appropriation provides for grants and aid to local school districts that transport students to a regional community alternative learning environment center that serves three or more contiguous counties in which the most recent census indicates high rates of poverty or declining population.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Alternative Learning Environment Center - Truancy Officers (F79) - This appropriation provides for grants and aid to local school districts to employ one or more truancy officers for a school district with a high dropout rate.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Technology Development and Research Grants (F80) - This appropriation provides for grants to the Arkansas Science and Technology Authority for technology development and research grants.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Arkansas School Recognition Program (F81) - This appropriation provides for payment of financial awards to public schools through the Arkansas School Recognition Program. Act 35 of 2003 established the Arkansas School Recognition Program to provide an incentive program for outstanding schools.

There are two appropriation summaries provided for this appropriation:

Page 84 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 87 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The revised FY15 Agency Request reflects the following change from the FY15 ALC/JBC Legislative Recommendation:

- \$7, 000,000 in new general revenue funding.

The Executive Recommendation provides for the Agency Request.

International Baccalaureate Program (F82) - This appropriation provides for grants and aid to local school districts participating in the International Baccalaureate Program (IB). The International Baccalaureate (IB) Diploma Program is an internationally recognized rigorous pre-university curriculum that is studied over a two-year period, 11th and 12th grade years.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Fund Transfers - In each fiscal year, \$11,115,000 is transferred from the Department of Education Public School Fund Account to various entities for the following purposes:

- (1) Act 2131 of 2005, Section 17 requires a transfer of \$200,000 during each fiscal year to the University of Arkansas at Little Rock , specifically to provide funding for the Arkansas/STRIVE Program.
- (2) Act 2090 of 2005, Section 7 states that "the Director of the Assessment Coordination Department of the State of Arkansas shall certify monthly to the Chief Fiscal Officer of the State, the amount of funding needed each month to pay counties and professional reappraisal companies for the reappraisal of real property as required by law. Upon receipt of such certification the Chief Fiscal Officer of the State shall transfer on his books and those of the State Treasurer 76% of the amounts certified from the Department of Education Public School Fund Account, 16% of the amount certified from the County Aid Fund, and 8% of the amount certified from the Municipal Aid Fund to the Arkansas Real Property Reappraisal Fund." The amount to be transferred from the Public School Fund is projected to be \$10,830,000 in FY15.
- (3) Surety Bond Transfer - This program pays for the surety bond for public school employees. The appropriation is made to the Department of Finance and Administration but paid from the Department of Education Public School Fund. The amount transferred is projected to be \$85,000 in FY15.

Appropriation Summary

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Safe School Init	5100004	0	0	691,500	691,500	0	691,500
Non-Traditional Licensure	5100004	28,000	50,000	50,000	50,000	50,000	50,000
Intervention Block Grants	5100004	302,000	227,000	302,000	302,000	302,000	302,000
Technology R&D	5100004	0	0	3,000,000	3,000,000	0	3,000,000
Tech Grants	5100004	3,602,375	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678
School Recognition	5100004	0	0	10,000,000	10,000,000	0	10,000,000
Inter Baccalaureate Prgm	5100004	0	0	75,000	75,000	0	75,000
Declining Enrollment	5100004	11,145,512	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389
Better Chance Program	5100004	109,807,980	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000
Add Public School Employee Ins	5100004	15,000,000	58,000,000	58,000,000	15,000,000	15,000,000	15,000,000
Grants to School Districts	5100004	67,856	67,856	67,856	67,856	67,856	67,856
Economic Education	5100004	350,000	350,000	350,000	350,000	350,000	350,000
Distance Learning Operations	5100004	7,574,507	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
School Funding Contingency	5900046	0	0	25,000,000	25,000,000	25,000,000	25,000,000
School Food-Legislative Audit	5900046	75,000	75,000	75,000	75,000	75,000	75,000
School Food Services	5900046	1,650,000	0	1,650,000	1,650,000	1,650,000	1,650,000
Smart Start/Smart Step	5900046	10,867,302	10,094,295	10,666,303	10,666,303	10,666,303	10,666,303
Serious Offender	5900046	1,716,859	1,050,946	1,716,859	1,716,859	1,716,859	1,716,859
School Worker Defense	5900046	23,435	0	390,000	390,000	390,000	390,000
School Facility Joint Use	5900046	500,000	500,000	500,000	500,000	500,000	500,000
Ntl Bd Prof Teaching Standards	5900046	11,098,084	9,106,160	13,516,160	15,016,160	15,016,160	15,016,160
National School Lunch	5900046	195,907,571	200,253,906	200,253,906	213,768,543	205,472,186	213,768,543
Master Principal Bonus	5900046	157,000	90,000	200,000	200,000	200,000	200,000
Residential Ctrs/Juv Detention	5900046	21,344,079	15,188,254	16,345,087	16,345,087	16,345,087	16,345,087
Public School Employee Ins	5900046	36,441,131	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600
Prof Development Fund	5900046	24,170,187	24,643,985	24,692,402	25,225,822	24,246,287	25,225,822
Special Ed-Catastrophic	5900046	11,000,000	11,000,000	12,900,000	12,900,000	12,900,000	12,900,000
Teacher Retirement Matching	5900046	8,299,018	6,655,000	10,102,189	11,112,407	11,112,407	11,112,407
Teacher Recruitment	5900046	2,099,999	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Teacher of the Year	5900046	59,100	100,000	100,000	100,000	100,000	100,000
Youth Shelters	5900046	165,000	165,000	165,000	165,000	165,000	165,000
Workers' Compensation	5900046	152,256	450,000	450,000	450,000	450,000	450,000

Appropriation Summary

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Tech Improvements	5900046	498,547	500,000	500,000	500,000	500,000	500,000
Teacher Licensing/Mentoring	5900046	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758
State Foundation Funding	5900046	1,880,752,714	1,923,089,661	1,923,089,661	1,961,843,724	1,891,315,753	1,961,843,724
Special Needs Isolated Funding	5900046	8,202,364	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Special Education Services	5900046	2,810,170	1,145,285	2,802,527	2,802,527	2,802,527	2,802,527
Surplus Commodities	5900046	1,000,000	780,000	1,349,810	1,349,810	1,349,810	1,349,810
Supplemental Millage	5900046	2,991,328	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Student Growth	5900046	39,776,517	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000
Leadership Acdmy-Mstr Principal	5900046	500,000	500,000	500,000	500,000	500,000	500,000
Consolidation Incentive	5900046	0	0	3,760,200	5,640,300	5,640,300	5,640,300
Bonded Debt Assistance	5900046	15,992,960	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384
At Risk	5900046	1,852,205	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530
Coop Education Tech Centers	5900046	1,200,000	0	1,200,000	1,200,000	1,200,000	1,200,000
Content Standards	5900046	0	161,000	161,000	161,000	161,000	161,000
Content & Curriculum	5900046	0	50,000	50,000	50,000	50,000	50,000
Assessment/End Course Testing	5900046	17,215,594	22,250,189	24,223,861	24,223,861	24,223,861	24,223,861
ALE Center-Trans	5900046	0	0	70,000	70,000	0	70,000
Advanced Placement Incentive	5900046	822,304	825,000	825,000	825,000	825,000	825,000
98% URT Actual Collection Adj	5900046	17,489,855	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000
AR Easter Seals	5900046	193,113	193,113	193,113	193,113	193,113	193,113
Alternative Learning	5900046	23,020,310	23,272,290	23,318,012	23,830,996	22,860,796	23,830,996
Alt Learning Enviro Center - Truancy Ofcr	5900046	0	0	275,000	275,000	0	275,000
Coord School Health	5900046	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Gifted & Talented	5900046	1,225,804	1,085,381	1,335,381	1,335,381	1,335,381	1,335,381
General Facilities Funding	5900046	2,426,779	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
English Language Learners	5900046	11,751,640	13,049,411	13,075,049	14,059,595	13,514,685	14,059,595
Isolated Funding	5900046	2,693,633	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000
Human Dev Ctr Education Aid	5900046	526,150	526,150	526,150	526,150	526,150	526,150
Home School Test	5900046	250,000	250,000	250,000	250,000	250,000	250,000
Education Service Cooperatives	5900046	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270
Dept of Correction	5900046	6,024,799	5,597,675	6,220,892	6,396,775	6,396,775	6,396,775
Criminal Background Checks	5900046	39	25,000	25,000	25,000	25,000	25,000

Appropriation Summary

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Court Ordered Desegregation	5900046	67,179,405	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372
Early Childhood Special Educ	5900046	16,897,920	15,623,079	16,897,920	16,897,920	16,897,920	16,897,920
Distressed School District Support	5900046	7,831	50,000	50,000	50,000	50,000	50,000
Distance Learning	5900046	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000
Total		2,614,804,260	2,732,407,617	2,797,324,819	2,813,190,670	2,717,760,197	2,813,190,670

Funding Sources							
Fund Balance	4000005	59,097,833	67,285,943		67,285,943	67,285,943	67,285,943
Merit Adjustment Fund	4000055	0	0		0	0	0
Court Ordered Desegregation	4000180	67,143,463	69,814,372		69,814,372	69,814,372	69,814,372
DOE Public School Fund	4000195	1,947,243,356	1,992,361,764		2,046,608,398	1,999,378,687	2,046,608,398
Educational Adequacy Fund	4000210	434,031,542	434,031,542		434,031,542	434,031,542	434,031,542
Educational Excellence Fund	4000220	193,026,503	195,904,939		191,942,515	191,942,515	191,942,515
General Improvement Fund	4000265	0	43,000,000		0	0	0
M & R Sales	4000340	35,941	0		0	0	0
Miscellaneous Adjustments	4000345	8,242,189	0		0	0	0
Property Tax Relief Trust	4000390	350,000	0		0	0	0
TANF Transfer	4000478	7,500,000	7,500,000		7,500,000	7,500,000	7,500,000
Trnfr frm DOE Pub School Fund	4000525	(35,872,219)	(11,115,000)		(11,115,000)	(11,115,000)	(11,115,000)
Transit Tax	4000700	1,291,595	910,000		910,000	910,000	910,000
Unfunded Appropriation	4000715	0	0		56,889,261	25,000,000	56,889,261
Total Funding		2,682,090,203	2,799,693,560		2,863,867,031	2,784,748,059	2,863,867,031
Excess Appropriation/(Funding)		(67,285,943)	(67,285,943)		(50,676,361)	(66,987,862)	(50,676,361)
Grand Total		2,614,804,260	2,732,407,617		2,813,190,670	2,717,760,197	2,813,190,670

FY14 Budget and Authorized amounts in Additional Public School Employee Insurance reflect an additional \$43,000,000 appropriated by Act 5 of the First Extraordinary Session of 2013.

Budget and/or Actuals exceed Authorized in Smart Start/Smart Step, At Risk, Special Needs Isolated Funding, Student Growth and Residential Centers/Juvenile Detention due to special language which provides for Appropriation Transfer Authority.

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Safe School Init	5100004	0	0	691,500	691,500	691,500	691,500
Non-Traditional Licensure	5100004	28,000	50,000	50,000	50,000	50,000	50,000
Intervention Block Grants	5100004	302,000	227,000	302,000	302,000	302,000	302,000
Technology R&D	5100004	0	0	3,000,000	3,000,000	3,000,000	3,000,000
Tech Grants	5100004	3,602,375	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678
School Recognition	5100004	0	0	10,000,000	10,000,000	10,000,000	10,000,000
Inter Baccalaureate Prgm	5100004	0	0	75,000	75,000	75,000	75,000
Declining Enrollment	5100004	11,145,512	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389
Better Chance Program	5100004	109,807,980	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000
Add Public School Employee Ins	5100004	15,000,000	58,000,000	58,000,000	15,000,000	15,000,000	15,000,000
Grants to School Districts	5100004	67,856	67,856	67,856	67,856	67,856	67,856
Economic Education	5100004	350,000	350,000	350,000	350,000	350,000	350,000
Distance Learning Operations	5100004	7,574,507	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
School Funding Contingency	5900046	0	0	25,000,000	25,000,000	25,000,000	25,000,000
School Food-Legislative Audit	5900046	75,000	75,000	75,000	75,000	75,000	75,000
School Food Services	5900046	1,650,000	0	1,650,000	1,650,000	1,650,000	1,650,000
Smart Start/Smart Step	5900046	10,867,302	10,094,295	10,666,303	10,666,303	10,666,303	10,666,303
Serious Offender	5900046	1,716,859	1,050,946	1,716,859	1,716,859	1,716,859	1,716,859
School Worker Defense	5900046	23,435	0	390,000	390,000	390,000	390,000
School Facility Joint Use	5900046	500,000	500,000	500,000	500,000	500,000	500,000
Ntl Bd Prof Teaching Standards	5900046	11,098,084	9,106,160	13,516,160	15,016,160	15,016,160	15,016,160
National School Lunch	5900046	195,907,571	200,253,906	200,253,906	213,768,543	213,768,543	213,768,543
Master Principal Bonus	5900046	157,000	90,000	200,000	200,000	200,000	200,000
Residential Ctrs/Juv Detention	5900046	21,344,079	15,188,254	16,345,087	16,345,087	16,345,087	16,345,087
Public School Employee Ins	5900046	36,441,131	37,273,600	37,273,600	37,273,600	57,373,600	57,373,600
Prof Development Fund	5900046	24,170,187	24,643,985	24,692,402	25,225,822	25,126,997	25,126,997
Special Ed-Catastrophic	5900046	11,000,000	11,000,000	12,900,000	12,900,000	12,900,000	12,900,000
Teacher Retirement Matching	5900046	8,299,018	6,655,000	10,102,189	11,112,407	11,112,407	11,112,407
Teacher Recruitment	5900046	2,099,999	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Teacher of the Year	5900046	59,100	100,000	100,000	100,000	100,000	100,000
Youth Shelters	5900046	165,000	165,000	165,000	165,000	165,000	165,000

Appropriation Summary

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Workers' Compensation	5900046	152,256	450,000	450,000	450,000	450,000	450,000
Tech Improvements	5900046	498,547	500,000	500,000	500,000	500,000	500,000
Teacher Licensing/Mentoring	5900046	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758
State Foundation Funding	5900046	1,880,752,714	1,923,089,661	1,923,089,661	1,961,843,724	1,962,310,105	1,962,310,105
Special Needs Isolated Funding	5900046	8,202,364	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Special Education Services	5900046	2,810,170	1,145,285	2,802,527	2,802,527	2,802,527	2,802,527
Surplus Commodities	5900046	1,000,000	780,000	1,349,810	1,349,810	1,349,810	1,349,810
Supplemental Millage	5900046	2,991,328	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Student Growth	5900046	39,776,517	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000
Leadership Acdmy-Mstr Principal	5900046	500,000	500,000	500,000	500,000	500,000	500,000
Consolidation Incentive	5900046	0	0	3,760,200	5,640,300	5,640,300	5,640,300
Bonded Debt Assistance	5900046	15,992,960	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384
At Risk	5900046	1,852,205	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530
Coop Education Tech Centers	5900046	1,200,000	0	1,200,000	1,200,000	1,200,000	1,200,000
Content Standards	5900046	0	161,000	161,000	161,000	161,000	161,000
Content & Curriculum	5900046	0	50,000	50,000	50,000	50,000	50,000
Assessment/End Course Testing	5900046	17,215,594	22,250,189	24,223,861	24,223,861	24,223,861	24,223,861
ALE Center-Trans	5900046	0	0	70,000	70,000	70,000	70,000
Advanced Placement Incentive	5900046	822,304	825,000	825,000	825,000	825,000	825,000
98% URT Actual Collection Adj	5900046	17,489,855	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000
AR Easter Seals	5900046	193,113	193,113	193,113	193,113	193,113	193,113
Alternative Learning	5900046	23,020,310	23,272,290	23,318,012	23,830,996	23,733,153	23,733,153
Alt Learning Enviro Center - Truancy Ofcr	5900046	0	0	275,000	275,000	275,000	275,000
Coord School Health	5900046	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Gifted & Talented	5900046	1,225,804	1,085,381	1,335,381	1,335,381	1,335,381	1,335,381
General Facilities Funding	5900046	2,426,779	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
English Language Learners	5900046	11,751,640	13,049,411	13,075,049	14,059,595	14,004,642	14,004,642
Isolated Funding	5900046	2,693,633	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000
Human Dev Ctr Education Aid	5900046	526,150	526,150	526,150	526,150	526,150	526,150
Home School Test	5900046	250,000	250,000	250,000	250,000	250,000	250,000
Education Service Cooperatives	5900046	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270

Appropriation Summary

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Dept of Correction	5900046	6,024,799	5,597,675	6,220,892	6,396,775	6,396,775	6,396,775
Criminal Background Checks	5900046	39	25,000	25,000	25,000	25,000	25,000
Court Ordered Desegregation	5900046	67,179,405	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372
Early Childhood Special Educ	5900046	16,897,920	15,623,079	16,897,920	16,897,920	16,897,920	16,897,920
Distressed School District Support	5900046	7,831	50,000	50,000	50,000	50,000	50,000
Distance Learning	5900046	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000
Total		2,614,804,260	2,732,407,617	2,797,324,819	2,813,190,670	2,833,505,430	2,833,505,430
Funding Sources							
Fund Balance	4000005	59,097,833	67,285,943		67,285,943	67,285,943	67,285,943
Merit Adjustment Fund	4000055	0	0		0	0	0
Court Ordered Desegregation	4000180	67,143,463	69,814,372		69,814,372	69,814,372	69,814,372
DOE Public School Fund	4000195	1,947,243,356	1,992,361,764		2,046,608,398	2,057,726,802	2,057,726,802
Educational Adequacy Fund	4000210	434,031,542	434,031,542		434,031,542	434,031,542	434,031,542
Educational Excellence Fund	4000220	193,026,503	195,904,939		191,942,515	191,942,515	191,942,515
General Improvement Fund	4000265	0	43,000,000		0	0	0
M & R Sales	4000340	35,941	0		0	0	0
Miscellaneous Adjustments	4000345	8,242,189	0		0	0	0
Property Tax Relief Trust	4000390	350,000	0		0	0	0
TANF Transfer	4000478	7,500,000	7,500,000		7,500,000	7,500,000	7,500,000
Trnfr frm DOE Pub School Fund	4000525	(35,872,219)	(11,115,000)		(11,115,000)	(11,115,000)	(11,115,000)
Transit Tax	4000700	1,291,595	910,000		910,000	910,000	910,000
Unfunded Appropriation	4000715	0	0		56,889,261	42,136,500	42,136,500
Total Funding		2,682,090,203	2,799,693,560		2,863,867,031	2,860,232,674	2,860,232,674
Excess Appropriation/(Funding)		(67,285,943)	(67,285,943)		(50,676,361)	(26,727,244)	(26,727,244)
Grand Total		2,614,804,260	2,732,407,617		2,813,190,670	2,833,505,430	2,833,505,430

FY14 Budget and Authorized amounts in Additional Public School Employee Insurance reflect an additional \$43,000,000 appropriated by Act 5 of the First Extraordinary Session of 2013.

Budget and/or Actuals exceed Authorized in Smart Start/Smart Step, At Risk, Special Needs Isolated Funding, Student Growth and Residential Centers/Juvenile Detention due to special language which provides for Appropriation Transfer Authority.

AFTER REVISED BUDGET

ARKANSAS DEPARTMENT OF HEALTH

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF HEALTH
FOR THE YEAR ENDED JUNE 30, 2012

Findings

Through the Agency's review of travel reimbursements, mileage overpayments were discovered for an Environmental Health employee and an In-Home Services employee, as noted below:

A. Environmental Health

During the period January 1, 2011 through April 30, 2012, an Environmental Health Specialist over-claimed 10,660 miles, resulting in an overpayment totaling \$4,477. Upon the employee's resignation, the Agency recouped \$2,016 of the overpayment by retaining the employee's lump sum leave payout. The remaining balance of \$2,461 has not been collected. The Agency is currently in the process of implementing an electronic travel form (TR-1) for departmental employees. The electronic TR-1 will have various features, including the use of Google maps, to automatically calculate mileage as well as the ability to generate quality control exception reports. Such reports should be able to track unusual increases in travel as well as travel charges submitted for days that an employee was out on leave. The features of the electronic TR-1 are designed to help mitigate possible future unauthorized disbursements.

B. In-Home Services

During the period April 24, 2009 through May 24, 2012, a Registered Nurse over-claimed 19,765 miles, resulting in an overpayment of \$8,438. The Agency has not collected reimbursement. The In-Home Services Division has begun implementing the mapping software application "Mileage Advisor." This application is designed to automatically calculate mileage based on actual patient visits made, thus reducing the possibility of future unauthorized disbursements. All contract aides are using the new software, but nurses

Recommendations

Continue to perform its effective internal control of having management review travel reimbursements while implementing additional tools and training to further reduce the risk of inappropriate travel reimbursements.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF HEALTH
FOR THE YEAR ENDED JUNE 30, 2012

Findings

who are employees will not begin using the application until after the vendor has completed an interface with AASIS.

While under internal review for excessive mileage reimbursement (as noted in finding 2012-1A above), the Agency discovered that the Environmental Health employee was concurrently employed outside the Agency. Time records for the period of January 2011 through December 2011 were obtained from the outside employer. These records reflected the employee had worked a total of 447 hours at the outside employer while also being paid by the Agency. It is not necessarily inappropriate for an employee to have outside employment, but it is improper for an individual to be paid by both employers for the same hours. Total overpayment amounted to \$7,391. The Agency has not yet collected reimbursement.

Recommendations

Continue to respond to and investigate suspicious activities, such as concurrent employment, and continue to demonstrate and emphasize to its employees high standards of ethical behavior.

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
 Fiscal Year 2013
 Required by A.C.A. 25-36-104

AGENCY: 0645 ARKANSAS DEPARTMENT OF HEALTH

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Advantage Communications, Inc	\$1,737,947	X					
Advantage Communications, Inc.	\$300,000	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 2

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$58,198,850

% OF MINORITY CONTRACTS AWARDED 1.78 %

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
167 Information Technology Initiatives	312,885	0	359,848	0	636,175	0	636,175	0	636,175	0	636,175	0
34C Rural Health Facilities	91,005	0	130,000	0	130,000	0	130,000	0	130,000	0	130,000	0
34D Emergency Medical Services	34,121	0	44,945	0	44,945	0	44,945	0	44,945	0	44,945	0
34E Rural Physician Incentives	40,000	0	0	0	40,000	0	40,000	0	40,000	0	40,000	0
34P Health Operations Paying	274,745,496	2,826	300,246,069	2,811	321,121,724	3,094	321,074,785	3,094	318,269,858	3,093	321,074,785	3,094
38D Nuclear Planning Grants	325,000	0	325,000	0	325,000	0	325,000	0	325,000	0	325,000	0
59T Trauma System	22,722,824	17	25,707,876	18	28,624,236	18	28,625,235	18	28,609,324	18	28,625,235	18
604 Tobacco Prevention & Cessation Programs	12,590,233	32	16,834,898	34	17,484,730	47	17,485,112	47	17,454,332	47	17,485,112	47
803 Health Building & Local Health Grant Trust	0	0	1,428,302	0	1,842,090	0	1,842,090	0	1,842,090	0	1,842,090	0
B72 WIC Food Instruments - Cash	68,482,842	0	74,724,683	0	74,724,683	0	74,724,683	0	74,724,683	0	74,724,683	0
F66 Medicaid Provider Appeals	0	0	254,591	3	253,033	3	253,033	3	253,033	3	253,033	3
Total	379,344,406	2,875	420,056,212	2,866	445,226,616	3,162	445,181,058	3,162	442,329,440	3,161	445,181,058	3,162

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	17,560,219	4.5	14,361,457	3.4	5,231,869	1.3	5,231,869	1.2	5,231,869	1.3
General Revenue	4000010	90,838,467	23.1	89,978,568	21.2	85,301,946	20.6	91,061,708	21.7	85,301,946	20.6
Federal Revenue	4000020	136,892,176	34.8	155,249,675	36.5	159,711,618	38.6	159,711,618	38.1	159,711,618	38.6
Special Revenue	4000030	3,308,470	0.8	3,834,395	0.9	4,102,291	1.0	4,017,291	1.0	4,102,291	1.0
Special Revenue Restricted	4000031	13,540,778	3.4	16,116,701	3.8	16,234,528	3.9	16,234,528	3.9	16,234,528	3.9
Cash Fund	4000045	0	0.0	0	0.0	3,702	0.0	0	0.0	3,702	0.0
Federal Funds-ARRA	4000244	454,293	0.1	58,224	0.0	0	0.0	0	0.0	0	0.0
Intra-agency Fund Transfer	4000317	(105,000)	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Manufacturer Rebate	4000341	21,098,079	5.4	24,484,392	5.8	24,328,911	5.9	24,328,911	5.8	24,328,911	5.9
Refunds	4000415	2,585	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Third Party Reimbursement	4000490	86,426,412	22.0	83,789,699	19.7	89,447,352	21.6	89,447,352	21.3	89,447,352	21.6
Tobacco Settlement	4000495	14,372,275	3.7	15,093,488	3.5	14,372,275	3.5	14,372,275	3.4	14,372,275	3.5
Transfer from DHS	4000510	0	0.0	254,591	0.1	253,033	0.1	253,033	0.1	253,033	0.1
Transfer to Medicaid Match	4000660	(896,031)	(0.2)	(900,572)	(0.2)	(896,031)	(0.2)	(896,031)	(0.2)	(896,031)	(0.2)
Transfers / Adjustments	4000683	(1,776,960)	(0.5)	(1,622,507)	(0.4)	(1,303,672)	(0.3)	(1,303,672)	(0.3)	(1,303,672)	(0.3)
Various Program Support	4000730	11,990,100	3.0	24,589,970	5.8	16,681,526	4.0	16,681,526	4.0	16,681,526	4.0
Total Funds		393,705,863	100.0	425,288,081	100.0	413,469,348	100.0	419,140,408	100.0	413,469,348	100.0
Excess Appropriation/(Funding)		(14,361,457)		(5,231,869)		31,711,710		23,189,032		31,711,710	
Grand Total		379,344,406		420,056,212		445,181,058		442,329,440		445,181,058	

BEFORE REVISED BUDGET

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
167 Information Technology Initiatives	312,885	0	359,848	0	636,175	0	636,175	0	636,175	0	636,175	0
34C Rural Health Facilities	91,005	0	130,000	0	130,000	0	130,000	0	130,000	0	130,000	0
34D Emergency Medical Services	34,121	0	44,945	0	44,945	0	44,945	0	44,945	0	44,945	0
34E Rural Physician Incentives	40,000	0	0	0	40,000	0	40,000	0	40,000	0	40,000	0
34P Health Operations Paying	274,745,496	2,826	300,246,069	2,811	321,121,724	3,094	321,074,785	3,094	321,538,442	3,094	321,538,442	3,094
38D Nuclear Planning Grants	325,000	0	325,000	0	325,000	0	325,000	0	375,000	0	375,000	0
59T Trauma System	22,722,824	17	25,707,876	18	28,624,236	18	28,625,235	18	28,609,324	18	28,625,235	18
604 Tobacco Prevention & Cessation Programs	12,590,233	32	16,834,898	34	17,484,730	47	17,485,112	47	17,454,332	47	17,485,112	47
803 Health Building & Local Health Grant Trust	0	0	1,428,302	0	1,842,090	0	1,842,090	0	1,842,090	0	1,842,090	0
B72 WIC Food Instruments - Cash	68,482,842	0	74,724,683	0	74,724,683	0	74,724,683	0	74,724,683	0	74,724,683	0
F66 Medicaid Provider Appeals	0	0	254,591	3	253,033	3	253,033	3	253,033	3	253,033	3
Total	379,344,406	2,875	420,056,212	2,866	445,226,616	3,162	445,181,058	3,162	445,648,024	3,162	445,694,715	3,162

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	17,560,219	4.5	14,361,457	3.4	5,231,869	1.3	5,231,869	1.3	5,231,869	1.3
General Revenue	4000010	90,838,467	23.1	89,978,568	21.2	85,301,946	20.6	87,301,946	21.0	87,301,946	21.0
Federal Revenue	4000020	136,892,176	34.8	155,249,675	36.5	159,711,618	38.6	159,711,618	38.4	159,711,618	38.4
Special Revenue	4000030	3,308,470	0.8	3,834,395	0.9	4,102,291	1.0	4,067,291	1.0	4,152,291	1.0
Special Revenue Restricted	4000031	13,540,778	3.4	16,116,701	3.8	16,234,528	3.9	16,234,528	3.9	16,234,528	3.9
Cash Fund	4000045	0	0.0	0	0.0	3,702	0.0	0	0.0	3,702	0.0
Federal Funds-ARRA	4000244	454,293	0.1	58,224	0.0	0	0.0	0	0.0	0	0.0
Intra-agency Fund Transfer	4000317	(105,000)	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Manufacturer Rebate	4000341	21,098,079	5.4	24,484,392	5.8	24,328,911	5.9	24,328,911	5.9	24,328,911	5.9
Refunds	4000415	2,585	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Third Party Reimbursement	4000490	86,426,412	22.0	83,789,699	19.7	89,447,352	21.6	89,447,352	21.5	89,447,352	21.5
Tobacco Settlement	4000495	14,372,275	3.7	15,093,488	3.5	14,372,275	3.5	14,372,275	3.5	14,372,275	3.5
Transfer from DHS	4000510	0	0.0	254,591	0.1	253,033	0.1	253,033	0.1	253,033	0.1
Transfer to Medicaid Match	4000660	(896,031)	(0.2)	(900,572)	(0.2)	(896,031)	(0.2)	(896,031)	(0.2)	(896,031)	(0.2)
Transfers / Adjustments	4000683	(1,776,960)	(0.5)	(1,622,507)	(0.4)	(1,303,672)	(0.3)	(1,303,672)	(0.3)	(1,303,672)	(0.3)
Various Program Support	4000730	11,990,100	3.0	24,589,970	5.8	16,681,526	4.0	16,681,526	4.0	16,681,526	4.0
Total Funds		393,705,863	100.0	425,288,081	100.0	413,469,348	100.0	415,430,646	100.0	415,519,348	100.0
Excess Appropriation/(Funding)		(14,361,457)		(5,231,869)		31,711,710		30,217,378		30,175,367	
Grand Total		379,344,406		420,056,212		445,181,058		445,648,024		445,694,715	

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 167 - Information Technology Initiatives

Funding Sources: SHT - Health Department Technology Fund

The Department of Health's Information Technology Initiatives appropriation provides for the purchase of computer hardware and software, the conversion cost of scanning data into the computer system, and related activities as described in A.C.A. 19-6-485.

Funding for this appropriation consists of Special Revenue fees generated from temporary vital statistics applications and certificates (A.C.A. 19-6-485 SHT - Health Department Technology Fund).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 167 - Information Technology Initiatives

Funding Sources: SHT - Health Department Technology Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Information Technology Initiatives	5900046	312,885	359,848	636,175	636,175	636,175	636,175
Total		312,885	359,848	636,175	636,175	636,175	636,175
Funding Sources							
Fund Balance	4000005	777,771	359,886		38	38	38
Intra-agency Fund Transfer	4000317	(105,000)	0		0	0	0
Total Funding		672,771	359,886		38	38	38
Excess Appropriation/(Funding)		(359,886)	(38)		636,137	636,137	636,137
Grand Total		312,885	359,848		636,175	636,175	636,175

Analysis of Budget Request

Appropriation: 34C - Rural Health Facilities

Funding Sources: MRH - Rural Health Services Revolving Fund

The Department of Health's Rural Health Facilities appropriation, in accordance with A.C.A. 20-12-401 et seq., provides matching funds for applicants on a fifty/fifty basis for assisting the stabilization of necessary medical services provided by county, local, commercial or nonprofit organizations. If the applicant completes a community health needs assessment, the applicant shall be eligible to match funds on a 25/75 basis. The state portion shall at no time exceed two hundred thousand dollars (\$200,000) per county, local, commercial, or nonprofit operation.

Funding for this appropriation consists of General Improvement Fund transfers or other funds made available by the General Assembly and held in a revolving fund (A.C.A. 19-5-1039 MRH - Rural Health Services Revolving Fund).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 34C - Rural Health Facilities

Funding Sources: MRH - Rural Health Services Revolving Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	91,005	130,000	130,000	130,000	130,000	130,000
Total		91,005	130,000	130,000	130,000	130,000	130,000
Funding Sources							
Fund Balance	4000005	290,608	202,188		72,188	72,188	72,188
Refunds	4000415	2,585	0		0	0	0
Total Funding		293,193	202,188		72,188	72,188	72,188
Excess Appropriation/(Funding)		(202,188)	(72,188)		57,812	57,812	57,812
Grand Total		91,005	130,000		130,000	130,000	130,000

Analysis of Budget Request

Appropriation: 34D - Emergency Medical Services

Funding Sources: MEM - Emergency Medical Services Revolving Fund

The Department of Health's Emergency Medical Services appropriation will provide for certification processing and expenses of on-site examinations for Emergency Medical Technicians (EMTs), maintenance of certification software, educational programs, maintenance of EMT-Instructor certification for agency personnel, and other purposes consistent with A.C.A. 20-13-101 et seq.

Funding for this appropriation consists of certification and renewal fees held in the MEM - Emergency Medical Services Revolving Fund.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 34D - Emergency Medical Services

Funding Sources: MEM - Emergency Medical Services Revolving Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	34,121	35,217	35,217	35,217	35,217	35,217
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Emerg Medical Srvs/Trauma Sys Exp	5900046	0	9,728	9,728	9,728	9,728	9,728
Total		34,121	44,945	44,945	44,945	44,945	44,945
Funding Sources							
Fund Balance	4000005	12,472	17,494		17,277	17,277	17,277
Transfers / Adjustments	4000683	0	0		9,728	9,728	9,728
Various Program Support	4000730	39,143	44,728		35,000	35,000	35,000
Total Funding		51,615	62,222		62,005	62,005	62,005
Excess Appropriation/(Funding)		(17,494)	(17,277)		(17,060)	(17,060)	(17,060)
Grand Total		34,121	44,945		44,945	44,945	44,945

Analysis of Budget Request

Appropriation: 34E - Rural Physician Incentives

Funding Sources: MRI - Rural Physician Incentives Revolving Fund

The Department of Health's Rural Physician Incentives program, A.C.A. 20-12-501 et seq., provides grants as financial assistance to encourage physicians to locate and remain in the practice of primary care medicine in communities of the State with populations of not more than fifteen thousand (15,000) persons. The physicians must locate for a minimum of four (4) years and carry on a full-time practice of family medicine in a priority medically underserved area as defined by the Department of Health.

Funding for this appropriation consists of General Improvement Fund transfers or other funds made available by the General Assembly, and held in a revolving fund (A.C.A. 19-5-1209 MRI - Rural Physician Incentive Revolving Fund).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 34E - Rural Physician Incentives

Funding Sources: MRI - Rural Physician Incentives Revolving Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	40,000	0	40,000	40,000	40,000	40,000
Total		40,000	0	40,000	40,000	40,000	40,000
Funding Sources							
Fund Balance	4000005	40,000	0		0	0	0
Transfers / Adjustments	4000683	0	0		0	0	0
Total Funding		40,000	0		0	0	0
Excess Appropriation/(Funding)		0	0		40,000	40,000	40,000
Grand Total		40,000	0		40,000	40,000	40,000

Analysis of Budget Request

Appropriation: 34P - Health Operations Paying

Funding Sources: PHD - Administration Paying

The Department of Health is comprised of the Center for Health Protection, the Center for Health Advancement, the Center for Local Public Health, the Center for Public Health Practice, the Office of Minority Health and Health Disparities, the Arkansas Public Health Laboratory and Health Administration, which includes the Offices of the Director and Chief Financial Officer and the Office of System Technology. The Department has 2 central office locations and 94 Local Health Units located throughout the State. This organizational structure enables the Department to provide public health policy and assessment, as well as preventive and regulatory services for the State's citizens.

This appropriation provides for the operations of the Department of Health. Duties include the operation of the Breast and Cervical Cancer Control programs; the collection, analysis, and communication of data regarding health events, disease incidence, the healthcare system, and health status indicators; the protection of the public's health by ensuring safe food and drinking water and maintaining the quality of health facilities and services through monitoring, laboratory testing, and evaluation; educating the public concerning healthy behavior and providing accessible personal health services; and providing in-home services to individuals so they may remain at home instead of receiving extended hospitalization or nursing home placement.

Funding for this appropriation consists of general revenue (BAA - Public Health Fund), federal funding, special revenues, Third Party Reimbursement, Tobacco Settlement Funding and other funding. Federal revenues include Immunization and Vaccines for Children, Ryan White Care Act Title II, Public Health Preparedness and Response/BIO, Bioterrorism Hospital Preparedness Program, Epidemiology and Laboratory Capacity for Infectious Diseases, Title X Family Planning Services Program, National Cancer Prevention and Control Program, Chronic Disease Prevention and Health Promotion Programs, Maternal and Child Health, and Women Infants and Children (WIC). Special revenues include the Cigarette Tax; licensing fees for Cosmetology, Radiology, Plumbing, Pharmacy, HVAC, Health Facilities, Waterworks and the Athletic Commission; Milk Inspection and Marine Sanitation Fees; and Nuclear Planning and Response Funds. Third Party Reimbursement funding includes Medicaid and Insurance funding. Other Funding, as indicated as Various Program Support, includes fees related to Vital Records, Immunization, Rabies, Swimming Pools, etc.

There are two appropriation summaries provided for this appropriation:

Page 105 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 106 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The revised FY15 Agency Request reflects the following changes from the FY15 ALC/JBC Legislative Recommendation:

- Increase of \$425,413 in the Extra Help line item and \$38,244 in the Personal Services Matching line item. This will allow clinical staff to work for types of activities such as seasonal mass flu clinics, school flu clinics, disease outbreak investigations, fill-ins for extended absences, and data entry of medical and vital records .

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 34P - Health Operations Paying

Funding Sources: PHD - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	115,225,910	119,547,198	128,078,243	128,163,843	128,240,739	128,163,843
	#Positions	2,826	2,811	3,094	3,094	3,093	3,094
Extra Help	5010001	1,091,647	1,051,424	1,161,324	1,161,324	1,121,324	1,161,324
	#Extra Help	129	231	231	231	229	231
Personal Services Matching	5010003	40,196,879	42,797,704	44,807,177	44,830,178	45,094,390	44,830,178
Overtime	5010006	40,942	34,000	120,559	120,559	120,559	120,559
Operating Expenses	5020002	59,309,914	68,693,713	71,940,936	71,940,936	73,341,480	71,940,936
Conference & Travel Expenses	5050009	494,862	1,193,318	1,243,565	1,243,565	1,255,413	1,243,565
Professional Fees	5060010	34,510,493	37,064,203	39,456,027	39,456,027	43,776,926	39,456,027
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	21,750,456	21,591,518	23,083,198	23,083,198	23,243,531	23,083,198
Refunds/Reimbursements	5110014	6,868	11,613	11,613	11,613	11,613	11,613
Capital Outlay	5120011	1,696,646	400,562	1,750,000	1,750,000	1,750,000	1,750,000
Breast Care Program	5900048	0	7,807,959	8,998,524	8,998,984	0	8,998,984
ARRA 2009	5900052	420,879	52,857	470,558	314,558	313,883	314,558
Total		274,745,496	300,246,069	321,121,724	321,074,785	318,269,858	321,074,785

Funding Sources							
General Revenue	4000010	71,156,467	70,296,568		65,608,683	71,368,445	65,608,683
Federal Revenue	4000020	89,533,424	103,270,359		109,315,846	109,315,846	109,315,846
Special Revenue	4000030	2,579,196	3,069,848		3,177,291	3,092,291	3,177,291
Special Revenue Restricted	4000031	13,540,778	16,116,701		16,234,528	16,234,528	16,234,528
Cash Fund	4000045	0	0		3,702	0	3,702
Federal Funds-ARRA	4000244	454,293	58,224		0	0	0
Third Party Reimbursement	4000490	86,426,412	83,789,699		89,447,352	89,447,352	89,447,352
Transfer to Medicaid Match	4000660	(896,031)	(900,572)		(896,031)	(896,031)	(896,031)
Various Program Support	4000730	11,950,957	24,545,242		16,646,526	16,646,526	16,646,526
Total Funding		274,745,496	300,246,069		299,537,897	305,208,957	299,537,897
Excess Appropriation/(Funding)		0	0		21,536,888	13,060,901	21,536,888
Grand Total		274,745,496	300,246,069		321,074,785	318,269,858	321,074,785

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 34P - Health Operations Paying

Funding Sources: PHD - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	115,225,910	119,547,198	128,078,243	128,163,843	128,163,843	128,163,843
	#Positions	2,826	2,811	3,094	3,094	3,094	3,094
Extra Help	5010001	1,091,647	1,051,424	1,161,324	1,161,324	1,586,737	1,586,737
	#Extra Help	129	231	231	231	231	231
Personal Services Matching	5010003	40,196,879	42,797,704	44,807,177	44,830,178	44,868,422	44,868,422
Overtime	5010006	40,942	34,000	120,559	120,559	120,559	120,559
Operating Expenses	5020002	59,309,914	68,693,713	71,940,936	71,940,936	71,940,936	71,940,936
Conference & Travel Expenses	5050009	494,862	1,193,318	1,243,565	1,243,565	1,243,565	1,243,565
Professional Fees	5060010	34,510,493	37,064,203	39,456,027	39,456,027	39,456,027	39,456,027
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	21,750,456	21,591,518	23,083,198	23,083,198	23,083,198	23,083,198
Refunds/Reimbursements	5110014	6,868	11,613	11,613	11,613	11,613	11,613
Capital Outlay	5120011	1,696,646	400,562	1,750,000	1,750,000	1,750,000	1,750,000
Breast Care Program	5900048	0	7,807,959	8,998,524	8,998,984	8,998,984	8,998,984
ARRA 2009	5900052	420,879	52,857	470,558	314,558	314,558	314,558
Total		274,745,496	300,246,069	321,121,724	321,074,785	321,538,442	321,538,442

Funding Sources							
General Revenue	4000010	71,156,467	70,296,568		65,608,683	67,608,683	67,608,683
Federal Revenue	4000020	89,533,424	103,270,359		109,315,846	109,315,846	109,315,846
Special Revenue	4000030	2,579,196	3,069,848		3,177,291	3,092,291	3,177,291
Special Revenue Restricted	4000031	13,540,778	16,116,701		16,234,528	16,234,528	16,234,528
Cash Fund	4000045	0	0		3,702	0	3,702
Federal Funds-ARRA	4000244	454,293	58,224		0	0	0
Third Party Reimbursement	4000490	86,426,412	83,789,699		89,447,352	89,447,352	89,447,352
Transfer to Medicaid Match	4000660	(896,031)	(900,572)		(896,031)	(896,031)	(896,031)
Various Program Support	4000730	11,950,957	24,545,242		16,646,526	16,646,526	16,646,526
Total Funding		274,745,496	300,246,069		299,537,897	301,449,195	301,537,897
Excess Appropriation/(Funding)		0	0		21,536,888	20,089,247	20,000,545
Grand Total		274,745,496	300,246,069		321,074,785	321,538,442	321,538,442

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 38D - Nuclear Planning Grants

Funding Sources: SNP - Arkansas Nuclear Planning and Response Fund

The grants for Nuclear Planning appropriation provides grants to the Arkansas Department of Emergency Management for local governments located in close proximity to nuclear-powered electricity generating facilities in the State. These grants are used to maintain nuclear disaster response procedures and precautions as a part of the Division of Health's Nuclear Planning and Response Program, A.C.A. 20-21-401 et seq., which provides for the following:

- Continuous radiation surveillance
- Training and education of residents in the affected areas
- Protective measures/procedures/plans and such other actions to be taken in the event of a radiation incident or accident

Funding for this appropriation consists of Special Revenue (A.C.A. 19-6-435 SNP - Arkansas Nuclear Planning and Response Fund), including assessments against utilities operating nuclear generating facilities within the State.

There are two appropriation summaries provided for this appropriation:

Page 108 reflects the Original FY14 Annual Operations Plan and the FY15 Agency Request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 109 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The revised FY15 Agency Request reflects the following changes from the FY15 ALC/JBC Legislative Recommendation:

- Increase of \$50,000 in the Grants and Aid line item. These funds are received from Entergy and sub-granted to the counties surrounding Nuclear One.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 38D - Nuclear Planning Grants

Funding Sources: SNP - Arkansas Nuclear Planning and Response Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	325,000	325,000	325,000	325,000	325,000	325,000
Total	325,000	325,000	325,000	325,000	325,000	325,000
Funding Sources						
Special Revenue 4000030	325,000	325,000		325,000	325,000	325,000
Total Funding	325,000	325,000		325,000	325,000	325,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	325,000	325,000		325,000	325,000	325,000

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 38D - Nuclear Planning Grants

Funding Sources: SNP - Arkansas Nuclear Planning and Response Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	325,000	325,000	325,000	325,000	375,000	375,000
Total	325,000	325,000	325,000	325,000	375,000	375,000
Funding Sources						
Special Revenue 4000030	325,000	325,000		325,000	375,000	375,000
Total Funding	325,000	325,000		325,000	375,000	375,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	325,000	325,000		325,000	375,000	375,000

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 59T - Trauma System

Funding Sources: BAA - Public Health Fund

The Trauma System appropriation provides for operations as established by Act 393 of 2009 (A.C.A. 20-13-801 et. seq.) in which the legislature created a comprehensive trauma care system under the auspices of the Department and Board of Health. This system provides guidelines for the care of trauma victims and is fully integrated with all available resources, including, but not limited to, existing emergency medical services providers, hospitals, or other health care providers that would like to participate in the program. Funding for this appropriation is 100% General Revenue.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 59T - Trauma System

Funding Sources: BAA - Public Health Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	827,252	1,007,366	997,362	997,962	984,768	997,962
	#Positions	17	18	18	18	18	18
Extra Help	5010001	21,421	75,000	75,000	75,000	75,000	75,000
	#Extra Help	2	2	2	2	2	2
Personal Services Matching	5010003	281,650	337,475	323,297	323,696	320,979	323,696
Operating Expenses	5020002	166,086	355,545	355,545	355,545	355,545	355,545
Conference & Travel Expenses	5050009	22,105	50,000	50,000	50,000	50,000	50,000
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Trauma System Expenses	5900046	21,404,310	23,882,490	26,823,032	26,823,032	26,823,032	26,823,032
Total		22,722,824	25,707,876	28,624,236	28,625,235	28,609,324	28,625,235
Funding Sources							
Fund Balance	4000005	9,426,821	6,037,013		11,137	11,137	11,137
General Revenue	4000010	19,682,000	19,682,000		19,693,263	19,693,263	19,693,263
Transfers / Adjustments	4000683	(348,984)	0		0	0	0
Total Funding		28,759,837	25,719,013		19,704,400	19,704,400	19,704,400
Excess Appropriation/(Funding)		(6,037,013)	(11,137)		8,920,835	8,904,924	8,920,835
Grand Total		22,722,824	25,707,876		28,625,235	28,609,324	28,625,235

The FY14 Budget amount in Regular Salaries and Personal Services Matching exceeds the FY14 authorized amount due to salary and matching rate adjustments. Fund transfers consist of Workers Comp transfer per A.C.A. 11-9-307 and transfers of General Revenue between appropriate funds per A.C.A. 19-5-106.

Analysis of Budget Request

Appropriation: 604 - Tobacco Prevention & Cessation Programs

Funding Sources: TSD - Tobacco Prevention & Cessation Program Account

The Tobacco Prevention and Cessation program, created by Initiated Act 1 of 2000 (A.C.A. 19-12-101 et seq.), develops, integrates, and monitors tobacco prevention and cessation programs and provides administrative oversight and management of those programs. Program components approved by the Board of Health include community prevention youth programs, school education and prevention programs, enforcement of tobacco control laws, tobacco cessation programs, tobacco related disease prevention programs, public awareness and health promotion campaign, as well as grants and contracts for monitoring and evaluation. This appropriation is funded from Tobacco Settlement proceeds (TSD - Prevention and Cessation Program Account).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 604 - Tobacco Prevention & Cessation Programs

Funding Sources: TSD - Tobacco Prevention & Cessation Program Account

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	1,431,162	1,525,997	2,017,808	2,017,808	1,996,248	2,017,808
	#Positions	32	34	47	47	47	47
Extra Help	5010001	42,787	50,000	50,000	50,000	50,000	50,000
	#Extra Help	3	4	4	4	4	4
Personal Services Matching	5010003	459,699	506,545	664,566	664,826	660,240	664,826
Operating Expenses	5020002	300,946	325,000	325,000	325,000	325,000	325,000
Conference & Travel Expenses	5050009	7,671	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	2,174,235	2,279,633	2,279,633	2,279,633	2,279,633	2,279,633
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Tobacco Prev & Cessation Exp	5900046	7,535,934	11,405,398	11,405,398	11,405,398	11,405,398	11,405,398
Exp Nutrition & Physical Activity	5900047	637,799	717,325	717,325	717,447	712,813	717,447
Total		12,590,233	16,834,898	17,484,730	17,485,112	17,454,332	17,485,112
Funding Sources							
Fund Balance	4000005	5,437,672	5,791,738		2,427,821	2,427,821	2,427,821
Tobacco Settlement	4000495	14,372,275	15,093,488		14,372,275	14,372,275	14,372,275
Transfers / Adjustments	4000683	(1,427,976)	(1,622,507)		(1,313,400)	(1,313,400)	(1,313,400)
Total Funding		18,381,971	19,262,719		15,486,696	15,486,696	15,486,696
Excess Appropriation/(Funding)		(5,791,738)	(2,427,821)		1,998,416	1,967,636	1,998,416
Grand Total		12,590,233	16,834,898		17,485,112	17,454,332	17,485,112

FY2013 and FY2014 transfers include \$500,000 to the Breast Cancer Control Fund per Act 264 of 2012 and Act 1375 of 2013 and various other transfers as allowed by A.C. A. 19-5-106.

Analysis of Budget Request

Appropriation: 803 - Health Building & Local Health Grant Trust

Funding Sources: THL - Health Bldg and Local Grant Trust

The Department of Health's Health Building and Local Grant Trust appropriation is used for expansion, renovation, construction, or improvement to the State Health Building and for grants for construction, renovation, or other expansion of approved local health unit facilities in the State as proscribed by A.C.A. 20-7-201 et seq.

Funding for this appropriation consists of visit fees to local health units that are held in a trust fund (A.C.A. 19-5-962 THL - Health Building and Local Grant Trust Fund).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 803 - Health Building & Local Health Grant Trust

Funding Sources: THL - Health Bldg and Local Grant Trust

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	0	1,428,302	1,842,090	1,842,090	1,842,090	1,842,090
Total	0	1,428,302	1,842,090	1,842,090	1,842,090	1,842,090
Funding Sources						
Fund Balance 4000005	1,548,864	1,953,138		964,383	964,383	964,383
Special Revenue 4000030	404,274	439,547		600,000	600,000	600,000
Total Funding	1,953,138	2,392,685		1,564,383	1,564,383	1,564,383
Excess Appropriation/(Funding)	(1,953,138)	(964,383)		277,707	277,707	277,707
Grand Total	0	1,428,302		1,842,090	1,842,090	1,842,090

Analysis of Budget Request

Appropriation: B72 - WIC Food Instruments - Cash

Funding Sources: 163 - Cash Funds

The Department of Health's Women Infants and Children (WIC) Food Instruments appropriation provides for the issuance of vouchers to at-risk persons to improve the nutrition of eligible pregnant, breastfeeding and postpartum women to provide for infants and young children during periods of critical growth. The food instruments are redeemable for specific foods at local grocery stores. The program also provides nutrition education and referral to other services.

Funding for this appropriation consists of funds from the United States Department of Agriculture that are held in a Cash fund to provide electronic benefits transfers to vendors and reimbursements from contracted formula companies.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: B72 - WIC Food Instruments - Cash

Funding Sources: 163 - Cash Funds

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
WIC Food Instruments	5900040	68,482,842	74,724,683	74,724,683	74,724,683	74,724,683	74,724,683
Total		68,482,842	74,724,683	74,724,683	74,724,683	74,724,683	74,724,683
Funding Sources							
Fund Balance	4000005	26,011	0		1,739,025	1,739,025	1,739,025
Federal Revenue	4000020	47,358,752	51,979,316		50,395,772	50,395,772	50,395,772
Manufacturer Rebate	4000341	21,098,079	24,484,392		24,328,911	24,328,911	24,328,911
Total Funding		68,482,842	76,463,708		76,463,708	76,463,708	76,463,708
Excess Appropriation/(Funding)		0	(1,739,025)		(1,739,025)	(1,739,025)	(1,739,025)
Grand Total		68,482,842	74,724,683		74,724,683	74,724,683	74,724,683

Analysis of Budget Request

Appropriation: F66 - Medicaid Provider Appeals

Funding Sources: PHD - Administration Paying

This appropriation provides for the personal services and operations of the Department's Medicaid Provider Appeals.

Funding for this appropriation comes through transfers from the Department of Human Services.

The Legislative Recommendation, Agency Request and Executive Recommendation for FY15 reflect FY14 levels appropriated by the General Assembly and the Governor upon passage of Act 1317 of 2013.

Appropriation Summary

Appropriation: F66 - Medicaid Provider Appeals

Funding Sources: PHD - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	0	168,313	180,569	180,569	180,569	180,569
	#Positions	0	3	3	3	3	3
Personal Services Matching	5010003	0	55,778	41,964	41,964	41,964	41,964
Operating Expenses	5020002	0	30,500	30,500	30,500	30,500	30,500
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		0	254,591	253,033	253,033	253,033	253,033
Funding Sources							
Transfer from DHS	4000510	0	254,591		253,033	253,033	253,033
Total Funding		0	254,591		253,033	253,033	253,033
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		0	254,591		253,033	253,033	253,033

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
147 Special Olympics	178,759	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0
193 State Operations	20,087,502	0	20,424,313	0	28,702,341	0	28,702,341	0	23,424,313	0	28,702,341	0
196 Community Mental Health Centers	8,451,498	0	7,005,603	0	8,780,603	0	8,780,603	0	8,780,603	0	8,780,603	0
1DE Various Building Construction	2,620,420	0	7,172,900	0	7,648,900	0	7,648,900	0	7,648,900	0	7,648,900	0
1DK Cty-Shelter Plus Care Program	1,599,878	0	1,747,135	0	1,906,932	0	1,908,598	0	1,908,598	0	1,908,598	0
1EN Community Alcohol Safety	3,203,966	2	3,135,629	2	4,094,047	2	4,094,047	2	4,093,153	2	4,094,047	2
1ET Alcohol & Drug Abuse Prevention	19,683,711	0	20,773,302	0	21,775,777	0	21,775,777	0	21,775,777	0	21,775,777	0
2MN Mental Health Block Grant	5,417,232	0	6,035,657	0	6,551,312	0	6,551,312	0	6,551,312	0	6,551,312	0
2QZ Community Based Sanctions	2,465,361	0	2,550,000	0	2,550,000	0	2,550,000	0	2,550,000	0	2,550,000	0
2RA Juvenile Account Incentive Block Grant	391,032	0	1,356,880	0	1,671,520	0	1,671,520	0	1,671,520	0	1,671,520	0
2RB Community Services	16,390,731	0	16,436,514	0	21,427,312	0	21,427,312	0	21,427,312	0	21,427,312	0
2RC Federal Child & Youth Service Grants	4,505,782	0	5,410,582	0	5,746,475	0	5,746,475	0	5,746,475	0	5,746,475	0
2YH Residential Services	24,134,250	0	26,579,874	0	26,579,874	0	26,579,874	0	26,579,874	0	26,579,874	0
320 Child Care Development-Discretionary	19,980,708	0	25,469,372	0	25,719,372	0	25,469,372	0	25,469,372	0	25,469,372	0
35M Ms. Senior Pageant	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	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
397 Children's Medical Services	1,601,073	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0
408 Children's Medical Services-Federal	252,518	0	1,144,083	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0
409 Cty-Weatherization Program	8,522,389	0	0	0	8,000,000	0	0	0	0	0	0	0
410 Cty-Emergency Food Program	681,861	0	779,219	0	779,219	0	819,219	0	819,219	0	819,219	0
411 Cty-Low Income Energy Assistance Prgm	27,131,717	0	24,760,927	0	29,480,110	0	29,480,110	0	29,480,110	0	29,480,110	0
412 Cty-Refugee Resettlement Program	729	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
414 Consolidated Cost	696,178	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0
418 Meals on Wheels	2,400,000	0	2,700,000	0	2,700,000	0	2,700,000	0	2,700,000	0	2,700,000	0
426 Cty-Homeless Assistance Grant	1,899,611	0	2,687,948	0	2,846,487	0	2,846,487	0	2,846,487	0	2,846,487	0
4KS Nursing Home Quality	88,750	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
59H Hunger Coalition	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0
59J Autism Treat/Coord	928,415	0	273,974	0	1,492,500	0	1,492,500	0	1,492,500	0	1,492,500	0
642 Medicaid Expansion-Medical Srvs	57,418	2	112,326	2	121,480	2	121,604	2	119,804	2	121,604	2
642 Medicaid Expansion-County Ops	2,172,109	58	2,890,604	60	2,871,187	60	2,872,788	60	2,846,314	60	2,872,788	60
648 Medicaid Exp-Prescription Drugs	3,506,147	0	3,496,000	0	4,614,268	0	5,728,242	0	5,728,242	0	5,728,242	0
648 Medicaid Exp-Hospital & Medical Services	64,361,241	0	50,085,000	0	80,999,373	0	92,024,933	0	92,024,933	0	92,024,933	0
653 DDS-State Operations	5,496,525	0	7,099,242	0	7,099,242	0	7,099,242	0	7,099,242	0	7,099,242	0

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
655 Acute Mental Health Services-Per Capita	5,625,435	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0
657 Community Programs	17,373	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
658 Grants to Community Providers	15,728,873	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0
876 Nursing Home Closure Costs	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
878 Long Term Care Facility Receivership	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
882 State Residential Treatment	675,893	0	750,000	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0
883 Foster Care	27,873,022	0	27,315,859	0	27,315,859	0	27,315,859	0	27,315,859	0	27,315,859	0
890 Food Program	67,220,168	0	59,291,250	0	59,291,250	0	64,291,250	0	64,291,250	0	64,291,250	0
896 Director's Office	994,363	7	1,178,984	7	1,177,186	7	1,178,090	7	1,164,818	7	1,178,090	7
896 Office of Chief Counsel	10,768,932	165	12,479,516	184	11,464,367	166	11,471,026	166	11,295,935	166	11,471,026	166
896 Division of Aging & Adult Services	13,990,050	201	14,688,982	200	16,626,831	208	16,635,579	208	16,596,134	212	16,635,579	208
896 Division of Children & Family Services	67,197,496	1,020	67,282,665	933	85,234,582	1,131	85,275,368	1,131	84,349,167	1,131	85,275,368	1,131
896 Division of Child Care/Early Childhood	15,748,789	186	19,251,822	192	23,284,092	192	23,292,966	192	23,149,821	192	23,292,966	192
896 Division of Behavioral Health Services	95,249,361	1,150	92,748,173	1,067	104,902,521	1,170	104,941,714	1,170	104,091,385	1,170	104,941,714	1,170
896 Division of Medical Services	25,679,734	315	26,004,844	312	26,600,567	322	26,615,147	322	28,106,604	352	26,615,147	322
896 Division of County Operations	115,431,624	1,883	124,145,039	1,881	125,327,545	1,881	124,956,084	1,876	123,853,624	1,881	124,956,084	1,876
896 Division of Administrative Services	28,625,145	333	29,996,530	290	34,350,428	332	34,363,488	332	34,100,082	332	34,363,488	332
896 Division of Developmental Disabilities Svcs	131,115,058	2,629	140,508,457	2,487	157,032,469	2,711	158,129,283	2,711	156,471,318	2,711	158,129,283	2,711
896 Division of Services for the Blind	4,678,005	73	6,556,894	76	6,625,482	76	6,629,807	76	6,585,505	76	6,629,807	76
896 Community Svcs/Non-Profit Support	1,289,392	23	1,387,908	24	1,482,666	24	1,483,036	24	1,464,690	24	1,483,036	24
896 Division of Youth Services	7,180,197	87	8,390,580	88	10,845,601	88	10,847,695	88	8,781,014	88	10,847,695	88
897 ARKIDS B Program	101,969,167	0	106,056,000	0	137,336,792	0	148,436,682	0	148,436,682	0	148,436,682	0
897 Hospital & Medical Services	3,351,967,548	0	3,905,693,000	0	3,905,842,951	0	4,151,397,953	0	4,151,397,953	0	4,151,397,953	0
897 Prescription Drugs	326,066,085	0	335,941,000	0	373,142,423	0	385,783,553	0	385,783,553	0	385,783,553	0
897 Private Nursing Home Care	607,645,861	0	623,534,000	0	687,787,762	0	716,865,047	0	716,865,047	0	716,865,047	0
897 TANF Block Grant	15,768,217	0	18,427,000	0	22,117,650	0	22,117,650	0	22,117,650	0	22,117,650	0
898 AmeriCorps Grants	2,718,047	0	2,410,704	0	2,410,704	0	2,410,704	0	2,410,704	0	2,410,704	0
898 Child & Family Life Inst	0	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
898 Child Care Grant/Aids	25,562,906	0	29,630,656	0	29,630,656	0	29,630,656	0	29,630,656	0	29,630,656	0
898 Community Based Care	0	0	0	0	90,000	0	90,000	0	90,000	0	90,000	0
898 Community Svcs. Block Grant	8,649,726	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0
898 Infant Infirmary	24,000,219	0	24,691,000	0	26,733,146	0	27,555,873	0	27,555,873	0	27,555,873	0
898 Nursing Home Care Alternatives	4,827,663	0	4,847,525	0	7,207,910	0	7,207,910	0	7,207,910	0	7,207,910	0

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
898 Nutrition Program	8,560,052	0	10,866,664	0	12,021,770	0	12,021,770	0	12,021,770	0	12,021,770	0
898 Older Worker Program Grants	1,052,665	0	1,052,665	0	2,093,645	0	2,093,645	0	1,552,665	0	2,093,645	0
898 Project Grants	10,163,854	0	9,705,752	0	12,420,135	0	12,420,135	0	12,420,135	0	12,420,135	0
898 Public Nursing Home Care	178,374,699	0	186,676,000	0	212,598,210	0	223,528,121	0	223,528,121	0	223,528,121	0
898 Purchase of Services	3,456,313	0	4,419,977	0	4,419,977	0	4,419,977	0	4,419,977	0	4,419,977	0
898 Retired & Sr Volunteer Program	67,969	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
898 Social Svcs Blk Grant-Fed	0	0	139,733	0	139,733	0	139,733	0	139,733	0	139,733	0
898 Sr Citizen Centers	4,999,999	0	5,000,000	0	10,000,000	0	10,000,000	0	5,000,000	0	10,000,000	0
898 Supplemental Nutrition Assist(SNAP)	196,285	0	343,235	0	343,235	0	343,235	0	343,235	0	343,235	0
898 TANF/Foster Care	39,010,652	0	41,641,796	0	41,641,796	0	43,471,796	0	43,471,796	0	43,471,796	0
929 Child Care-Treasury Paying	0	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0
930 Cty-Commodity Distrib & Salvage Container	30,201	0	160,000	0	175,000	0	175,000	0	175,000	0	175,000	0
935 Community Srv/Non-Profit Support – Cash in Treasury	3,654	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
937 Canteen – Cash in Treasury	161,136	0	174,048	0	174,048	0	174,048	0	174,048	0	174,048	0
938 Patient Benefits–Cash in Treasury	19,804	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
978 Senior Olympics	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0
982 Inter-Divisional Programs	84,263	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0
C99 Client Specific Emergency Services–Cash	0	0	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0
F71 DBH Juv. Drug Courts	0	0	0	0	500,000	0	500,000	0	0	0	500,000	0
Total	5,600,438,519	8,135	6,222,386,911	7,805	6,525,965,094	8,372	6,847,718,910	8,367	6,830,561,548	8,406	6,847,718,910	8,367

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	4,933,565	0.1	3,894,726	0.1	4,370,726	0.1	4,370,726	0.1	4,370,726	0.1
General Revenue	4000010	1,131,093,057	20.2	1,225,081,725	19.7	1,251,898,019	20.3	1,620,262,528	24.9	1,251,898,019	20.4
Federal Revenue	4000020	3,676,153,296	65.6	4,273,583,119	68.6	4,275,378,857	69.5	4,266,165,529	65.5	4,267,378,857	69.4
Special Revenue	4000030	4,624,436	0.1	4,730,970	0.1	5,677,797	0.1	5,676,903	0.1	5,677,797	0.1
Cash Fund	4000045	214,795	0.0	728,585	0.0	743,585	0.0	743,585	0.0	743,585	0.0
Trust Fund	4000050	247,233,055	4.4	48,344,485	0.8	50,221,520	0.8	50,221,520	0.8	50,221,520	0.8
Merit Adjustment Fund	4000055	4,035,328	0.1	0	0.0	0	0.0	0	0.0	0	0.0
Drug Rebates	4000200	43,320,740	0.8	36,184,279	0.6	37,269,807	0.6	37,269,807	0.6	37,269,807	0.6
Federal Funds-ARRA	4000244	5,268,799	0.1	0	0.0	0	0.0	0	0.0	0	0.0
General Improvement Fund	4000265	0	0.0	107,735,551	1.7	0	0.0	0	0.0	0	0.0
Hospital Assessment Fee	4000281	64,503,922	1.2	67,158,462	1.1	61,458,300	1.0	61,458,300	0.9	61,458,300	1.0

Funding Sources		%		%		%		%		%	
ICF/MR Provider Fee	4000282	11,459,666	0.2	11,689,145	0.2	10,870,062	0.2	10,870,062	0.2	10,870,062	0.2
Miscellaneous Transfers	4000355	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0
Quality Assurance Fee	4000395	76,521,195	1.4	77,023,589	1.2	86,602,589	1.4	86,602,589	1.3	86,602,589	1.4
Reallocation of Resources	4000410	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Refunds	4000415	4,597,201	0.1	4,343,000	0.3	3,720,000	0.1	3,720,000	0.1	3,720,000	0.1
Reimbursement	4000425	1,581,581	0.0	7,748,900	0.1	7,748,900	0.1	7,748,900	0.1	7,748,900	0.1
State Administration of Justice	4000470	1,622,612	0.0	1,920,339	0.0	1,622,612	0.0	1,622,612	0.0	1,622,612	0.0
Tobacco Settlement	4000495	24,574,615	0.4	19,838,751	0.3	29,549,927	0.5	29,535,790	0.5	29,549,927	0.5
Transfer From DWS	4000527	650,000	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Ar Pub Defender	4000603	(87,909)	0.0	(240,000)	0.0	(240,000)	0.0	(240,000)	0.0	(240,000)	0.0
Transfer to DFA Disbursing	4000610	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0
Transfer to Medicaid Match	4000660	(12,762,449)	(0.2)	(13,468,843)	(0.2)	(11,950,317)	(0.2)	(11,950,317)	(0.2)	(11,950,317)	(0.2)
Transfer to State Police	4000675	(1,660,313)	0.0	(1,674,208)	0.0	(1,699,208)	0.0	(1,699,208)	0.0	(1,699,208)	0.0
Various Program Support	4000730	316,741,053	5.7	352,420,062	5.5	342,879,905	5.6	337,243,811	5.2	342,879,905	5.6
Total Funds		5,604,333,245	100.0	6,226,757,637	100.0	6,155,838,081	100.0	6,509,338,137	100.0	6,147,838,081	100.0
Excess Appropriation/(Funding)		(3,894,726)		(4,370,726)		691,880,829		321,223,411		699,880,829	
Grand Total		5,600,438,519		6,222,386,911		6,847,718,910		6,830,561,548		6,847,718,910	

Budget exceeds Authorized in Director's Office (FC 896) and Office of Chief Counsel (FC896) by authority of a Reallocation of Resources.

Budget exceeds Authorized in Medicaid Expansion-County Ops (FC 642) due to salary and matching adjustments during the 2013-2015 Biennium.

Cty- Weatherization Program (FC 409) was transferred via Type 3 Transfer to the Arkansas Energy Office of the Arkansas Department of Economic Development by Act 1111 of 2013.

FY14 Budgeted Appropriations that receive Administration of Justice Funds have been budgeted based on the maximum allocations authorized in Act 1443 (59) of 2013 and anticipate the continuation of the maximum funding allocation. The Agency Request, Legislative Recommendation and Executive Recommendation appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.

BEFORE REVISED BUDGET

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
147 Special Olympics	178,759	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0
193 State Operations	20,087,502	0	20,424,313	0	28,702,341	0	28,702,341	0	28,702,341	0	28,702,341	0
196 Community Mental Health Centers	8,451,498	0	7,005,603	0	8,780,603	0	8,780,603	0	8,780,603	0	8,780,603	0
1DE Various Building Construction	2,620,420	0	7,172,900	0	7,648,900	0	7,648,900	0	7,648,900	0	7,648,900	0
1DK Cty-Shelter Plus Care Program	1,599,878	0	1,747,135	0	1,906,932	0	1,908,598	0	1,908,598	0	1,908,598	0
1EN Community Alcohol Safety	3,203,966	2	3,135,629	2	4,094,047	2	4,094,047	2	4,093,153	2	4,094,047	2
1ET Alcohol & Drug Abuse Prevention	19,683,711	0	20,773,302	0	21,775,777	0	21,775,777	0	21,775,777	0	21,775,777	0
2MN Mental Health Block Grant	5,417,232	0	6,035,657	0	6,551,312	0	6,551,312	0	6,551,312	0	6,551,312	0
2QZ Community Based Sanctions	2,465,361	0	2,550,000	0	2,550,000	0	2,550,000	0	2,550,000	0	2,550,000	0
2RA Juvenile Account Incentive Block Grant	391,032	0	1,356,880	0	1,671,520	0	1,671,520	0	1,671,520	0	1,671,520	0
2RB Community Services	16,390,731	0	16,436,514	0	21,427,312	0	21,427,312	0	21,427,312	0	21,427,312	0
2RC Federal Child & Youth Service Grants	4,505,782	0	5,410,582	0	5,746,475	0	5,746,475	0	5,746,475	0	5,746,475	0
2YH Residential Services	24,134,250	0	26,579,874	0	26,579,874	0	26,579,874	0	26,579,874	0	26,579,874	0
320 Child Care Development-Discretionary	19,980,708	0	25,469,372	0	25,719,372	0	25,469,372	0	25,469,372	0	25,469,372	0
35M Ms. Senior Pageant	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	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
397 Children's Medical Services	1,601,073	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0
408 Children's Medical Services-Federal	252,518	0	1,144,083	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0
409 Cty-Weatherization Program	8,522,389	0	0	0	8,000,000	0	0	0	0	0	0	0
410 Cty-Emergency Food Program	681,861	0	779,219	0	779,219	0	819,219	0	819,219	0	819,219	0
411 Cty-Low Income Energy Assistance Prgm	27,131,717	0	24,760,927	0	29,480,110	0	29,480,110	0	29,480,110	0	29,480,110	0
412 Cty-Refugee Resettlement Program	729	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
414 Consolidated Cost	696,178	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0
418 Meals on Wheels	2,400,000	0	2,700,000	0	2,700,000	0	2,700,000	0	2,700,000	0	2,700,000	0
426 Cty-Homeless Assistance Grant	1,899,611	0	2,687,948	0	2,846,487	0	2,846,487	0	2,846,487	0	2,846,487	0
4KS Nursing Home Quality	88,750	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
59H Hunger Coalition	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0
59J Autism Treat/Coord	928,415	0	273,974	0	1,492,500	0	1,492,500	0	1,492,500	0	1,492,500	0
642 Medicaid Expansion-Medical Svcs	57,418	2	112,326	2	121,480	2	121,604	2	121,604	2	121,604	2
642 Medicaid Expansion-County Ops	2,172,109	58	2,890,604	60	2,871,187	60	2,872,788	60	2,872,788	60	2,872,788	60
648 Medicaid Exp-Prescription Drugs	3,506,147	0	3,496,000	0	4,614,268	0	5,728,242	0	5,728,242	0	5,728,242	0
648 Medicaid Exp-Hospital & Medical Services	64,361,241	0	50,085,000	0	80,999,373	0	92,024,933	0	92,024,933	0	92,024,933	0
653 DDS-State Operations	5,496,525	0	7,099,242	0	7,099,242	0	7,099,242	0	7,119,242	0	7,119,242	0

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
655 Acute Mental Health Services-Per Capita	5,625,435	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0
657 Community Programs	17,373	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
658 Grants to Community Providers	15,728,873	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0
876 Nursing Home Closure Costs	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
878 Long Term Care Facility Receivership	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
882 State Residential Treatment	675,893	0	750,000	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0
883 Foster Care	27,873,022	0	27,315,859	0	27,315,859	0	27,315,859	0	30,315,859	0	30,315,859	0
890 Food Program	67,220,168	0	59,291,250	0	59,291,250	0	64,291,250	0	64,291,250	0	64,291,250	0
896 Director's Office	994,363	7	1,178,984	7	1,177,186	7	1,178,090	7	1,053,571	7	1,178,090	7
896 Office of Chief Counsel	10,768,932	165	12,479,516	184	11,464,367	166	11,471,026	166	12,719,288	183	12,594,769	183
896 Division of Aging & Adult Services	13,990,050	201	14,688,982	200	16,626,831	208	16,635,579	208	22,111,591	288	22,111,591	288
896 Division of Children & Family Services	67,197,496	1,020	67,282,665	933	85,234,582	1,131	85,275,368	1,131	81,612,926	1,118	81,612,926	1,118
896 Division of Child Care/Early Childhood	15,748,789	186	19,251,822	192	23,284,092	192	23,292,966	192	23,389,321	194	23,389,321	194
896 Division of Behavioral Health Services	95,249,361	1,150	92,748,173	1,067	104,902,521	1,170	104,941,714	1,170	104,600,521	1,164	104,600,521	1,164
896 Division of Medical Services	25,679,734	315	26,004,844	312	26,600,567	322	26,615,147	322	26,955,488	327	26,955,488	327
896 Division of County Operations	115,431,624	1,883	124,145,039	1,881	125,327,545	1,881	124,956,084	1,876	125,233,442	1,876	125,233,442	1,876
896 Division of Administrative Services	28,625,145	333	29,996,530	290	34,350,428	332	34,363,488	332	33,234,732	312	33,234,732	312
896 Division of Developmental Disabilities Svcs	131,115,058	2,629	140,508,457	2,487	157,032,469	2,711	158,129,283	2,711	157,655,596	2,704	157,655,596	2,704
896 Division of Services for the Blind	4,678,005	73	6,556,894	76	6,625,482	76	6,629,807	76	6,629,807	76	6,629,807	76
896 Community Svcs/Non-Profit Support	1,289,392	23	1,387,908	24	1,482,666	24	1,483,036	24	1,483,036	24	1,483,036	24
896 Division of Youth Services	7,180,197	87	8,390,580	88	10,845,601	88	10,847,695	88	8,781,014	88	10,847,695	88
897 ARKIDS B Program	101,969,167	0	106,056,000	0	137,336,792	0	148,436,682	0	148,436,682	0	148,436,682	0
897 Hospital & Medical Services	3,351,967,548	0	3,905,693,000	0	3,905,842,951	0	4,151,397,953	0	5,064,814,909	0	5,064,814,909	0
897 Prescription Drugs	326,066,085	0	335,941,000	0	373,142,423	0	385,783,553	0	385,783,553	0	385,783,553	0
897 Private Nursing Home Care	607,645,861	0	623,534,000	0	687,787,762	0	716,865,047	0	716,865,047	0	716,865,047	0
897 TANF Block Grant	15,768,217	0	18,427,000	0	22,117,650	0	22,117,650	0	21,818,070	0	21,818,070	0
898 AmeriCorps Grants	2,718,047	0	2,410,704	0	2,410,704	0	2,410,704	0	2,410,704	0	2,410,704	0
898 Child & Family Life Inst	0	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
898 Child Care Grant/Aids	25,562,906	0	29,630,656	0	29,630,656	0	29,630,656	0	29,630,656	0	29,630,656	0
898 Community Based Care	0	0	0	0	90,000	0	90,000	0	90,000	0	90,000	0
898 Community Svcs. Block Grant	8,649,726	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0
898 Infant Infirmary	24,000,219	0	24,691,000	0	26,733,146	0	27,555,873	0	27,555,873	0	27,555,873	0
898 Nursing Home Care Alternatives	4,827,663	0	4,847,525	0	7,207,910	0	7,207,910	0	7,207,910	0	7,207,910	0

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
898 Nutrition Program	8,560,052	0	10,866,664	0	12,021,770	0	12,021,770	0	12,021,770	0	12,021,770	0
898 Older Worker Program Grants	1,052,665	0	1,052,665	0	2,093,645	0	2,093,645	0	2,093,645	0	2,093,645	0
898 Project Grants	10,163,854	0	9,705,752	0	12,420,135	0	12,420,135	0	12,420,135	0	12,420,135	0
898 Public Nursing Home Care	178,374,699	0	186,676,000	0	212,598,210	0	223,528,121	0	223,528,121	0	223,528,121	0
898 Purchase of Services	3,456,313	0	4,419,977	0	4,419,977	0	4,419,977	0	4,719,977	0	4,719,977	0
898 Retired & Sr Volunteer Program	67,969	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
898 Social Svcs Blk Grant-Fed	0	0	139,733	0	139,733	0	139,733	0	139,733	0	139,733	0
898 Sr Citizen Centers	4,999,999	0	5,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
898 Supplemental Nutrition Assist(SNAP)	196,285	0	343,235	0	343,235	0	343,235	0	343,235	0	343,235	0
898 TANF/Foster Care	39,010,652	0	41,641,796	0	41,641,796	0	43,471,796	0	48,254,137	0	43,471,796	0
929 Child Care-Treasury Paying	0	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0
930 Cty-Commodity Distrib & Salvage Container	30,201	0	160,000	0	175,000	0	175,000	0	175,000	0	175,000	0
935 Community Srv/Non-Profit Support – Cash in Treasury	3,654	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
937 Canteen – Cash in Treasury	161,136	0	174,048	0	174,048	0	174,048	0	174,048	0	174,048	0
938 Patient Benefits–Cash in Treasury	19,804	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
978 Senior Olympics	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0
982 Inter-Divisional Programs	84,263	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0
C99 Client Specific Emergency Services–Cash	0	0	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0
F71 DBH Juv. Drug Courts	0	0	0	0	500,000	0	500,000	0	500,000	0	500,000	0
Total	5,600,438,519	8,135	6,222,386,911	7,805	6,525,965,094	8,372	6,847,718,910	8,367	7,768,578,783	8,425	7,765,864,017	8,425

Funding Sources			%		%		%		%		%
Fund Balance	4000005	4,933,565	0.1	3,894,726	0.1	4,370,726	0.1	4,370,726	0.1	4,370,726	0.1
General Revenue	4000010	1,131,093,057	20.2	1,225,081,725	19.7	1,251,898,019	20.4	1,256,195,071	18.3	1,251,898,019	18.3
Federal Revenue	4000020	3,676,153,296	65.6	4,273,583,119	68.6	4,267,378,857	69.4	4,970,248,820	72.5	4,967,475,212	72.5
Special Revenue	4000030	4,624,436	0.1	4,730,970	0.1	5,677,797	0.1	5,676,903	0.1	5,677,797	0.1
Cash Fund	4000045	214,795	0.0	728,585	0.0	743,585	0.0	743,585	0.0	743,585	0.0
Trust Fund	4000050	247,233,055	4.4	48,344,485	0.8	50,221,520	0.8	50,221,520	0.7	50,221,520	0.7
Merit Adjustment Fund	4000055	4,035,328	0.1	0	0.0	0	0.0	0	0.0	0	0.0
Drug Rebates	4000200	43,320,740	0.8	36,184,279	0.6	37,269,807	0.6	37,269,807	0.5	37,269,807	0.5
Federal Funds-ARRA	4000244	5,268,799	0.1	0	0.0	0	0.0	0	0.0	0	0.0
General Improvement Fund	4000265	0	0.0	107,735,551	1.7	0	0.0	0	0.0	0	0.0
Hospital Assessment Fee	4000281	64,503,922	1.2	67,158,462	1.1	61,458,300	1.0	61,458,300	0.9	61,458,300	0.9

Funding Sources		%		%		%		%		%	
ICF/MR Provider Fee	4000282	11,459,666	0.2	11,689,145	0.2	10,870,062	0.2	10,870,062	0.2	10,870,062	0.2
Miscellaneous Transfers	4000355	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0
Quality Assurance Fee	4000395	76,521,195	1.4	77,023,589	1.2	86,602,589	1.4	86,602,589	1.3	86,602,589	1.3
Reallocation of Resources	4000410	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Refunds	4000415	4,597,201	0.1	4,343,000	0.1	3,720,000	0.1	3,720,000	0.1	3,720,000	0.1
Reimbursement	4000425	1,581,581	0.0	7,748,900	0.1	7,748,900	0.1	7,748,900	0.1	7,748,900	0.1
State Administration of Justice	4000470	1,622,612	0.0	1,920,339	0.0	1,622,612	0.0	1,622,612	0.0	1,622,612	0.0
Tobacco Settlement	4000495	24,574,615	0.4	19,838,751	0.3	29,549,927	0.5	29,549,927	0.4	29,549,927	0.4
Transfer From DWS	4000527	650,000	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Ar Pub Defender	4000603	(87,909)	0.0	(240,000)	0.0	(240,000)	0.0	(240,000)	0.0	(240,000)	0.0
Transfer to DFA Disbursing	4000610	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0
Transfer to Medicaid Match	4000660	(12,762,449)	(0.2)	(13,468,843)	(0.2)	(11,950,317)	(0.2)	(11,950,317)	(0.2)	(11,950,317)	(0.2)
Transfer to State Police	4000675	(1,660,313)	0.0	(1,674,208)	0.0	(1,699,208)	0.0	(1,699,208)	0.0	(1,699,208)	0.0
Various Program Support	4000730	316,741,053	5.7	352,420,062	5.7	342,879,905	5.6	340,909,962	5.0	342,879,905	5.0
Total Funds		5,604,333,245	100.0	6,226,757,637	100.0	6,147,838,081	100.0	6,853,034,259	100.0	6,847,934,436	100.0
Excess Appropriation/(Funding)		(3,894,726)		(4,370,726)		699,880,829		915,544,524		917,929,581	
Grand Total		5,600,438,519		6,222,386,911		6,847,718,910		7,768,578,783		7,765,864,017	

Budget exceeds Authorized in Director's Office (FC 896) and Office of Chief Counsel (FC896) by authority of a Reallocation of Resources.

Budget exceeds Authorized in Medicaid Expansion-County Ops (FC 642) due to salary and matching adjustments during the 2013-2015 Biennium.

Cty- Weatherization Program (FC 409) was transferred via Type 3 Transfer to the Arkansas Energy Office of the Arkansas Department of Economic Development by Act 1111 of 2013.

FY14 Budgeted Appropriations that receive Administration of Justice Funds have been budgeted based on the maximum allocations authorized in Act 1443 (59) of 2013 and anticipate the continuation of the maximum funding allocation. The Agency Request, Legislative Recommendation and Executive Recommendation appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.

AFTER REVISED BUDGET

DHS - Director's Office/Office Of Chief Counsel

Audit Findings

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

Findings

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

- Review of local cash assistance county accounts revealed that Cleveland, Desha, Drew, Lincoln, and Van Buren Counties all failed to maintain supporting documentation for disbursements and that Lincoln County failed to receipt all items of income.
- Review of institutional accounts revealed that the Alexander Human Development Center did not maintain proper supporting documentation for disbursements related to the client incidental account and the client personal funds account, and the Booneville Human Development Center failed to properly receipt items of income for the client gifts and bequest account and the client personal funds account.
- Review of public guardian accounts revealed that the Agency failed to maintain proper supporting documentation for disbursements and failed to receipt all items of income.

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

Review of capital assets revealed that the Office of Financial Management had inadequate management oversight and internal controls over capital assets, which contributed to the following deficiencies:

- Fifty-four capital equipment items with an historical value of \$166,320 out of a sample of 674 capital equipment items with an historical value of \$2,985,469 could not be located for observation.

Recommendations

Review and follow the required procedures as set out in the Department of Human Services Administrative Procedures Manual and the State Financial Management Guide.

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

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

Findings

- The Agency did not tag all capital assets adequately to ensure proper identification. Ten items with an historical value of \$27,359 were located but could not be matched to records due to inadequate tags.

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

Review of Agency receipting and deposit procedures revealed that Office of Financial Management (OFM) and the Division of Children and Family Services (DCFS) - Foster Care had inadequate management oversight and internal controls of cash receipts, which contributed to the following deficiencies:

- OFM did not receipt interest checks received for investments when received.
- DCFS - Foster Care did not properly receipt monies when received. Department of Human Services administrative procedures state that all monies will be receipted through the use of prenumbered receipt books or an approved cash receipts log. DCFS - Foster Care did not follow these prescribed procedures.

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

Recommendations

Review and follow the required receipting procedures as set out in the Department of Human Services Administrative Procedures Manual, Chapter 201.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2013

None

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Recommendations					
	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
896 Director's Office	994,363	7	1,178,984	7	1,177,186	7	1,178,090	7	1,164,818	7	1,178,090	7
896 Office of Chief Counsel	10,768,932	165	12,479,516	184	11,464,367	166	11,471,026	166	11,295,935	166	11,471,026	166
Total	11,763,295	172	13,658,500	191	12,641,553	173	12,649,116	173	12,460,753	173	12,649,116	173

Funding Sources		%		%		%		%		%	
General Revenue	4000010	4,097,271	34.8	4,800,769	35.1	4,347,424	34.4	4,283,661	34.4	4,347,424	34.4
Federal Revenue	4000020	5,416,213	46.0	6,544,579	47.9	5,927,559	46.9	5,839,082	46.9	5,927,559	46.9
Merit Adjustment Fund	4000055	100,000	0.9	0	0.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	78,861	0.7	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	2,070,950	17.6	2,313,152	16.9	2,374,133	18.8	2,338,010	18.8	2,374,133	18.8
Total Funds		11,763,295	100.0	13,658,500	100.0	12,649,116	100.0	12,460,753	100.0	12,649,116	100.0
Excess Appropriation/(Funding)		0		0		0		0		0	
Grand Total		11,763,295		13,658,500		12,649,116		12,460,753		12,649,116	

Budget exceeds Authorized in Director's Office (FC 896) and Office of Chief Counsel (FC896) by authority of a Reallocation of Resources.

BEFORE REVISED BUDGET

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Recommendations					
	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
896 Director's Office	994,363	7	1,178,984	7	1,177,186	7	1,178,090	7	1,053,571	7	1,178,090	7
896 Office of Chief Counsel	10,768,932	165	12,479,516	184	11,464,367	166	11,471,026	166	12,719,288	183	12,594,769	183
Total	11,763,295	172	13,658,500	191	12,641,553	173	12,649,116	173	13,772,859	190	13,772,859	190

Funding Sources		%		%		%		%		%	
General Revenue	4000010	4,097,271	35.5	4,800,769	35.1	4,347,424	34.4	4,347,424	34.0	4,347,424	34.0
Federal Revenue	4000020	5,416,213	46.0	6,544,579	47.9	5,927,559	46.9	5,927,559	46.4	5,927,559	46.4
Merit Adjustment Fund	4000055	100,000	0.9	0	0.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	78,861	0.0	0	0.0	0	0.0	123,591	1.0	123,591	1.0
Various Program Support	4000730	2,070,950	17.6	2,313,152	16.9	2,374,133	18.8	2,374,133	18.6	2,374,133	18.6
Total Funds		11,763,295	100.0	13,658,500	100.0	12,649,116	100.0	12,772,707	100.0	12,772,707	100.0
Excess Appropriation/(Funding)		0		0		0		1,000,152		1,000,152	
Grand Total		11,763,295		13,658,500		12,649,116		13,772,859		13,772,859	

Budget exceeds Authorized in Director's Office (FC 896) and Office of Chief Counsel (FC896) by authority of a Reallocation of Resources.

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

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

The Arkansas Department of Human Services (DHS) is the largest state agency with more than 7,200 employees working in all 75 counties. Every county has at least one local office where citizens can apply for any of the services the Department offers. Some counties, depending on their size, have more than one office. DHS employees come into direct contact with thousands of people daily and offer the "safety net" Arkansas families turn to when they are facing difficult times. DHS takes care of Arkansans of all ages ranging from infants to senior citizens.

DHS is involved in virtually every facet of life in the state. DHS staff oversees the regulation of nursing home and childcare facilities. DHS is also responsible for finding adoptive families for foster children, protecting abused and neglected children, funding the home-delivery of meals for the elderly and operating the juvenile justice system. DHS oversees services to blind Arkansans and helps develop volunteer programs, which have a profound impact at the community level. The Department also protects elderly Arkansans from abuse and neglect and operates human development centers across the state, which serves the developmentally disabled. DHS also provides mental health services through its system of community mental health care centers.

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

The Office of Chief Counsel consists of various sections which provide extensive legal, investigative, audit and hearing services to the Department of Human Services' (DHS) Divisions. The sections and their areas of responsibility are as follows:

- General Counsel Section provides legal assistance on administrative, litigation pertaining to delivery of services, program administration, personnel, civil rights and overpayment collections.

- Child and Adult Protection Section provides legal support in all counties and provides assistance primarily in areas of child welfare and adult protective services. Attorneys also provide assistance in Family In Need of Services (FINS) cases when the children are placed in foster care and assisting the Division of Youth Services in transitioning youth from their facilities when they cannot return home.
- Appeals and Hearings administers the appeal process on adverse actions which include those related to all categories of Medicaid, TANF, Child Maltreatment.
- Audit Section conducts performance, compliance and some financial related audits, and consults on operational and program issues. It coordinates the development of audit requirements and guidelines and monitors program resolution.
- Fraud Investigations is responsible for investigating and referring for prosecution allegations of recipient fraud or intentional program violation (IPV) in the public assistance programs administered by the Department of Human Services. These include Transitional Employment Assistance, Food Stamps, Medicaid, Child Care, and Special Nutrition. The unit also conducts investigations of suspected Food Stamp trafficking by both recipients and retailers, and/or program divisions with investigations involving service providers who contract with the agency to perform services for a defined recipient population. The Internal Affairs section of the unit conducts investigations involving allegations of internal misconduct.

The Director's Office/Office of Chief Counsel (OCC) is funded from a mix of sources that include general revenue (DAS - Department of Human Services Administration Fund Account), federal, and other funds. Federal and other funding is determined by the Department's cost allocation plan. Other funding which is indicated as various program support can also include sources such as federal awards, fees, Fraud/Courts overpayment receipts and maximization of federal claiming. These other funds are considered to be non-federal and technically can be expended for any program or service within the Department.

There are two appropriation summaries provided for this appropriation:

Page 136 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 137 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Agency Change Level Request includes additional appropriation above the FY15 ALC/JBC Legislative Recommendation of \$1,123,743 and a general revenue funding reallocation of \$123,591 (from DHS - Division of Administrative Services) to support the re-organization of the Grievance Office within OCC, and reflects the following:

- Transfer Positions (17): Regular Salaries of \$743,800 and Personal Services Matching of \$256,352 to support the following positions - From **DAS** five (5) Civil Rights/Employee Relations Coordinator (C117), three (3) DHS Program Specialist (C115), two (2) Administrative

Specialist III (C112), one (1) Human Resources Assistant (C110), one (1) Assistant Personnel Manager (C118), one (1) Administrative Analyst (C115), one (1) Policy Development Coordinator (C117), one (1) DHS Employee Relations Manager (C125), one (1) Personnel Manager (C121), one (1) Accountant I (C116) (\$660,086 Salaries, \$236,913 Match); From **DBHS** one (1) Psychologist (C127) (\$58,113 Salaries, \$18,414 Match); From **DDS** one (1) Physician Specialist (N917) (\$122,914 Salaries, \$33,461 Match); To **DAAS** one (1) Attorney Specialist (C126) (\$51,029 Salaries, \$16,769 Match) to establish the Office of Public Guardian within DAAS; Lastly, to **DMS** one (1) Information Systems Coordinator (C124) (\$46,284 Salaries, \$15,667 Match) to support a reassignment of job functions within the Agency.

- Operating Expenses appropriation and general revenue funding of \$123,591 transferred from **DAS**.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	7,915,724	9,030,928	8,402,117	8,407,617	8,255,561	8,407,617
	#Positions	172	191	173	173	173	173
Extra Help	5010001	41,869	177,770	177,770	177,770	177,770	177,770
	#Extra Help	5	10	10	10	10	10
Personal Services Matching	5010003	2,634,491	3,079,329	2,814,784	2,816,847	2,780,540	2,816,847
Operating Expenses	5020002	1,153,802	1,338,701	1,215,110	1,215,110	1,215,110	1,215,110
Conference & Travel Expenses	5050009	5,077	8,472	8,472	8,472	8,472	8,472
Professional Fees	5060010	1,275	11,000	11,000	11,000	11,000	11,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Data Processing Services	5900044	11,057	12,300	12,300	12,300	12,300	12,300
Total		11,763,295	13,658,500	12,641,553	12,649,116	12,460,753	12,649,116
Funding Sources							
General Revenue	4000010	4,097,271	4,800,769		4,347,424	4,283,661	4,347,424
Federal Revenue	4000020	5,416,213	6,544,579		5,927,559	5,839,082	5,927,559
Merit Adjustment Fund	4000055	100,000	0		0	0	0
Reallocation of Resources	4000410	78,861	0		0	0	0
Various Program Support	4000730	2,070,950	2,313,152		2,374,133	2,338,010	2,374,133
Total Funding		11,763,295	13,658,500		12,649,116	12,460,753	12,649,116
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		11,763,295	13,658,500		12,649,116	12,460,753	12,649,116

Budget exceeds Authorized Appropriation in Regular Salaries, Personal Services Matching and Authorized Number of Positions by authority of a Reallocation of Resources.

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	7,915,724	9,030,928	8,402,117	8,407,617	9,151,417	9,151,417
	#Positions	172	191	173	173	190	190
Extra Help	5010001	41,869	177,770	177,770	177,770	177,770	177,770
	#Extra Help	5	10	10	10	10	10
Personal Services Matching	5010003	2,634,491	3,079,329	2,814,784	2,816,847	3,073,199	3,073,199
Operating Expenses	5020002	1,153,802	1,338,701	1,215,110	1,215,110	1,338,701	1,338,701
Conference & Travel Expenses	5050009	5,077	8,472	8,472	8,472	8,472	8,472
Professional Fees	5060010	1,275	11,000	11,000	11,000	11,000	11,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Data Processing Services	5900044	11,057	12,300	12,300	12,300	12,300	12,300
Total		11,763,295	13,658,500	12,641,553	12,649,116	13,772,859	13,772,859
Funding Sources							
General Revenue	4000010	4,097,271	4,800,769		4,347,424	4,347,424	4,347,424
Federal Revenue	4000020	5,416,213	6,544,579		5,927,559	5,927,559	5,927,559
Merit Adjustment Fund	4000055	100,000	0		0	0	0
Reallocation of Resources	4000410	78,861	0		0	123,591	123,591
Various Program Support	4000730	2,070,950	2,313,152		2,374,133	2,374,133	2,374,133
Total Funding		11,763,295	13,658,500		12,649,116	12,772,707	12,772,707
Excess Appropriation/(Funding)		0	0		0	1,000,152	1,000,152
Grand Total		11,763,295	13,658,500		12,649,116	13,772,859	13,772,859

Budget exceeds Authorized Appropriation in Regular Salaries, Personal Services Matching and Authorized Number of Positions by authority of a Reallocation of Resources.

AFTER REVISED BUDGET

DHS - Administrative Services

Audit Findings

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

Findings

Recommendations

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

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2013

None

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1DE Various Building Construction	2,620,420	0	7,172,900	0	7,648,900	0	7,648,900	0	7,648,900	0	7,648,900	0
414 Consolidated Cost	696,178	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0
896 Division of Administrative Services	28,625,145	333	29,996,530	290	34,350,428	332	34,363,488	332	34,100,082	332	34,363,488	332
898 Social Srvs Blk Grant-Fed	0	0	139,733	0	139,733	0	139,733	0	139,733	0	139,733	0
C99 Client Specific Emergency Services-Cash	0	0	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0
Total	31,941,743	333	38,250,663	290	43,080,561	332	43,093,621	332	42,830,215	332	43,093,621	332

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	4,933,565	13.8	3,894,726	9.1	4,370,726	10.1	4,370,726	10.1	4,370,726	10.1
General Revenue	4000010	11,086,659	30.9	10,912,609	25.6	11,370,205	26.2	11,272,669	26.1	11,370,205	26.2
Federal Revenue	4000020	11,497,275	32.1	12,165,992	28.5	12,932,336	29.8	12,821,229	29.7	12,932,336	29.8
Cash Fund	4000045	0	0.0	120,000	0.3	120,000	0.3	120,000	0.3	120,000	0.3
Merit Adjustment Fund	4000055	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA	4000244	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reimbursement	4000425	1,581,581	4.4	7,648,900	17.9	7,648,900	17.6	7,648,900	17.7	7,648,900	17.6
Various Program Support	4000730	6,737,389	18.8	7,879,162	18.5	6,964,219	16.0	6,909,456	16.0	6,964,219	16.0
Total Funds		35,836,469	100.0	42,621,389	100.0	43,406,386	100.0	43,142,980	100.0	43,406,386	100.0
Excess Appropriation/(Funding)		(3,894,726)		(4,370,726)		(312,765)		(312,765)		(312,765)	
Grand Total		31,941,743		38,250,663		43,093,621		42,830,215		43,093,621	

BEFORE REVISED BUDGET

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1DE Various Building Construction	2,620,420	0	7,172,900	0	7,648,900	0	7,648,900	0	7,648,900	0	7,648,900	0
414 Consolidated Cost	696,178	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0
896 Division of Administrative Services	28,625,145	333	29,996,530	290	34,350,428	332	34,363,488	332	33,234,732	312	33,234,732	312
898 Social Svcs Blk Grant-Fed	0	0	139,733	0	139,733	0	139,733	0	139,733	0	139,733	0
C99 Client Specific Emergency Services-Cash	0	0	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0
Total	31,941,743	333	38,250,663	290	43,080,561	332	43,093,621	332	41,964,865	312	41,964,865	312

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	4,933,565	13.8	3,894,726	9.1	4,370,726	10.1	4,370,726	10.1	4,370,726	10.1
General Revenue	4000010	11,086,659	30.9	10,912,609	25.6	11,370,205	26.2	11,370,205	26.3	11,370,205	26.3
Federal Revenue	4000020	11,497,275	32.1	12,165,992	28.5	12,932,336	29.8	12,932,336	29.9	12,932,336	29.9
Cash Fund	4000045	0	0.0	120,000	0.3	120,000	0.3	120,000	0.3	120,000	0.3
Merit Adjustment Fund	4000055	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA	4000244	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	0	0.0	0	0.0	0	0.0	(123,591)	(0.3)	(123,591)	(0.3)
Reimbursement	4000425	1,581,581	4.4	7,648,900	17.9	7,648,900	17.6	7,648,900	17.7	7,648,900	17.7
Various Program Support	4000730	6,737,389	18.8	7,879,162	18.5	6,964,219	16.0	6,964,219	16.1	6,964,219	16.1
Total Funds		35,836,469	100.0	42,621,389	100.0	43,406,386	100.0	43,282,795	100.0	43,282,795	100.0
Excess Appropriation/(Funding)		(3,894,726)		(4,370,726)		(312,765)		(1,317,930)		(1,317,930)	
Grand Total		31,941,743		38,250,663		43,093,621		41,964,865		41,964,865	

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 1DE - Various Building Construction

Funding Sources: DHR - Human Services Renovation Fund

The Various Building Construction appropriation is for the purpose of construction, acquisition, renovation, maintenance, repair and equipping facilities of the Department of Human Services and for paying disallowances cited by the federal government. Facilities are those operated by the Divisions of Developmental Disabilities-Human Development Centers; Behavioral Health-Arkansas State Hospital and Arkansas Health Center; and Youth Services-Youth Services Centers and Wilderness Camps.

Funding for this appropriation is from the Human Services Renovation Fund and is derived from three sources. Federal reimbursement received by the Department. General revenue transferred from these three (3) Divisions with an annual maximum of five million dollars. Other funds may be utilized as determined to be available. At the request of the Director of the Department of Human Services and upon certification of the availability of such funds, the Chief Fiscal Officer of the State shall initiate the necessary transfer documents to reflect the transfer on the books of record of the Treasurer of State, the Auditor of State, the Chief Fiscal Officer of the State and the Department. Arkansas Code Annotated §19-5-1020 was amended by Act 1537 of 1999 to require that transfers into the Renovation Fund must be submitted to and receive approval from the Chief Fiscal Officer of the State, the Governor and the Legislative Council prior to the effective date of the transfer. This appropriation is centralized within the DHS Director's purview in order that the needs of the Department can be prioritized, however, maintained by the Division of Administrative Services. Expenditures for this appropriation are contingent upon available funding provided from within the Department.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 1DE - Various Building Construction

Funding Sources: DHR - Human Services Renovation Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Construction	5090005	2,620,420	7,172,900	7,648,900	7,648,900	7,648,900	7,648,900
Total		2,620,420	7,172,900	7,648,900	7,648,900	7,648,900	7,648,900
Funding Sources							
Fund Balance	4000005	4,933,565	3,894,726		4,370,726	4,370,726	4,370,726
Reimbursement	4000425	1,581,581	7,648,900		7,648,900	7,648,900	7,648,900
Total Funding		6,515,146	11,543,626		12,019,626	12,019,626	12,019,626
Excess Appropriation/(Funding)		(3,894,726)	(4,370,726)		(4,370,726)	(4,370,726)	(4,370,726)
Grand Total		2,620,420	7,172,900		7,648,900	7,648,900	7,648,900

Analysis of Budget Request

Appropriation: 414 - Consolidated Cost

Funding Sources: MCC - Consolidated Cost Revolving Fund

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

Funding for this appropriation, as indicated as various program support, is revenue transferred based on cost allocation derived from the program code to which funds are assigned and can be a mix of funding sources such as general revenue, federal revenue, other revenue and/or a combination of each.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 414 - Consolidated Cost

Funding Sources: MCC - Consolidated Cost Revolving Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	696,178	821,500	821,500	821,500	821,500	821,500
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		696,178	821,500	821,500	821,500	821,500	821,500
Funding Sources							
Various Program Support	4000730	696,178	821,500		821,500	821,500	821,500
Total Funding		696,178	821,500		821,500	821,500	821,500
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		696,178	821,500		821,500	821,500	821,500

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

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

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

Office of Finance and Administration

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

Office of Systems and Technology

Technical services, program applications, support services and administrative services related to information/data systems is provided through staff and a contractual arrangement.

Funding for this appropriation includes general revenues (DAS - Department of Human Services Administration Fund Account), federal and other funds. The federal funds are derived from support services allocated through cost allocation and social service block grant federal funds. Other funding which is indicated as various program support is derived through cost allocation and can also include M&R proceeds.

There are two appropriation summaries provided for this appropriation:

Page 147 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary

Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 148 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Agency Change Level Request includes a reduction in appropriation below the FY15 ALC/JBC Legislative Recommendation of (\$1,128,756) and a general revenue funding reallocation of (\$123,591) (to DHS - Office of Chief Counsel) to support the re-organization of the Grievance Office within OCC, and reflects the following:

- Transfer Positions (20): Regular Salaries of (\$735,890) and Personal Services Matching of (\$269,275) to support the following positions - To **OCC** five (5) Civil Rights/Employee Relations Coordinator (C117), three (3) DHS Program Specialist (C115), two (2) Administrative Specialist III (C112), one (1) Human Resources Assistant (C110), one (1) Assistant Personnel Manager (C118), one (1) Administrative Analyst (C115), one (1) Policy Development Coordinator (C117), one (1) DHS Employee Relations Manager (C125), one (1) Personnel Manager (C121), one (1) Accountant I (C116) (\$660,086 Salaries, \$236,913 Match); To **DAAS**, two (2) Fiscal Support Specialists (C112) and one (1) Administrative Specialist III (C112) (\$75,804 Salaries, \$32,362 Match) to implement a new Conflict Free Case Management Program.
- Reallocation of Operating Expenses appropriation and general revenue funding of \$123,591 to **OCC**.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	11,317,741	11,464,216	13,095,874	13,106,474	12,892,707	13,106,474
	#Positions	333	290	332	332	332	332
Extra Help	5010001	40,618	64,480	64,480	64,480	64,480	64,480
	#Extra Help	5	20	20	20	20	20
Personal Services Matching	5010003	3,983,358	4,138,079	4,682,474	4,684,934	4,635,295	4,684,934
Overtime	5010006	20	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	2,386,143	3,031,419	3,500,000	3,500,000	3,500,000	3,500,000
Conference & Travel Expenses	5050009	20,679	21,045	30,000	30,000	30,000	30,000
Professional Fees	5060010	8,637,721	9,299,691	11,000,000	11,000,000	11,000,000	11,000,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	31,240	0	0	0	0	0
Data Processing Services	5900044	2,207,625	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600
Total		28,625,145	29,996,530	34,350,428	34,363,488	34,100,082	34,363,488
Funding Sources							
General Revenue	4000010	11,086,659	10,912,609		11,370,205	11,272,669	11,370,205
Federal Revenue	4000020	11,497,275	12,026,259		12,792,603	12,681,496	12,792,603
Merit Adjustment Fund	4000055	0	0		0	0	0
Federal Funds-ARRA	4000244	0	0		0	0	0
Various Program Support	4000730	6,041,211	7,057,662		6,142,719	6,087,956	6,142,719
Total Funding		28,625,145	29,996,530		30,305,527	30,042,121	30,305,527
Excess Appropriation/(Funding)		0	0		4,057,961	4,057,961	4,057,961
Grand Total		28,625,145	29,996,530		34,363,488	34,100,082	34,363,488

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	11,317,741	11,464,216	13,095,874	13,106,474	12,370,584	12,370,584
	#Positions	333	290	332	332	312	312
Extra Help	5010001	40,618	64,480	64,480	64,480	64,480	64,480
	#Extra Help	5	20	20	20	20	20
Personal Services Matching	5010003	3,983,358	4,138,079	4,682,474	4,684,934	4,415,659	4,415,659
Overtime	5010006	20	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	2,386,143	3,031,419	3,500,000	3,500,000	3,376,409	3,376,409
Conference & Travel Expenses	5050009	20,679	21,045	30,000	30,000	30,000	30,000
Professional Fees	5060010	8,637,721	9,299,691	11,000,000	11,000,000	11,000,000	11,000,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	31,240	0	0	0	0	0
Data Processing Services	5900044	2,207,625	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600
Total		28,625,145	29,996,530	34,350,428	34,363,488	33,234,732	33,234,732

Funding Sources							
General Revenue	4000010	11,086,659	10,912,609		11,370,205	11,370,205	11,370,205
Federal Revenue	4000020	11,497,275	12,026,259		12,792,603	12,792,603	12,792,603
Merit Adjustment Fund	4000055	0	0		0	0	0
Federal Funds-ARRA	4000244	0	0		0	0	0
Reallocation of Resources	4000410	0	0		0	(123,591)	(123,591)
Various Program Support	4000730	6,041,211	7,057,662		6,142,719	6,142,719	6,142,719
Total Funding		28,625,145	29,996,530		30,305,527	30,181,936	30,181,936
Excess Appropriation/(Funding)		0	0		4,057,961	3,052,796	3,052,796
Grand Total		28,625,145	29,996,530		34,363,488	33,234,732	33,234,732

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

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

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

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

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	0	139,733	139,733	139,733	139,733	139,733
Total	0	139,733	139,733	139,733	139,733	139,733
Funding Sources						
Federal Revenue 4000020	0	139,733		139,733	139,733	139,733
Total Funding	0	139,733		139,733	139,733	139,733
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	139,733		139,733	139,733	139,733

Analysis of Budget Request

Appropriation: C99 - Client Specific Emergency Services–Cash

Funding Sources: 120 - Client Specific Emergency Services-Cash

This appropriation is a contingency for immediate, short term and specific client emergencies such as shelter, food or transportation. Federal social services block grant funds would be utilized should payments be necessary. There were no expenditures made under this appropriation in FY2013 and \$120,000 is budgeted in FY2014.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: C99 - Client Specific Emergency Services–Cash

Funding Sources: 120 - Client Specific Emergency Services-Cash

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Purchase of Services 5900043	0	120,000	120,000	120,000	120,000	120,000
Total	0	120,000	120,000	120,000	120,000	120,000
Funding Sources						
Cash Fund 4000045	0	120,000		120,000	120,000	120,000
Total Funding	0	120,000		120,000	120,000	120,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	120,000		120,000	120,000	120,000

DHS - Community Srvs/Nonprofit Support

Audit Findings

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

Findings

Recommendations

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

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2013

None

Department Appropriation Summary

		Historical Data				Agency Request and Recommendations							
Appropriation		2012-2013		2013-2014		2013-2014		2014-2015					
		Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
896	Community Svcs/Non-Profit Support	1,289,392	23	1,387,908	24	1,482,666	24	1,483,036	24	1,483,036	24	1,483,036	24
898	AmeriCorps Grants	2,718,047	0	2,410,704	0	2,410,704	0	2,410,704	0	2,410,704	0	2,410,704	0
935	Community Srv/Non-Profit Support – Cash in Treasury	3,654	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
Total		4,011,093	23	3,810,612	24	3,905,370	24	3,905,740	24	3,905,740	24	3,905,740	24
Funding Sources			%		%		%		%		%		%
General Revenue	4000010	453,791	11.3	469,614	12.3			471,388	12.1	471,388	12.1	471,388	12.1
Federal Revenue	4000020	3,218,742	80.2	3,010,431	79.0			3,120,261	79.9	3,120,261	79.9	3,120,261	79.9
Cash Fund	4000045	3,654	0.1	12,000	0.3			12,000	0.3	12,000	0.3	12,000	0.3
Merit Adjustment Fund	4000055	15,000	0.4	0	0.0			0	0.0	0	0.0	0	0.0
Various Program Support	4000730	319,906	8.0	318,567	8.4			302,091	7.7	302,091	7.7	302,091	7.7
Total Funds		4,011,093	100.0	3,810,612	100.0			3,905,740	100.0	3,905,740	100.0	3,905,740	100.0
Excess Appropriation/(Funding)		0		0				0		0		0	
Grand Total		4,011,093		3,810,612				3,905,740		3,905,740		3,905,740	

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

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

The agency is funded through general revenues (DAS - Department of Human Services Administration Fund Account). Federal funding is comprised of funding based on the Department's cost allocation plan as well as federal funding granted from the Department of Health and Human Services-Corporation for National and Community Service. Other revenues which are indicated as various program support also consists of funding distributed based on the Department's cost allocation plan.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	798,741	899,615	905,596	905,896	905,896	905,896
	#Positions	23	24	24	24	24	24
Personal Services Matching	5010003	297,620	330,449	328,596	328,666	328,666	328,666
Overtime	5010006	47	1,000	1,000	1,000	1,000	1,000
Operating Expenses	5020002	166,196	139,502	202,389	202,389	202,389	202,389
Conference & Travel Expenses	5050009	10,168	8,642	26,885	26,885	26,885	26,885
Professional Fees	5060010	9,500	500	10,000	10,000	10,000	10,000
Data Processing	5090012	0	0	0	0	0	0
AmeriCorps Grants	5100004	2,718,047	2,410,704	2,410,704	2,410,704	2,410,704	2,410,704
Capital Outlay	5120011	0	0	0	0	0	0
Data Processing Services	5900044	7,120	8,200	8,200	8,200	8,200	8,200
Total		4,007,439	3,798,612	3,893,370	3,893,740	3,893,740	3,893,740
Funding Sources							
General Revenue	4000010	453,791	469,614		471,388	471,388	471,388
Federal Revenue	4000020	3,218,742	3,010,431		3,120,261	3,120,261	3,120,261
Merit Adjustment Fund	4000055	15,000	0		0	0	0
Various Program Support	4000730	319,906	318,567		302,091	302,091	302,091
Total Funding		4,007,439	3,798,612		3,893,740	3,893,740	3,893,740
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		4,007,439	3,798,612		3,893,740	3,893,740	3,893,740

The FY14 Budgeted amount in Personal Services Matching exceeds the authorized amount due to salary and matching adjustments during the 2013-2015 Biennium.

Analysis of Budget Request

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

Funding Sources: NHS - Cash in Treasury

This appropriation provides the Division of Community Service and Nonprofit Support authority for expenditure of fees and donations relating to various volunteer efforts established around the State. The funds are for volunteer recognition, volunteer management training and special volunteer event expenses. These funds are honoraria from speaking engagements, donations, and volunteer management conference/workshop/seminar registration fees.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

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

Funding Sources: NHS - Cash in Treasury

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	3,654	7,703	7,703	7,703	7,703	7,703
Conference & Travel Expenses	5050009	0	2,865	2,865	2,865	2,865	2,865
Professional Fees	5060010	0	1,432	1,432	1,432	1,432	1,432
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		3,654	12,000	12,000	12,000	12,000	12,000
Funding Sources							
Cash Fund	4000045	3,654	12,000		12,000	12,000	12,000
Total Funding		3,654	12,000		12,000	12,000	12,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		3,654	12,000		12,000	12,000	12,000

DHS - Aging & Adult Services

Audit Findings

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

Findings

Recommendations

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

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2013

None

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
35M Ms. Senior Pageant	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0
418 Meals on Wheels	2,400,000	0	2,700,000	0	2,700,000	0	2,700,000	0	2,700,000	0	2,700,000	0
896 Division of Aging & Adult Services	13,990,050	201	14,688,982	200	16,626,831	208	16,635,579	208	16,596,134	212	16,635,579	208
898 Community Based Care	0	0	0	0	90,000	0	90,000	0	90,000	0	90,000	0
898 Nursing Home Care Alternatives	4,827,663	0	4,847,525	0	7,207,910	0	7,207,910	0	7,207,910	0	7,207,910	0
898 Nutrition Program	8,560,052	0	10,866,664	0	12,021,770	0	12,021,770	0	12,021,770	0	12,021,770	0
898 Older Worker Program Grants	1,052,665	0	1,052,665	0	2,093,645	0	2,093,645	0	1,552,665	0	2,093,645	0
898 Project Grants	10,163,854	0	9,705,752	0	12,420,135	0	12,420,135	0	12,420,135	0	12,420,135	0
898 Retired & Sr Volunteer Program	67,969	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
898 Sr Citizen Centers	4,999,999	0	5,000,000	0	10,000,000	0	10,000,000	0	5,000,000	0	10,000,000	0
978 Senior Olympics	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0
Total	46,152,252	201	49,026,588	200	63,325,291	208	63,334,039	208	57,753,614	212	63,334,039	208

Funding Sources		%		%		%		%		%
General Revenue 4000010	17,131,515	37.1	17,675,570	36.1	17,678,664	34.9	17,694,557	35.0	17,678,664	34.9
Federal Revenue 4000020	26,464,115	57.3	28,416,100	58.0	30,097,489	59.5	30,077,185	59.4	30,097,489	59.5
Special Revenue 4000030	2,489,429	5.4	2,801,000	5.7	2,801,000	5.5	2,801,000	5.5	2,801,000	5.5
Merit Adjustment Fund 4000055	50,000	0.1	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Medicaid Match 4000660	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)
Various Program Support 4000730	49,775	0.1	166,500	0.3	68,249	0.1	65,215	0.1	68,249	0.1
Total Funds	46,152,252	100.0	49,026,588	100.0	50,612,820	100.0	50,605,375	100.0	50,612,820	100.0
Excess Appropriation/(Funding)	0		0		12,721,219		7,148,239		12,721,219	
Grand Total	46,152,252		49,026,588		63,334,039		57,753,614		63,334,039	

BEFORE REVISED BUDGET

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
35M Ms. Senior Pageant	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0
418 Meals on Wheels	2,400,000	0	2,700,000	0	2,700,000	0	2,700,000	0	2,700,000	0	2,700,000	0
896 Division of Aging & Adult Services	13,990,050	201	14,688,982	200	16,626,831	208	16,635,579	208	22,111,591	288	22,111,591	288
898 Community Based Care	0	0	0	0	90,000	0	90,000	0	90,000	0	90,000	0
898 Nursing Home Care Alternatives	4,827,663	0	4,847,525	0	7,207,910	0	7,207,910	0	7,207,910	0	7,207,910	0
898 Nutrition Program	8,560,052	0	10,866,664	0	12,021,770	0	12,021,770	0	12,021,770	0	12,021,770	0
898 Older Worker Program Grants	1,052,665	0	1,052,665	0	2,093,645	0	2,093,645	0	2,093,645	0	2,093,645	0
898 Project Grants	10,163,854	0	9,705,752	0	12,420,135	0	12,420,135	0	12,420,135	0	12,420,135	0
898 Retired & Sr Volunteer Program	67,969	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
898 Sr Citizen Centers	4,999,999	0	5,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
978 Senior Olympics	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0
Total	46,152,252	201	49,026,588	200	63,325,291	208	63,334,039	208	68,810,051	288	68,810,051	288

Funding Sources		%		%		%		%		%
General Revenue 4000010	17,131,515	37.1	17,675,570	36.1	17,678,664	34.9	20,440,664	36.3	20,440,664	36.3
Federal Revenue 4000020	26,464,115	57.3	28,416,100	58.0	30,097,489	59.5	32,961,630	58.6	32,961,630	58.6
Special Revenue 4000030	2,489,429	5.4	2,801,000	5.7	2,801,000	5.5	2,801,000	5.0	2,801,000	5.0
Merit Adjustment Fund 4000055	50,000	0.1	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Medicaid Match 4000660	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)
Various Program Support 4000730	49,775	0.1	166,500	0.3	68,249	0.1	68,249	0.1	68,249	0.1
Total Funds	46,152,252	100.0	49,026,588	100.0	50,612,820	100.0	56,238,961	100.0	56,238,961	100.0
Excess Appropriation/(Funding)	0		0		12,721,219		12,571,090		12,571,090	
Grand Total	46,152,252		49,026,588		63,334,039		68,810,051		68,810,051	

AFTER BUDGET REQUEST

Analysis of Budget Request

Appropriation: 35M - Ms. Senior Pageant

Funding Sources: DHP - Aging and Adult Services Fund Account

The Ms. Senior Pageant appropriation was established by Act 1278 of 2007 sec. 6. This appropriation allows the Division of Aging and Adult Services to provide funding to the Ms. Senior Pageant. The funding has allowed the pageant to reach out to every county in Arkansas in an attempt to make it a truly State wide event. The Ms. Senior Arkansas spokesman provides inspiration and encouragement to others by appearing and performing in senior care centers, nursing homes, hospitals and schools. This is in addition to the media appearances and addresses where they can advance the dignity and value of senior citizens around the state.

Funding for this appropriation consists of 100% general revenue funding (DHP - Aging and Adult Services Fund Account).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 35M - Ms. Senior Pageant

Funding Sources: DHP - Aging and Adult Services Fund Account

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Ms. Senior Pageant Expenses 5900046	20,000	20,000	20,000	20,000	20,000	20,000
Total	20,000	20,000	20,000	20,000	20,000	20,000
Funding Sources						
General Revenue 4000010	20,000	20,000		20,000	20,000	20,000
Total Funding	20,000	20,000		20,000	20,000	20,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	20,000	20,000		20,000	20,000	20,000

Analysis of Budget Request

Appropriation: 418 - Meals on Wheels
Funding Sources: DHP - Aging and Adult Services Fund Account

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

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

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 418 - Meals on Wheels

Funding Sources: DHP - Aging and Adult Services Fund Account

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Transportation Services 5900046	2,400,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
Total	2,400,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
Funding Sources						
Special Revenue 4000030	2,400,000	2,700,000		2,700,000	2,700,000	2,700,000
Total Funding	2,400,000	2,700,000		2,700,000	2,700,000	2,700,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	2,400,000	2,700,000		2,700,000	2,700,000	2,700,000

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

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

The Community-Based Care and Nursing Home Alternative appropriations of DAAS encompass three programs: Alternatives, Assisted Living, and Eldercare. All three are Medicaid home and community-based programs that provide services to Arkansas residents of several age ranges.

- Alternatives provides attendant care and environmental modification services to individuals age 21 through 64 who meet the criteria for intermediate nursing home care. The individuals' income should be less than 300% of poverty to meet the resource limits for Medicaid. Those who qualify may also receive regular Medicaid Benefits.
- Assisted Livings waiver program provides 24-hour supervision and supportive services, including limited nursing services in a congregate setting to persons aged 21 and older who have an income of no more than 300% of SSI and limited resources.
- ElderChoices provides in-home services to individuals 64 and over. These services are designed to delay or prevent institutionalization by maintaining, strengthening or restoring an eligible client's functioning in his or her own home, the home of a caregiver or foster facility. Services may include adult day care, adult day healthcare, adult foster care, chore, home delivered meals, homemaker services, personal emergency response system and respite care.

DAAS's Nutrition Programs appropriation is designed to provide meals to clients who are age 60 or older (or spouse or disabled dependent of person 60 or older), homebound, and unable to prepare nutritionally adequate meals, and living in an area where the meal can be delivered.

The Older Worker Program appropriation for DAAS provides for low-income persons age 55 and over who have poor employment prospects. Program participants receive assignments at community and government agencies and are paid the Federal or State minimum wage, whichever is higher. Participants may also receive assistance in developing job search skills and in locating a permanent job. Participants are placed in non-profit or public service type host agencies. They receive on-the-job training and work experience. During their training, participants work with their local Employment and Training Coordinator to achieve permanent part time or full time unsubsidized employment either at their host agency or with other employment sources in their area. Some of the benefits participants receive while in the program are:

temporary paid work experience; improvement of marketable skills; development of new skills and an opportunity to establish a current work history.

The Retired and Senior Volunteer Program (RSVP) appropriation is part of the national, non-profit organization sponsored locally by one of eight regional programs. It provides people age 55 and older with an opportunity to use the skills they spent a lifetime acquiring, in meaningful volunteer activities. RSVP also conducts recognition events for members of the program as a means to recognize the people who donate their time and talents to help their Arkansas communities, providing an opportunity for our members to socialize with other active seniors.

The Senior Citizens Centers appropriation provides DAAS with local hubs for administering the many programs offered to the service areas covered by the more than 200 Centers across the state. They serve as resources for information and assistance regarding eligibility and applications, places of congregation, as well as offering RSVP opportunities.

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

There are two appropriation summaries provided for this appropriation:

Page 169 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 170 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Agency Change Level Request includes additional appropriation above the FY15 ALC/JBC Legislative Recommendation of \$5,476,012 and a general revenue funding reallocation of \$2,762,000 (from DHS - Medical Services Hospital/Medical Contracts) to implement a new Conflict Free Case Management Program, and reflects the following:

- New Positions (58): Regular Salaries of \$2,032,389, Personal Services Matching of \$757,290, and general revenue funding of \$1,970,478

to support the following positions - forty-six (46) Licensed Social Workers (C118), six (6) Licensed Certified Social Workers (C121), three (3) Registered Nurses (C120), two (2) DHS/DAAS Division Managers, and one (1) Registered Nurse Supervisor (C122).

- Reclassify Positions (10): Regular Salaries of \$63,017 and Personal Services Matching of \$14,633 to support the following positions - three (3) Administrative Specialists II (C112), two (2) Fiscal Support Specialists (C112), one (1) LPN Supervisor (C115), one (1) Maintenance Supervisor (C115), one (1) DHS Program Specialist (C115), one (1) Staff Development Coordinator (C117), and one (1) Skilled Tradesman (C115).
- Transfer Positions (22): Regular Salaries of \$744,519 and Personal Services Matching of \$281,120 to support the following positions - From **DCFS**, nine (9) Family Service Worker Specialists (C118), one (1) Assistant Director (N903), and one (1) Administrative Specialist III (C112) (\$417,897 salaries, \$151,158 match); From **DDS**, two (2) Admin Specialists III (C112), one (1) Staff Development Coordinator (C117), one (1) DHS Program Specialist (C115), and one Maintenance Supervisor (C115) (\$141,287 salaries, \$57,407 match); From **DAS**, two (2) Fiscal Support Specialists (C112) and one (1) Administrative Specialist III (C112) (\$75,804 salaries, \$32,362 match); From **DBHS**, one (1) LPN Supervisor (C115) and one (1) Skilled Tradesman (C115) (\$58,502 salaries, \$23,424 match); Lastly, from **OCC**, one (1) Attorney Specialist (C126) (\$51,029 salaries, \$16,769 match) to perform the role of Public Guardian within the Office of Public Guardian.
- Operating Expenses appropriation of \$1,499,044 with general revenue of \$749,522 for rent, office supplies, network services and travel expenses.
- Conference and Travel appropriation of \$84,000 with general revenue of \$42,000 for meals and lodging.

The Conflict Free Case Management Program will allow the Division to reduce the time frame for completing medical eligibility assessments of individuals by half. By reducing the amount of time to complete these assessments the Division could reduce the number of individuals admitted into institutional settings by providing quicker access to initial services and better case management based on the individual's plan of care. On average it is estimated that the cost to Medicaid Long Term Care is \$10,000 per client per year greater than those of an individual receiving home and community based services.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	8,837,949	9,264,565	9,497,001	9,504,101	9,465,968	9,504,101
	#Positions	201	200	208	208	212	208
Extra Help	5010001	88,429	85,000	120,434	120,434	120,434	120,434
	#Extra Help	13	16	18	18	18	18
Personal Services Matching	5010003	2,993,945	3,176,021	3,289,049	3,290,697	3,251,885	3,290,697
Operating Expenses	5020002	1,755,306	1,961,296	2,842,397	2,842,397	2,842,397	2,842,397
Conference & Travel Expenses	5050009	54,986	60,000	100,000	100,000	137,500	100,000
Professional Fees	5060010	259,435	142,100	777,950	777,950	777,950	777,950
Data Processing	5090012	0	0	0	0	0	0
Project Grants	5100004	10,163,854	9,705,752	12,420,135	12,420,135	12,420,135	12,420,135
Retired & Sr Volunteer Prgm	5100004	67,969	75,000	75,000	75,000	75,000	75,000
Sr Citizen Centers	5100004	4,999,999	5,000,000	10,000,000	10,000,000	5,000,000	10,000,000
Older Wkrs Prgm Grant	5100004	1,052,665	1,052,665	2,093,645	2,093,645	1,552,665	2,093,645
Community Based Care	5100004	0	0	90,000	90,000	90,000	90,000
Nursing Hm Care Alternatives	5100004	4,827,663	4,847,525	7,207,910	7,207,910	7,207,910	7,207,910
Nutrition Programs	5100004	8,560,052	10,866,664	12,021,770	12,021,770	12,021,770	12,021,770
Capital Outlay	5120011	0	0	0	0	0	0
Total		43,662,252	46,236,588	60,535,291	60,544,039	54,963,614	60,544,039

Funding Sources							
General Revenue	4000010	17,041,515	17,585,570		17,588,664	17,604,557	17,588,664
Federal Revenue	4000020	26,464,115	28,416,100		30,097,489	30,077,185	30,097,489
Special Revenue	4000030	89,429	101,000		101,000	101,000	101,000
Merit Adjustment Fund	4000055	50,000	0		0	0	0
Transfer to Medicaid Match	4000660	(32,582)	(32,582)		(32,582)	(32,582)	(32,582)
Various Program Support	4000730	49,775	166,500		68,249	65,215	68,249
Total Funding		43,662,252	46,236,588		47,822,820	47,815,375	47,822,820
Excess Appropriation/(Funding)		0	0		12,721,219	7,148,239	12,721,219
Grand Total		43,662,252	46,236,588		60,544,039	54,963,614	60,544,039

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	8,837,949	9,264,565	9,497,001	9,504,101	12,344,026	12,344,026
	#Positions	201	200	208	208	288	288
Extra Help	5010001	88,429	85,000	120,434	120,434	120,434	120,434
	#Extra Help	13	16	18	18	18	18
Personal Services Matching	5010003	2,993,945	3,176,021	3,289,049	3,290,697	4,343,740	4,343,740
Operating Expenses	5020002	1,755,306	1,961,296	2,842,397	2,842,397	4,341,441	4,341,441
Conference & Travel Expenses	5050009	54,986	60,000	100,000	100,000	184,000	184,000
Professional Fees	5060010	259,435	142,100	777,950	777,950	777,950	777,950
Data Processing	5090012	0	0	0	0	0	0
Project Grants	5100004	10,163,854	9,705,752	12,420,135	12,420,135	12,420,135	12,420,135
Retired & Sr Volunteer Prgm	5100004	67,969	75,000	75,000	75,000	75,000	75,000
Sr Citizen Centers	5100004	4,999,999	5,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Older Wkrs Prgm Grant	5100004	1,052,665	1,052,665	2,093,645	2,093,645	2,093,645	2,093,645
Community Based Care	5100004	0	0	90,000	90,000	90,000	90,000
Nursing Hm Care Alternatives	5100004	4,827,663	4,847,525	7,207,910	7,207,910	7,207,910	7,207,910
Nutrition Programs	5100004	8,560,052	10,866,664	12,021,770	12,021,770	12,021,770	12,021,770
Capital Outlay	5120011	0	0	0	0	0	0
Total		43,662,252	46,236,588	60,535,291	60,544,039	66,020,051	66,020,051

Funding Sources							
General Revenue	4000010	17,041,515	17,585,570		17,588,664	20,350,664	20,350,664
Federal Revenue	4000020	26,464,115	28,416,100		30,097,489	32,961,630	32,961,630
Special Revenue	4000030	89,429	101,000		101,000	101,000	101,000
Merit Adjustment Fund	4000055	50,000	0		0	0	0
Transfer to Medicaid Match	4000660	(32,582)	(32,582)		(32,582)	(32,582)	(32,582)
Various Program Support	4000730	49,775	166,500		68,249	68,249	68,249
Total Funding		43,662,252	46,236,588		47,822,820	53,448,961	53,448,961
Excess Appropriation/(Funding)		0	0		12,721,219	12,571,090	12,571,090
Grand Total		43,662,252	46,236,588		60,544,039	66,020,051	66,020,051

AFTER BUDGET REQUEST

Analysis of Budget Request

Appropriation: 978 - Senior Olympics

Funding Sources: DHP - Aging and Adult Services Fund Account

This appropriation was first authorized in 1995 to provide funding for the Arkansas Senior Olympics. Funds are paid on a two-to-one matching basis to the Senior Arkansas Sports Organization, a non-profit organization that organizes the Arkansas Senior Olympic games. The purpose of the Senior Olympics program is to promote healthy lifestyles for seniors through education, fitness and sports participation.

Arkansas Senior Olympic Games are structured in accordance with rules established by the National Senior Games Association (NSGA). There are ten (12) age divisions that apply to both men and women for individual and doubles events, and seven (8) age divisions for team events. The 2012 Arkansas State Games will be held at Hot Springs, Arkansas, September 14 through September 23. Participants in events this year may qualify as athletes for the 2013 National Senior Olympics. The events scheduled include: Archery, Badminton, Bowling, Cycling, Golf, Horseshoes, Race/Walk, Racquetball, Road Race, Shuffleboard, Swimming, Table Tennis, Tennis, Track and Field events and Weightlifting/Bench Press. Other recreational events are also available, including Basketball Shoot, Bean Bag Baseball, Card and Board Games, Eight Ball Pool, Pickle Ball, etc.

Funding for this appropriation consists of 100% general revenue (DHP - Aging and Adult Services Fund Account).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 978 - Senior Olympics

Funding Sources: DHP - Aging and Adult Services Fund Account

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	70,000	70,000	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000	70,000	70,000
Funding Sources						
General Revenue 4000010	70,000	70,000		70,000	70,000	70,000
Total Funding	70,000	70,000		70,000	70,000	70,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	70,000	70,000		70,000	70,000	70,000

DHS - Children & Family Services

Audit Findings

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

Findings

Recommendations

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

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
 Fiscal Year 2013
 Required by A.C.A. 25-36-104

AGENCY: 0710 DHS - Children & Family Services

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Al Dodds	\$365,000	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>1</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$2,905,500</u>
% OF MINORITY CONTRACTS AWARDED	<u>1.01 %</u>

Department Appropriation Summary

Appropriation		Historical Data						Agency Request and Recommendations					
		2012-2013		2013-2014		2013-2014		2014-2015					
		Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
882	State Residential Treatment	675,893	0	750,000	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0
883	Foster Care	27,873,022	0	27,315,859	0	27,315,859	0	27,315,859	0	27,315,859	0	27,315,859	0
896	Division of Children & Family Services	67,197,496	1,020	67,282,665	933	85,234,582	1,131	85,275,368	1,131	84,349,167	1,131	85,275,368	1,131
898	TANF/Foster Care	39,010,652	0	41,641,796	0	41,641,796	0	43,471,796	0	43,471,796	0	43,471,796	0
Total		134,757,063	1,020	136,990,320	933	155,292,237	1,131	157,163,023	1,131	156,236,822	1,131	157,163,023	1,131

Funding Sources			%		%		%		%		%		
General Revenue	4000010	49,511,801	36.7	49,467,320	36.1			49,473,578	37.5	54,153,365	39.9	49,473,578	37.5
Federal Revenue	4000020	63,720,687	47.3	71,578,059	52.3			66,141,147	50.2	65,589,413	48.3	66,141,147	50.2
Merit Adjustment Fund	4000055	659,751	0.5	0	0.0			0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	(600,000)	(0.4)	0	0.0			0	0.0	0	0.0	0	0.0
Refunds	4000415	4,597,201	3.4	4,343,000	12.2			3,720,000	2.8	3,720,000	2.7	3,720,000	2.8
Transfer to Medicaid Match	4000660	(300,767)	(0.2)	(600,000)	(0.4)			(300,000)	(0.2)	(300,000)	(0.2)	(300,000)	(0.2)
Transfer to State Police	4000675	(1,660,313)	(1.2)	(1,674,208)	(1.2)			(1,699,208)	(1.3)	(1,699,208)	(1.3)	(1,699,208)	(1.3)
Various Program Support	4000730	18,828,703	14.0	13,876,149	1.1			14,437,378	11.0	14,233,124	10.5	14,437,378	11.0
Total Funds		134,757,063	100.0	136,990,320	100.0			131,772,895	100.0	135,696,694	100.0	131,772,895	100.0
Excess Appropriation/(Funding)		0		0				25,390,128		20,540,128		25,390,128	
Grand Total		134,757,063		136,990,320				157,163,023		156,236,822		157,163,023	

BEFORE REVISED BUDGET

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Recommendations					
	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
882 State Residential Treatment	675,893	0	750,000	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0
883 Foster Care	27,873,022	0	27,315,859	0	27,315,859	0	27,315,859	0	30,315,859	0	30,315,859	0
896 Division of Children & Family Services	67,197,496	1,020	67,282,665	933	85,234,582	1,131	85,275,368	1,131	81,612,926	1,118	81,612,926	1,118
898 TANF/Foster Care	39,010,652	0	41,641,796	0	41,641,796	0	43,471,796	0	48,254,137	0	43,471,796	0
Total	134,757,063	1,020	136,990,320	933	155,292,237	1,131	157,163,023	1,131	161,282,922	1,118	156,500,581	1,118

Funding Sources		%		%		%		%		%	
General Revenue	4000010	49,511,801	36.7	49,467,320	36.1	49,473,578	37.5	63,829,727	46.7	61,829,727	46.9
Federal Revenue	4000020	63,720,687	47.3	71,578,059	52.3	66,141,147	50.2	68,923,488	50.5	66,141,147	50.2
Merit Adjustment Fund	4000055	659,751	0.5	0	0.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	(600,000)	(0.4)	0	0.0	0	0.0	0	0.0	0	0.0
Refunds	4000415	4,597,201	3.4	4,343,000	3.2	3,720,000	2.8	3,720,000	2.7	3,720,000	2.8
Transfer to Medicaid Match	4000660	(300,767)	(0.2)	(600,000)	(0.4)	(300,000)	(0.2)	(300,000)	(0.2)	(300,000)	(0.2)
Transfer to State Police	4000675	(1,660,313)	(1.2)	(1,674,208)	(1.2)	(1,699,208)	(1.3)	(1,699,208)	(1.2)	(1,699,208)	(1.3)
Various Program Support	4000730	18,828,703	14.0	13,876,149	10.1	14,437,378	11.0	2,081,229	1.5	2,081,229	1.6
Total Funds		134,757,063	100.0	136,990,320	100.0	131,772,895	100.0	136,555,236	100.0	131,772,895	100.0
Excess Appropriation/(Funding)		0		0		25,390,128		24,727,686		24,727,686	
Grand Total		134,757,063		136,990,320		157,163,023		161,282,922		156,500,581	

AFTER BUDGET REQUEST

Analysis of Budget Request

Appropriation: 882 - State Residential Treatment

Funding Sources: DCF - Children and Family Services Fund Account

This appropriation provides residential treatment services to children in need of placement and treatment. These services are purchased through private provider contracts and Medicaid Eligible service providers. The services are targeted for children who have been diagnosed as having serious emotional and/or behavioral problems and are in need of placement and treatment.

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

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 882 - State Residential Treatment

Funding Sources: DCF - Children and Family Services Fund Account

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	675,893	750,000	1,100,000	1,100,000	1,100,000	1,100,000
Total		675,893	750,000	1,100,000	1,100,000	1,100,000	1,100,000
Funding Sources							
General Revenue	4000010	597,278	707,000		1,080,000	1,080,000	1,080,000
Refunds	4000415	78,615	43,000		20,000	20,000	20,000
Total Funding		675,893	750,000		1,100,000	1,100,000	1,100,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		675,893	750,000		1,100,000	1,100,000	1,100,000

Analysis of Budget Request

Appropriation: 883 - Foster Care

Funding Sources: DCF - Children and Family Services Fund Account

The Division of Children and Family Services (DCFS) provides selective placement for children in the custody of the Department of Human Services in approved foster homes or licensed facilities for a planned period of time when separation from a birth parent or legal guardian necessitates such separation. Foster Care is an integral part of the service delivery system of the Division of Children and Family Services.

Funding for this appropriation consists of general revenue (DCF-Children and Family Services Fund Account), refunds that consist of board reimbursements for spent general revenue and other revenues, which is identified as various program support. These other revenues are considered to be non-federal and technically can be expended for any program or service within the Department.

There are two appropriation summaries provided for this appropriation:

Page 180 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 181 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Agency Change Level Request includes a reallocation increase of appropriation above the FY15 ALC/JBC Legislative Recommendation of \$3,000,000 from Operations (896) Professional Fees to Foster Care (883) Grants and Aid to meet the anticipated need for increases in placement contracts and adoption subsidies.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 883 - Foster Care

Funding Sources: DCF - Children and Family Services Fund Account

Appropriation	2012-2013 Actual	2013-2014 Budget	2013-2014 Authorized	2014-2015		
				Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	27,873,022	27,315,859	27,315,859	27,315,859	27,315,859	27,315,859
Total	27,873,022	27,315,859	27,315,859	27,315,859	27,315,859	27,315,859

Funding Sources		2012-2013	2013-2014	2013-2014	2014-2015	2014-2015	2014-2015
General Revenue 4000010	23,354,436	10,659,710			22,115,859	22,115,859	22,115,859
Refunds 4000415	4,518,586	4,300,000			3,700,000	3,700,000	3,700,000
Various Program Support 4000730	0	12,356,149			0	0	0
Total Funding	27,873,022	27,315,859			25,815,859	25,815,859	25,815,859
Excess Appropriation/(Funding)	0	0			1,500,000	4,500,000	4,500,000
Grand Total	27,873,022	27,315,859			27,315,859	30,315,859	30,315,859

BEFORE BUDGET REQUEST

Appropriation Summary

Appropriation: 883 - Foster Care

Funding Sources: DCF - Children and Family Services Fund Account

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	27,873,022	27,315,859	27,315,859	27,315,859	30,315,859	30,315,859
Total		27,873,022	27,315,859	27,315,859	27,315,859	30,315,859	30,315,859
Funding Sources							
General Revenue	4000010	23,354,436	10,659,710		22,115,859	22,115,859	22,115,859
Refunds	4000415	4,518,586	4,300,000		3,700,000	3,700,000	3,700,000
Various Program Support	4000730	0	12,356,149		0	0	0
Total Funding		27,873,022	27,315,859		25,815,859	25,815,859	25,815,859
Excess Appropriation/(Funding)		0	0		1,500,000	4,500,000	4,500,000
Grand Total		27,873,022	27,315,859		27,315,859	30,315,859	30,315,859

AFTER BUDGET REQUEST

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

This appropriation provides administrative support for the Division of Children and Family Services (DCFS). This Division is responsible for the protection of children, the continuation of the family-centered approach to service delivery to help strengthen and maintain natural families when possible, the expansion of programs such as therapeutic services, foster care prevention, management information systems and quality assurance and monitoring.

DCFS provides family support to keep children at home, assist families when the families temporarily can't provide the necessary care for their children and help eliminate child maltreatment. DCFS attempts to keep families together and only separates children from their families as a last alternative. Specific services provided by the Division are: Support Services, Foster Care, Adoption Services and Protective Services.

The Division was operating under a Child Welfare Reform Federal Consent Decree until December, 2001. The original lawsuit (commonly known as "Angela R") was filed in 1991, alleging gross abuse and neglect of children of this State and the State's failure to protect those children. The consent decree was approved in 1994 and extended in 1999 and again in October 2001. In December 2001, the decree ended when the plaintiffs to the original lawsuit did not challenge DCFS compliance with the federal consent decree.

Funding for this appropriation includes general revenue (DCF-Children and Family Services Fund Account), federal revenues and other revenues, which is identified as various program support. The federal funds are derived from Title IV-E, Title IV-B, TANF, Child Abuse Prevention Treatment Act (CAPTA), Social Service Block Grant, Emergency Assessment funding, Safe and Stable Families Act funding. Other revenues which is indicated as various program support are derived from many sources including federal awards, fees, third party reimbursements and maximization of federal claiming. These other revenues are considered to be non-federal and technically can be expended for any program or service within the Department.

There are two appropriation summaries provided for this appropriation:

Page 184 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 185 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted

and member amendments. The Agency Change Level Request includes a reduction of appropriation below the FY15 ALC/JBC Legislative Recommendation of (\$3,662,442), and reflects the following:

- Transfer Positions (-13): Regular Salaries of (\$485,700) and Personal Services Matching of (\$176,742) to support the following positions - to **DCCECE**, one (1) DHS Program Coordinator (C117) and one (1) DHS Program Manager (C119) (-\$67,803 salaries, -\$25,584 match) that will be utilized in the Summer Food Service Program; to **DAAS**, nine (9) Family Service Worker Specialist (C118), one (1) Assistant Director (N903), one (1) Administrative Specialist III (C112) and (-\$417,897 salary, -\$151,158 match) for the new Conflict Free Case Management program.
- Budget Reallocation: (\$3,000,000) in appropriation from Operations (896) Professional Fees to Foster Care (883) Grants and Aid to meet the anticipated need for increases in placement contracts and adoption subsidies.
- Funding Reallocation: \$12,356,149 in general revenue funding from the Division of Medical Services to offset the use of Medicaid matching funds. This reallocation will result in no new additional general revenue.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	35,205,466	33,396,134	40,307,139	40,340,239	39,703,058	40,340,239
	#Positions	1,020	933	1,131	1,131	1,131	1,131
Extra Help	5010001	123,373	175,000	175,000	175,000	175,000	175,000
	#Extra Help	15	10	65	65	65	65
Personal Services Matching	5010003	12,117,110	12,481,722	15,081,944	15,089,630	14,800,610	15,089,630
Overtime	5010006	4,926	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	9,623,863	9,482,750	12,145,347	12,145,347	12,145,347	12,145,347
Conference & Travel Expenses	5050009	19,442	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	9,993,976	11,712,059	17,390,152	17,390,152	17,390,152	17,390,152
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	109,340	0	100,000	100,000	100,000	100,000
Total		67,197,496	67,282,665	85,234,582	85,275,368	84,349,167	85,275,368
Funding Sources							
General Revenue	4000010	14,291,870	24,978,049		14,367,915	17,597,702	14,367,915
Federal Revenue	4000020	37,114,594	43,598,824		36,369,155	35,817,421	36,369,155
Merit Adjustment Fund	4000055	659,751	0		0	0	0
Reallocation of Resources	4000410	(600,000)	0		0	0	0
Transfer to Medicaid Match	4000660	(300,767)	(600,000)		(300,000)	(300,000)	(300,000)
Transfer to State Police	4000675	(1,660,313)	(1,674,208)		(1,699,208)	(1,699,208)	(1,699,208)
Various Program Support	4000730	17,692,361	980,000		14,097,378	13,893,124	14,097,378
Total Funding		67,197,496	67,282,665		62,835,240	65,309,039	62,835,240
Excess Appropriation/(Funding)		0	0		22,440,128	19,040,128	22,440,128
Grand Total		67,197,496	67,282,665		85,275,368	84,349,167	85,275,368

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	35,205,466	33,396,134	40,307,139	40,340,239	39,854,539	39,854,539
	#Positions	1,020	933	1,131	1,131	1,118	1,118
Extra Help	5010001	123,373	175,000	175,000	175,000	175,000	175,000
	#Extra Help	15	10	65	65	65	65
Personal Services Matching	5010003	12,117,110	12,481,722	15,081,944	15,089,630	14,912,888	14,912,888
Overtime	5010006	4,926	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	9,623,863	9,482,750	12,145,347	12,145,347	12,145,347	12,145,347
Conference & Travel Expenses	5050009	19,442	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	9,993,976	11,712,059	17,390,152	17,390,152	14,390,152	14,390,152
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	109,340	0	100,000	100,000	100,000	100,000
Total		67,197,496	67,282,665	85,234,582	85,275,368	81,612,926	81,612,926
Funding Sources							
General Revenue	4000010	14,291,870	24,978,049		14,367,915	26,724,064	26,724,064
Federal Revenue	4000020	37,114,594	43,598,824		36,369,155	36,369,155	36,369,155
Merit Adjustment Fund	4000055	659,751	0		0	0	0
Reallocation of Resources	4000410	(600,000)	0		0	0	0
Transfer to Medicaid Match	4000660	(300,767)	(600,000)		(300,000)	(300,000)	(300,000)
Transfer to State Police	4000675	(1,660,313)	(1,674,208)		(1,699,208)	(1,699,208)	(1,699,208)
Various Program Support	4000730	17,692,361	980,000		14,097,378	1,741,229	1,741,229
Total Funding		67,197,496	67,282,665		62,835,240	62,835,240	62,835,240
Excess Appropriation/(Funding)		0	0		22,440,128	18,777,686	18,777,686
Grand Total		67,197,496	67,282,665		85,275,368	81,612,926	81,612,926

AFTER BUDGET REQUEST

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The TANF/Foster Care Program is used to assist with the costs of foster care maintenance for eligible children; administrative costs to manage the program; and training for staff and foster parents. The primary purpose of this program is to fund proper care for children who need placement outside their homes. This appropriation is also used to assist States in paying maintenance costs for adopted children with special needs, such as children who are older or who have disabilities. The primary purpose of this program is to advance the permanency of hard to place children in adoptive homes and avoid inappropriate and excessive numbers of foster care placements.

This appropriation also provides for Independent Living services for foster children age 16 and older. This service is intended to provide a transition to independent living by providing encouragement and assistance in obtaining a high school diploma or vocational skill training, as well as training in daily living skills.

Funding for this appropriation includes general revenue (DCF - Children and Family Services Fund Account), federal revenues, and other revenues, which are identified as various program support. Federal revenues include Title IV-E Adoption Subsidies, Title IV-B Family Preservation Funding, SSBG, and TANF. Other revenues which are indicated as various program support and consists of match out of board reimbursements.

There are two appropriation summaries provided for this appropriation:

Page 187 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 188 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Agency Change Level Request includes an increase of appropriation above the FY15 ALC/JBC Legislative Recommendation of \$4,782,341 and a general revenue funding increase of \$2,000,000, and reflects the following::

- Grants and Aid: Increase of \$1,168,080 in appropriation and general revenue to provide substance abuse treatment services, and \$3,614,261 in appropriation and \$831,920 in general revenue to meet the anticipated increase of the state share in Adoption Subsidies.

The Executive Recommendation provides for the FY15 ALC/JBC Legislative Recommendation.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	39,010,652	41,641,796	41,641,796	43,471,796	43,471,796	43,471,796
Total		39,010,652	41,641,796	41,641,796	43,471,796	43,471,796	43,471,796
Funding Sources							
General Revenue	4000010	11,268,217	13,122,561		11,909,804	13,359,804	11,909,804
Federal Revenue	4000020	26,606,093	27,979,235		29,771,992	29,771,992	29,771,992
Various Program Support	4000730	1,136,342	540,000		340,000	340,000	340,000
Total Funding		39,010,652	41,641,796		42,021,796	43,471,796	42,021,796
Excess Appropriation/(Funding)		0	0		1,450,000	0	1,450,000
Grand Total		39,010,652	41,641,796		43,471,796	43,471,796	43,471,796

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation	2012-2013 Actual	2013-2014 Budget	2013-2014 Authorized	2014-2015		
				Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	39,010,652	41,641,796	41,641,796	43,471,796	48,254,137	43,471,796
Total	39,010,652	41,641,796	41,641,796	43,471,796	48,254,137	43,471,796
Funding Sources						
General Revenue 4000010	11,268,217	13,122,561		11,909,804	13,909,804	11,909,804
Federal Revenue 4000020	26,606,093	27,979,235		29,771,992	32,554,333	29,771,992
Various Program Support 4000730	1,136,342	540,000		340,000	340,000	340,000
Total Funding	39,010,652	41,641,796		42,021,796	46,804,137	42,021,796
Excess Appropriation/(Funding)	0	0		1,450,000	1,450,000	1,450,000
Grand Total	39,010,652	41,641,796		43,471,796	48,254,137	43,471,796

AFTER BUDGET REQUEST

DHS - Child Care/Early Childhood Education

Audit Findings

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

Findings

Recommendations

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

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2013

None

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
320 Child Care Development-Discretionary	19,980,708	0	25,469,372	0	25,719,372	0	25,469,372	0	25,469,372	0	25,469,372	0
890 Food Program	67,220,168	0	59,291,250	0	59,291,250	0	64,291,250	0	64,291,250	0	64,291,250	0
896 Division of Child Care/Early Childhood	15,748,789	186	19,251,822	192	23,284,092	192	23,292,966	192	23,149,821	192	23,292,966	192
898 Child Care Grant/Aids	25,562,906	0	29,630,656	0	29,630,656	0	29,630,656	0	29,630,656	0	29,630,656	0
929 Child Care-Treasury Paying	0	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0
Total	128,512,571	186	133,830,637	192	138,112,907	192	142,871,781	192	142,728,636	192	142,871,781	192

Funding Sources		%		%		%		%		%	
General Revenue	4000010	6,828,452	5.3	7,440,432	5.6	7,440,880	5.2	7,432,004	5.2	7,440,880	5.2
Federal Revenue	4000020	118,527,023	92.2	123,767,229	92.5	132,491,023	92.7	132,374,288	92.7	132,491,023	92.7
Special Revenue	4000030	0	0.0	30,000	0.0	329,503	0.2	329,503	0.2	329,503	0.2
Cash Fund	4000045	0	0.0	187,537	0.1	187,537	0.1	187,537	0.1	187,537	0.1
Federal Funds-ARRA	4000244	631,753	0.5	0	0.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	600,000	0.5	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	1,925,343	1.5	2,405,439	1.8	2,422,838	1.7	2,405,304	1.7	2,422,838	1.7
Total Funds		128,512,571	100.0	133,830,637	100.0	142,871,781	100.0	142,728,636	100.0	142,871,781	100.0
Excess Appropriation/(Funding)		0		0		0		0		0	
Grand Total		128,512,571		133,830,637		142,871,781		142,728,636		142,871,781	

BEFORE REVISED BUDGET

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
320 Child Care Development-Discretionary	19,980,708	0	25,469,372	0	25,719,372	0	25,469,372	0	25,469,372	0	25,469,372	0
890 Food Program	67,220,168	0	59,291,250	0	59,291,250	0	64,291,250	0	64,291,250	0	64,291,250	0
896 Division of Child Care/Early Childhood	15,748,789	186	19,251,822	192	23,284,092	192	23,292,966	192	23,389,321	194	23,389,321	194
898 Child Care Grant/Aids	25,562,906	0	29,630,656	0	29,630,656	0	29,630,656	0	29,630,656	0	29,630,656	0
929 Child Care-Treasury Paying	0	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0
Total	128,512,571	186	133,830,637	192	138,112,907	192	142,871,781	192	142,968,136	194	142,968,136	194

Funding Sources		%		%		%		%		%	
General Revenue	4000010	6,828,452	5.3	7,440,432	5.6	7,440,880	5.2	7,440,880	5.2	7,440,880	5.2
Federal Revenue	4000020	118,527,023	92.2	123,767,229	92.5	132,491,023	92.7	132,587,378	92.7	132,587,378	92.7
Special Revenue	4000030	0	0.0	30,000	0.0	329,503	0.2	329,503	0.2	329,503	0.2
Cash Fund	4000045	0	0.0	187,537	0.1	187,537	0.1	187,537	0.1	187,537	0.1
Federal Funds-ARRA	4000244	631,753	0.5	0	0.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	600,000	0.5	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	1,925,343	1.5	2,405,439	1.8	2,422,838	1.7	2,422,838	1.7	2,422,838	1.7
Total Funds		128,512,571	100.0	133,830,637	100.0	142,871,781	100.0	142,968,136	100.0	142,968,136	100.0
Excess Appropriation/(Funding)		0		0		0		0		0	
Grand Total		128,512,571		133,830,637		142,871,781		142,968,136		142,968,136	

AFTER BUDGET REQUEST

Analysis of Budget Request

Appropriation: 320 - Child Care Development-Discretionary

Funding Sources: FWF - DHS Federal

The Child Care and Development Block Grant (CCDF) consolidates childcare assistance programs and requires states to develop an integrated service delivery system to meet the needs of low income families. This appropriation is for the Discretionary category of funds. Specifically, these funds are targeted for low income working families and those transitioning from the Temporary Assistance for Needy Families program (TANF) Program to obtain child care; thereby allowing parents to work or obtain the training necessary to obtain employment or attend educational programs that will lead to employment.

Funding for this appropriation includes 100% federal revenue consisting of Discretionary Child Care Development Block Grant funding.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 320 - Child Care Development-Discretionary

Funding Sources: FWF - DHS Federal

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	19,348,955	25,469,372	25,469,372	25,469,372	25,469,372	25,469,372
Child Care Dev-Discretionary - ARRA 2009	5900052	631,753	0	250,000	0	0	0
Total		19,980,708	25,469,372	25,719,372	25,469,372	25,469,372	25,469,372
Funding Sources							
Federal Revenue	4000020	19,348,955	25,469,372		25,469,372	25,469,372	25,469,372
Federal Funds-ARRA	4000244	631,753	0		0	0	0
Total Funding		19,980,708	25,469,372		25,469,372	25,469,372	25,469,372
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		19,980,708	25,469,372		25,469,372	25,469,372	25,469,372

Analysis of Budget Request

Appropriation: 890 - Food Program

Funding Sources: FWF - DHS Federal

The Child and Adult Care Food Program (CACFP) provides nutritious meals in public and non-profit licensed child care center, adult day care centers, day care homes and outside school hours centers. Private for profit organizations may qualify if they receive payments under Title XX of the Social Security Act for at least 25% of their clients. Residential programs are not eligible for participation in this food program. The CACFP assist with initiating, maintaining, and expanding nonprofit food service programs for children or adult participants in nonresidential institutions which provide care. The program is intended to enable such institutions to integrate a nutritious food service with organized care services for enrolled participants. The National School Lunch Program provides reimbursement to schools, licensed child care institutions, juvenile detention centers and hospitals serving lunches to eligible children. Participating schools and other institutions will serve lunches that are nutritionally adequate and ensure that participating children gain a full understanding of the relationship between proper eating and good health. The Special Milk Program provides reimbursement to schools and non-profit child care institutions for serving milk to eligible children. The Summer Food Service Program reimburses organizations for providing nutritious meals and snacks to children during the summer months. The program generally operates during the months of May through September at site locations where regularly scheduled food services are provided for children. Sites may also participate in the program from September through May if the school is closed because of an emergency situation. Service institutions operating food programs for children on school vacation under a continuous year-round calendar may apply for participation in other months.

Funding for this appropriation includes 100% federal revenue consisting of federal reimbursements from the U.S. Department of Agriculture.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 890 - Food Program

Funding Sources: FWF - DHS Federal

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	67,220,168	59,291,250	59,291,250	64,291,250	64,291,250	64,291,250
Total	67,220,168	59,291,250	59,291,250	64,291,250	64,291,250	64,291,250
Funding Sources						
Federal Revenue 4000020	67,220,168	59,291,250		64,291,250	64,291,250	64,291,250
Total Funding	67,220,168	59,291,250		64,291,250	64,291,250	64,291,250
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	67,220,168	59,291,250		64,291,250	64,291,250	64,291,250

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

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

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

There are two appropriation summaries provided for this appropriation:

Page 197 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 198 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Agency Change Level Request includes additional appropriation above the FY15 ALC/JBC Legislative Recommendation of \$96,355, and reflects the following:

- Transfer Positions (2): Regular Salaries of \$70,211 and Personal Services Matching of \$26,144 to support the following positions - From **DCFS**, one (1) DHS Program Coordinator (C117) and one (1) DHS Program Manager (C119) (\$67,803 salaries, \$25,584 match); From **DMS**, one (1) Agency Fiscal Manager (C121) (\$47,646 salary, \$15,984 match) to be utilized in the Summer Food Service Program. To **DMS**, one (1) DHS Program Administrator (C122) (-\$45,238 salary, -\$15,424 match) to support the reassignment of job functions within the agency.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	6,518,822	7,018,578	7,044,975	7,052,175	6,936,006	7,052,175
	#Positions	186	192	192	192	192	192
Extra Help	5010001	138,600	153,795	153,795	153,795	153,795	153,795
	#Extra Help	12	10	13	13	13	13
Personal Services Matching	5010003	2,416,676	2,614,210	2,595,485	2,597,159	2,570,183	2,597,159
Overtime	5010006	10	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,029,243	4,493,392	4,517,990	4,517,990	4,517,990	4,517,990
Conference & Travel Expenses	5050009	71,006	65,000	65,000	65,000	65,000	65,000
Professional Fees	5060010	3,574,432	4,901,847	8,901,847	8,901,847	8,901,847	8,901,847
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		15,748,789	19,251,822	23,284,092	23,292,966	23,149,821	23,292,966
Funding Sources							
General Revenue	4000010	563,454	1,175,434		1,175,882	1,167,006	1,175,882
Federal Revenue	4000020	12,659,992	15,670,949		19,694,246	19,577,511	19,694,246
Reallocation of Resources	4000410	600,000	0		0	0	0
Various Program Support	4000730	1,925,343	2,405,439		2,422,838	2,405,304	2,422,838
Total Funding		15,748,789	19,251,822		23,292,966	23,149,821	23,292,966
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		15,748,789	19,251,822		23,292,966	23,149,821	23,292,966

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	6,518,822	7,018,578	7,044,975	7,052,175	7,122,386	7,122,386
	#Positions	186	192	192	192	194	194
Extra Help	5010001	138,600	153,795	153,795	153,795	153,795	153,795
	#Extra Help	12	10	13	13	13	13
Personal Services Matching	5010003	2,416,676	2,614,210	2,595,485	2,597,159	2,623,303	2,623,303
Overtime	5010006	10	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,029,243	4,493,392	4,517,990	4,517,990	4,517,990	4,517,990
Conference & Travel Expenses	5050009	71,006	65,000	65,000	65,000	65,000	65,000
Professional Fees	5060010	3,574,432	4,901,847	8,901,847	8,901,847	8,901,847	8,901,847
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		15,748,789	19,251,822	23,284,092	23,292,966	23,389,321	23,389,321
Funding Sources							
General Revenue	4000010	563,454	1,175,434		1,175,882	1,175,882	1,175,882
Federal Revenue	4000020	12,659,992	15,670,949		19,694,246	19,790,601	19,790,601
Reallocation of Resources	4000410	600,000	0		0	0	0
Various Program Support	4000730	1,925,343	2,405,439		2,422,838	2,422,838	2,422,838
Total Funding		15,748,789	19,251,822		23,292,966	23,389,321	23,389,321
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		15,748,789	19,251,822		23,292,966	23,389,321	23,389,321

AFTER BUDGET REQUEST

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The passage of the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193 established the Child Care Development Fund (CCDF). This fund allows maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within the State of Arkansas; promotes parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs; encourages States to provide consumer education information to help parents make informed choices about child care; assists States to provide child care to parents trying to achieve independence from public assistance; and assist States in implementing the health, safety, licensing and registration standards established in State regulations. A minimum of four percent (4%) of CCDF funds must be used to improve the quality of childcare. Quality activities include training, grants and loans to providers, and health and safety improvements.

In the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, specific funding is designated for Child Care. Funding received under the Child Care Development Fund by states is in three categories:

- Mandatory: Base allocations for states
- Matching: Additional available funds if states spend base allocations and provide state match above Maintenance of Effort
- Discretionary: Funding designated as the Child Care Development Block Grant

Funding for this appropriation consists of general revenue (DGF - Department of Human Services Grants Fund Account), federal revenue and special revenue. Federal revenues include Child Care Development Block Grant funding. Special revenue was derived from Beer Tax collections due to the State before the sunset of the funding source.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	25,562,906	29,630,656	29,630,656	29,630,656	29,630,656	29,630,656
Total		25,562,906	29,630,656	29,630,656	29,630,656	29,630,656	29,630,656
Funding Sources							
General Revenue	4000010	6,264,998	6,264,998		6,264,998	6,264,998	6,264,998
Federal Revenue	4000020	19,297,908	23,335,658		23,036,155	23,036,155	23,036,155
Special Revenue	4000030	0	30,000		329,503	329,503	329,503
Total Funding		25,562,906	29,630,656		29,630,656	29,630,656	29,630,656
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		25,562,906	29,630,656		29,630,656	29,630,656	29,630,656

Analysis of Budget Request

Appropriation: 929 - Child Care-Treasury Paying

Funding Sources: NHS - Cash in Treasury

The Arkansas Child Care Facilities Loan Guarantee Fund was created to provide loan guarantees to assist with the development of new or to expand existing day care facilities with target areas specifically in low income, rural areas of the State that show demonstrated need for child care. Arkansas Code Annotated §20-78-503 created the Arkansas Child Care Facilities Loan Guarantee Trust Fund with initial funds derived from interest income on the investment of state funds. Funds are authorized in \$100,000 annual increments up to a balance of \$350,000. The State Treasurer can replenish the fund when the balance reaches or falls below \$100,000.

The Division of Child Care and Early Childhood Education is authorized to develop and implement necessary rules and regulations to receive, review, and approve applications for loan deficiency guarantee assistance. Revision of a loan guarantee may be approved when it becomes necessary to ensure adequate child care financing is available. Loan guarantees should be given the following considerations: geographic distribution, community need, community income, with priority given to those communities with the lowest median family income, proof of viable administrative and financial management, and intended licensure of the facility. The Division is required to report the status of the Loan Guarantee Fund to the Legislative Council each October.

Arkansas Code Annotated §20-78-503 designates the Arkansas Child Care Facilities Loan Guarantee Fund as a Cash Fund Account. The Agency is authorized to accept moneys for the Fund from any source in addition to the allocations from the State Treasurer. The fund is a continuing fund and not subject to fiscal year limitations. Interest that has accrued during a fiscal year that is not required to cover loan defaults occurring that fiscal year is made available for non-refundable grants to child care facilities for start-up, development, training scholarships, or expansion.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 929 - Child Care-Treasury Paying

Funding Sources: NHS - Cash in Treasury

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Loan Guarantee/Grants 5900046	0	187,537	187,537	187,537	187,537	187,537
Total	0	187,537	187,537	187,537	187,537	187,537
Funding Sources						
Cash Fund 4000045	0	187,537		187,537	187,537	187,537
Total Funding	0	187,537		187,537	187,537	187,537
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	187,537		187,537	187,537	187,537

DHS - Behavioral Health Services

Audit Findings

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

Findings

Recommendations

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

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2013

None

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
193 State Operations	20,087,502	0	20,424,313	0	28,702,341	0	28,702,341	0	23,424,313	0	28,702,341	0
196 Community Mental Health Centers	8,451,498	0	7,005,603	0	8,780,603	0	8,780,603	0	8,780,603	0	8,780,603	0
1EN Community Alcohol Safety	3,203,966	2	3,135,629	2	4,094,047	2	4,094,047	2	4,093,153	2	4,094,047	2
1ET Alcohol & Drug Abuse Prevention	19,683,711	0	20,773,302	0	21,775,777	0	21,775,777	0	21,775,777	0	21,775,777	0
2MN Mental Health Block Grant	5,417,232	0	6,035,657	0	6,551,312	0	6,551,312	0	6,551,312	0	6,551,312	0
655 Acute Mental Health Services-Per Capita	5,625,435	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0
896 Division of Behavioral Health Services	95,249,361	1,150	92,748,173	1,067	104,902,521	1,170	104,941,714	1,170	104,091,385	1,170	104,941,714	1,170
937 Canteen - Cash in Treasury	161,136	0	174,048	0	174,048	0	174,048	0	174,048	0	174,048	0
938 Patient Benefits-Cash in Treasury	19,804	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
F71 DBH Juv. Drug Courts	0	0	0	0	500,000	0	500,000	0	0	0	500,000	0
Total	157,899,645	1,152	156,005,018	1,069	181,188,942	1,172	181,228,135	1,172	174,598,884	1,172	181,228,135	1,172

Funding Sources		%		%		%		%		%	
General Revenue	4000010	77,832,724	49.3	81,235,169	52.1	75,924,095	52.0	85,802,963	56.0	75,924,095	52.0
Federal Revenue	4000020	22,916,680	14.5	24,351,176	15.6	24,079,030	16.5	24,067,954	15.7	24,079,030	16.5
Special Revenue	4000030	2,117,634	1.3	1,849,970	1.2	2,497,294	1.7	2,496,400	1.6	2,497,294	1.7
Cash Fund	4000045	180,940	0.1	249,048	0.2	249,048	0.2	249,048	0.2	249,048	0.2
Merit Adjustment Fund	4000055	924,026	0.6	0	0.0	0	0.0	0	0.0	0	0.0
State Administration of Justice	4000470	1,622,612	1.0	1,920,339	1.2	1,622,612	1.1	1,622,612	1.1	1,622,612	1.1
Various Program Support	4000730	52,305,029	33.1	46,399,316	29.7	41,621,573	28.5	38,878,452	25.4	41,621,573	28.5
Total Funds		157,899,645	100.0	156,005,018	100.0	145,993,652	100.0	153,117,429	100.0	145,993,652	100.0
Excess Appropriation/(Funding)		0		0		35,234,483		21,481,455		35,234,483	
Grand Total		157,899,645		156,005,018		181,228,135		174,598,884		181,228,135	

FY14 Budgeted Appropriations that receive Administration of Justice Funds have been budgeted based on the maximum allocations authorized in Act 1443 (59) of 2013 and anticipate the continuation of the maximum funding allocation. The Agency Request, Legislative Recommendation and Executive Recommendation appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.

BEFORE REVISED BUDGET

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
193 State Operations	20,087,502	0	20,424,313	0	28,702,341	0	28,702,341	0	28,702,341	0	28,702,341	0
196 Community Mental Health Centers	8,451,498	0	7,005,603	0	8,780,603	0	8,780,603	0	8,780,603	0	8,780,603	0
1EN Community Alcohol Safety	3,203,966	2	3,135,629	2	4,094,047	2	4,094,047	2	4,093,153	2	4,094,047	2
1ET Alcohol & Drug Abuse Prevention	19,683,711	0	20,773,302	0	21,775,777	0	21,775,777	0	21,775,777	0	21,775,777	0
2MN Mental Health Block Grant	5,417,232	0	6,035,657	0	6,551,312	0	6,551,312	0	6,551,312	0	6,551,312	0
655 Acute Mental Health Services-Per Capita	5,625,435	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0
896 Division of Behavioral Health Services	95,249,361	1,150	92,748,173	1,067	104,902,521	1,170	104,941,714	1,170	104,600,521	1,164	104,600,521	1,164
937 Canteen - Cash in Treasury	161,136	0	174,048	0	174,048	0	174,048	0	174,048	0	174,048	0
938 Patient Benefits-Cash in Treasury	19,804	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
F71 DBH Juv. Drug Courts	0	0	0	0	500,000	0	500,000	0	500,000	0	500,000	0
Total	157,899,645	1,152	156,005,018	1,069	181,188,942	1,172	181,228,135	1,172	180,886,048	1,166	180,886,942	1,166

Funding Sources		%		%		%		%		%	
General Revenue	4000010	77,832,724	49.3	81,235,169	52.1	75,924,095	52.0	79,424,095	54.4	79,424,095	54.4
Federal Revenue	4000020	22,916,680	14.5	24,351,176	15.6	24,079,030	16.5	24,079,030	16.5	24,079,030	16.5
Special Revenue	4000030	2,117,634	1.3	1,849,970	1.2	2,497,294	1.7	2,496,400	1.7	2,497,294	1.7
Cash Fund	4000045	180,940	0.1	249,048	0.2	249,048	0.2	249,048	0.2	249,048	0.2
Merit Adjustment Fund	4000055	924,026	0.6	0	0.0	0	0.0	0	0.0	0	0.0
State Administration of Justice	4000470	1,622,612	1.0	1,920,339	1.2	1,622,612	1.1	1,622,612	1.1	1,622,612	1.1
Various Program Support	4000730	52,305,029	33.1	46,399,316	29.7	41,621,573	28.5	38,121,573	26.1	38,121,573	26.1
Total Funds		157,899,645	100.0	156,005,018	100.0	145,993,652	100.0	145,992,758	100.0	145,993,652	100.0
Excess Appropriation/(Funding)		0		0		35,234,483		34,893,290		34,893,290	
Grand Total		157,899,645		156,005,018		181,228,135		180,886,048		180,886,942	

FY14 Budgeted Appropriations that receive Administration of Justice Funds have been budgeted based on the maximum allocations authorized in Act 1443 (59) of 2013 and anticipate the continuation of the maximum funding allocation. The Agency Request, Legislative Recommendation and Executive Recommendation appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.

AFTER BUDGET REQUEST

Analysis of Budget Request

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

This appropriation for State Assistance to Community Mental Health Centers provides the per capita funding of core services at the private non-profit Community Mental Health Centers (CMHCs). Special Language contained in Section 15 of Act 1308 of 2013 sets the apportionment of funds on the basis of three dollars and six cents (\$3.06) per capita for the current biennium. Section 12 provides Allocation Restrictions for the maximum allocation of funds per CMHC. Section 13 provides a methodology for changing the Allocation Restrictions maximum allocation in the event that unforeseen circumstances occur. Section 14 in this Act established that every Mental Health Center eligible to receive any of the funds appropriated, as a condition of receiving any such funds, be subject to an annual audit of the overall operations of the CMHCs by the Division of Legislative Audit and submit a budget and go through the budget procedures process in the same manner as State Departments and Agencies. Section 16 sets the conditions for receiving funds under this appropriation to only locally-operated Centers and Clinics licensed or certified by the Division of Behavioral Health Services and 1) meet the minimum standards of performance in the delivery of Mental Health Services as defined by the Department of Human Services, Behavioral Health Services Division; 2) supply statistical data to DHS-Division of Behavioral Health Services; 3) establish and maintain a sound financial management system in accordance with guidelines as set forth by DHS-Division of Behavioral Health Services; 4) establish and maintain community support programs as defined; 5) and the Board of Directors of each Center or Clinic shall adopt and submit an annual plan for the delivery of community support services for persons with long-term, severe mental illness as defined.

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

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 196 - Community Mental Health Centers

Funding Sources: DBA - Behavioral Health Services Fund Account

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	8,451,498	7,005,603	8,780,603	8,780,603	8,780,603	8,780,603
Total	8,451,498	7,005,603	8,780,603	8,780,603	8,780,603	8,780,603
Funding Sources						
General Revenue 4000010	8,451,498	7,005,603		1,680,603	1,680,603	1,680,603
Total Funding	8,451,498	7,005,603		1,680,603	1,680,603	1,680,603
Excess Appropriation/(Funding)	0	0		7,100,000	7,100,000	7,100,000
Grand Total	8,451,498	7,005,603		8,780,603	8,780,603	8,780,603

Analysis of Budget Request

Appropriation: 1EN - Community Alcohol Safety

Funding Sources: MHS - Highway Safety Special Fund

Act 1219 of 1999 transferred the Community Alcohol Safety Program from the State Highway and Transportation Department to the Arkansas Department of Health effective July 1, 1999. Act 1717 of 2003 transferred this appropriation from the Department of Health by a Type 1 transfer as provided for in Arkansas Code Annotated §25-2-104 to the Department of Human Services, Division of Behavioral Health Services.

The Community Alcohol Safety program addresses offenders arrested for DWI. Individuals arrested are evaluated by the Alcohol Safety Education Program (ASEP). The ASEP consists of 13 different sub-grantees throughout the State that provide counselors, conduct pre-sentence investigation, and provide information to the public related to DWI issues.

Funding for this appropriation includes the State Administration of Justice Fund and Special Revenues. The Special Revenue received is derived from the Drug and Alcohol Safety Education Program. Funding associated with this appropriation is allowed to be counted against the Maintenance of Effort requirement for the Substance Abuse Prevention and Treatment (SAPT) Federal Block Grant that is payable out of the Alcohol and Drug Abuse Prevention appropriation.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 1EN - Community Alcohol Safety

Funding Sources: MHS - Highway Safety Special Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	62,684	69,889	69,201	69,201	68,476	69,201
	#Positions	2	2	2	2	2	2
Personal Services Matching	5010003	23,915	26,320	25,908	25,908	25,739	25,908
Operating Expenses	5020002	7,378	3,000	95,195	95,195	95,195	95,195
Conference & Travel Expenses	5050009	416	3,000	8,298	8,298	8,298	8,298
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	3,109,573	3,033,420	3,895,445	3,895,445	3,895,445	3,895,445
Capital Outlay	5120011	0	0	0	0	0	0
Total		3,203,966	3,135,629	4,094,047	4,094,047	4,093,153	4,094,047
Funding Sources							
Special Revenue	4000030	2,117,634	1,849,970		2,497,294	2,496,400	2,497,294
State Administration of Justice	4000470	1,086,332	1,285,659		1,086,332	1,086,332	1,086,332
Total Funding		3,203,966	3,135,629		3,583,626	3,582,732	3,583,626
Excess Appropriation/(Funding)		0	0		510,421	510,421	510,421
Grand Total		3,203,966	3,135,629		4,094,047	4,093,153	4,094,047

The FY14 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching adjustments during the 2013-2015 biennium.

FY14 Budgeted Appropriations that receive Administration of Justice Funds have been budgeted based on the maximum allocations authorized in Act 1443 (59) of 2013 and anticipate the continuation of the maximum funding allocation. The Agency Request, Legislative Recommendation and Executive Recommendation appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.

Analysis of Budget Request

Appropriation: 1ET - Alcohol & Drug Abuse Prevention

Funding Sources: MDA - Drug Abuse Prevention and Treatment Fund

Act 1717 of 2003 transferred this appropriation from the Department of Health by a Type 1 transfer as provided for in Arkansas Code Annotated §25-2-104 to the Department of Human Services, Division of Behavioral Health Services. This program provides funding for alcohol and drug services which include detoxification, residential treatment, outpatient treatment, methadone maintenance treatment and Special Women's Services.

Funding for this appropriation is derived from a mix of sources that includes general revenue (DBA - Behavioral Health Services Fund Account), federal, Administration of Justice funds and other revenue. Federal revenue is comprised of Substance Abuse Prevention and Treatment Block Grant, Social Service Block Grant, U. S. Department of Education, and State Incentive Grant. Other funding which is indicated as various program support can include sources such as, City of Little Rock funds, Robert Wood Johnson funds, court costs and fees.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 1ET - Alcohol & Drug Abuse Prevention

Funding Sources: MDA - Drug Abuse Prevention and Treatment Fund

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	19,683,711	20,773,302	21,775,777	21,775,777	21,775,777	21,775,777
Total		19,683,711	20,773,302	21,775,777	21,775,777	21,775,777	21,775,777
Funding Sources							
General Revenue	4000010	2,225,120	2,231,943		2,231,943	2,231,943	2,231,943
Federal Revenue	4000020	16,343,110	17,166,679		16,254,834	16,254,834	16,254,834
State Administration of Justice	4000470	536,280	634,680		536,280	536,280	536,280
Various Program Support	4000730	579,201	740,000		635,000	635,000	635,000
Total Funding		19,683,711	20,773,302		19,658,057	19,658,057	19,658,057
Excess Appropriation/(Funding)		0	0		2,117,720	2,117,720	2,117,720
Grand Total		19,683,711	20,773,302		21,775,777	21,775,777	21,775,777

FY14 Budgeted Appropriations that receive Administration of Justice Funds have been budgeted based on the maximum allocations authorized in Act 1443 (59) of 2013 and anticipate the continuation of the maximum funding allocation. The Agency Request, Legislative Recommendation and Executive Recommendation appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.

Analysis of Budget Request

Appropriation: 2MN - Mental Health Block Grant

Funding Sources: FWF - DHS Federal

This appropriation provides authority for the Mental Health Block Grant, the Mental Health Homeless Grant, Child Mental Health Incentive - ACTION grant and other miscellaneous federal grants. Grants/Aids are used primarily for support of the private non-profit Community Mental Health Centers.

Funding for this appropriation is comprised 100% from federal sources.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2MN - Mental Health Block Grant

Funding Sources: FWF - DHS Federal

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	5,417,232	6,035,657	6,551,312	6,551,312	6,551,312	6,551,312
Total	5,417,232	6,035,657	6,551,312	6,551,312	6,551,312	6,551,312
Funding Sources						
Federal Revenue 4000020	5,417,232	6,035,657		6,551,312	6,551,312	6,551,312
Total Funding	5,417,232	6,035,657		6,551,312	6,551,312	6,551,312
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	5,417,232	6,035,657		6,551,312	6,551,312	6,551,312

Analysis of Budget Request

Appropriation: 655 - Acute Mental Health Services–Per Capita
Funding Sources: DBA - Behavioral Health Services Fund Account

This appropriation provides a per capita funding amount for private non-profit Community Mental Health Centers (CMHCs) as first established in Act 1589 of 2001. The amount of available funds for this appropriation shall be determined by the Director of the Department of Human Services and apportioned on a per capita basis up to a maximum of \$3.48 per capita each fiscal year of the biennium as set out in section 24 of Act 1308 of 2013. Section 25 requires the Division of Behavioral Health Services to develop an evaluation and monitoring program to ensure all expenditures are made consistent with the intent of this appropriation and sets, as a condition of receiving funds, requirements for quarterly reporting from the CMHCs. Section 26 of this Act describes the Legislative findings and intent of this appropriation.

This appropriation is a 100% general revenue payable appropriation (DBA - Behavioral Health Services Fund Account). Fiscal Year 2005 was the first year this appropriation received funding.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 655 - Acute Mental Health Services–Per Capita

Funding Sources: DBA - Behavioral Health Services Fund Account

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	5,625,435	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293
Total	5,625,435	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293
Funding Sources						
General Revenue 4000010	5,625,435	5,633,293		5,633,293	5,633,293	5,633,293
Total Funding	5,625,435	5,633,293		5,633,293	5,633,293	5,633,293
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	5,625,435	5,633,293		5,633,293	5,633,293	5,633,293

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

Reorganization of the Department of Human Services in 1985 by Act 348 created the Division of Mental Health Services (DMHS) and included responsibility for the Arkansas State Hospital and two other state operated Community Mental Health Centers (CMHC) located in Little Rock and Jonesboro as well as the Arkansas Health Center (formally known as the Benton Services Center). Since the reorganization, the initiatives within DMHS have focused on development of an integrated, client-centered community-based public mental health system that prioritizes adults with serious and persistent mental illness and children and adolescents with serious emotional disturbance. The responsibility, accountability and authority for the provision of services are placed at the community level, since most individuals serviced by the public mental health system reside in the community rather than institutions. Included in these initiatives was conversion of the two state-operated CMHCs to provide private non-profit statuses, the Little Rock CMHC on July 1 of 1993 and then the Jonesboro CMHC on July 1 of 1997.

Act 1717 of 2003 created the Division of Behavioral Health Services (DBHS), which placed under its responsibility all current programs of DMHS and, in addition, under Arkansas Code Annotated §25-2-104 transferred to DBHS by Type 1 transfer the Bureau of Alcohol and Drug Abuse Prevention from the Department of Health.

The Division of Behavioral Health Services is organized into four functional components. Those components are Central Administration, Arkansas State Hospital, Arkansas Health Center, and Alcohol and Drug Abuse Prevention.

The Division of Behavioral Health Services is responsible for ensuring the provision of mental health services throughout the State of Arkansas. Community-based services are provided statewide through contractual arrangements with fifteen private, non-profit Community Mental Health Centers (CMHCs), their affiliates, and three mental health clinics. There are 13 catchment areas in which the CMHCs have service sites in 69 of the 75 counties. Services are provided from 135 sites throughout the State of Arkansas.

The Division of Behavioral Health Services is responsible for the oversight and operation of the Arkansas State Hospital (ASH), a psychiatric inpatient treatment facility for those with mental or emotional disorders. The Arkansas State Hospital includes a 90-bed acute inpatient unit, a 60-bed forensic unit, a 16-bed adolescent unit, and a 16-bed adolescent sex offenders unit.

The Division also operates the Arkansas Health Center (AHC), a 320-bed long-term care psychiatric nursing facility which serves the needs of elderly Arkansans with disabilities who require specialized services and programs not generally available through community nursing homes. The program emphasizes the provision of services to special needs groups and individuals with cognitive dysfunctions. Services are available

to all residents of Arkansas, provided individuals meet admission criteria.

Funding for this appropriation includes general revenue (DBA - Behavioral Health Services Fund Account), federal and other revenues. Federal revenue includes sources such as mental health block grant, data infrastructure grant, dually diagnosed grant, substance abuse prevention and treatment (SAPT) block grant. Other revenue which is indicated as various program support includes sources such as Medicaid and Medicare reimbursements, refunds, patient collections and rent.

There are two appropriation summaries provided for this appropriation:

Page 218 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 219 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Agency Change Level Request includes a reduction of appropriation below the FY15 ALC/JBC Legislative Recommendation of (341,193), and reflects the following:

- Transfer Positions (-6): Regular Salaries of (\$252,940) and Personal Services Matching of (\$88,253) to support the following positions - to **OCC**, one (1) Psychologist (C127) (-\$58,113 salary, -\$18,414 match) for the re-organization of the Grievance Office; to **DAAS**, one (1) Skilled Tradesman (C115) and one (1) LPN Supervisor (C115) (-\$58,502 salary, -\$23,424 match) for the new Conflict Free Case Management program; to **DMS**, one (1) Psychologist (C127), one (1) Research Project Analyst (C117) and one (1) Certified Bachelors Teacher (C117) (-\$136,325 salaries, -\$46,415 match) to support the reassignment of job functions within the agency.
- Reallocation: \$3,500,000 in general revenue funding from the Division of Medical Services to offset the use of Medicaid matching funds. This reallocation will result in no new additional general revenue.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	39,254,863	37,922,135	41,585,468	41,615,168	40,923,772	41,615,168
	#Positions	1,150	1,067	1,170	1,170	1,170	1,170
Extra Help	5010001	5,843,961	4,806,181	6,627,619	6,627,619	6,627,619	6,627,619
	#Extra Help	327	332	336	336	336	336
Personal Services Matching	5010003	16,225,785	15,418,988	16,976,410	16,985,903	16,826,970	16,985,903
Overtime	5010006	3,825,613	3,487,910	4,227,283	4,227,283	4,227,283	4,227,283
Operating Expenses	5020002	21,226,792	22,327,916	22,327,916	22,327,916	22,327,916	22,327,916
Conference & Travel Expenses	5050009	49,506	67,515	67,515	67,515	67,515	67,515
Professional Fees	5060010	8,578,477	8,717,528	10,090,310	10,090,310	10,090,310	10,090,310
Data Processing	5090012	0	0	0	0	0	0
Grants/Patient Services	5100004	17,504,699	17,824,931	26,102,959	26,102,959	20,824,931	26,102,959
Capital Outlay	5120011	244,364	0	3,000,000	3,000,000	3,000,000	3,000,000
Mental Hlth Center Transfer	5900046	2,582,803	2,599,382	2,599,382	2,599,382	2,599,382	2,599,382
Total		115,336,863	113,172,486	133,604,862	133,644,055	127,515,698	133,644,055
Funding Sources							
General Revenue	4000010	61,530,671	66,364,330		66,378,256	69,157,124	66,378,256
Federal Revenue	4000020	1,156,338	1,148,840		1,272,884	1,261,808	1,272,884
Merit Adjustment Fund	4000055	924,026	0		0	0	0
Various Program Support	4000730	51,725,828	45,659,316		40,986,573	38,243,452	40,986,573
Total Funding		115,336,863	113,172,486		108,637,713	108,662,384	108,637,713
Excess Appropriation/(Funding)		0	0		25,006,342	18,853,314	25,006,342
Grand Total		115,336,863	113,172,486		133,644,055	127,515,698	133,644,055

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	39,254,863	37,922,135	41,585,468	41,615,168	41,362,228	41,362,228
	#Positions	1,150	1,067	1,170	1,170	1,164	1,164
Extra Help	5010001	5,843,961	4,806,181	6,627,619	6,627,619	6,627,619	6,627,619
	#Extra Help	327	332	336	336	336	336
Personal Services Matching	5010003	16,225,785	15,418,988	16,976,410	16,985,903	16,897,650	16,897,650
Overtime	5010006	3,825,613	3,487,910	4,227,283	4,227,283	4,227,283	4,227,283
Operating Expenses	5020002	21,226,792	22,327,916	22,327,916	22,327,916	22,327,916	22,327,916
Conference & Travel Expenses	5050009	49,506	67,515	67,515	67,515	67,515	67,515
Professional Fees	5060010	8,578,477	8,717,528	10,090,310	10,090,310	10,090,310	10,090,310
Data Processing	5090012	0	0	0	0	0	0
Grants/Patient Services	5100004	17,504,699	17,824,931	26,102,959	26,102,959	26,102,959	26,102,959
Capital Outlay	5120011	244,364	0	3,000,000	3,000,000	3,000,000	3,000,000
Mental Hlth Center Transfer	5900046	2,582,803	2,599,382	2,599,382	2,599,382	2,599,382	2,599,382
Total		115,336,863	113,172,486	133,604,862	133,644,055	133,302,862	133,302,862
Funding Sources							
General Revenue	4000010	61,530,671	66,364,330		66,378,256	69,878,256	69,878,256
Federal Revenue	4000020	1,156,338	1,148,840		1,272,884	1,272,884	1,272,884
Merit Adjustment Fund	4000055	924,026	0		0	0	0
Various Program Support	4000730	51,725,828	45,659,316		40,986,573	37,486,573	37,486,573
Total Funding		115,336,863	113,172,486		108,637,713	108,637,713	108,637,713
Excess Appropriation/(Funding)		0	0		25,006,342	24,665,149	24,665,149
Grand Total		115,336,863	113,172,486		133,644,055	133,302,862	133,302,862

AFTER BUDGET REQUEST

Analysis of Budget Request

Appropriation: 937 - Canteen – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

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

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 937 - Canteen – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	161,136	174,048	174,048	174,048	174,048	174,048
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		161,136	174,048	174,048	174,048	174,048	174,048
Funding Sources							
Cash Fund	4000045	161,136	174,048		174,048	174,048	174,048
Total Funding		161,136	174,048		174,048	174,048	174,048
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		161,136	174,048		174,048	174,048	174,048

Analysis of Budget Request

Appropriation: 938 - Patient Benefits–Cash in Treasury

Funding Sources: NHS - Cash in Treasury

The Patient Benefits appropriation provides funds on a cash basis to meet patient needs such as recreational activities and personal items. Cash funds are derived from proceeds from parking meters, interest and private donations.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor’s Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 938 - Patient Benefits–Cash in Treasury

Funding Sources: NHS - Cash in Treasury

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Patient Benefit Fund 5900046	19,804	75,000	75,000	75,000	75,000	75,000
Total	19,804	75,000	75,000	75,000	75,000	75,000
Funding Sources						
Cash Fund 4000045	19,804	75,000		75,000	75,000	75,000
Total Funding	19,804	75,000		75,000	75,000	75,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	19,804	75,000		75,000	75,000	75,000

Analysis of Budget Request

Appropriation: F71 - DBH Juv. Drug Courts

Funding Sources: DBA - Behavioral Health Services Fund Account

The Juvenile Drug Courts appropriation was established by Section 11 of Act 1308 of 2013 to facilitate drug treatment of juveniles in Arkansas Juvenile Drug Courts.

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

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: F71 - DBH Juv. Drug Courts

Funding Sources: DBA - Behavioral Health Services Fund Account

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Juvenile Drug Treatment 5900046	0	0	500,000	500,000	500,000	500,000
Total	0	0	500,000	500,000	500,000	500,000
Funding Sources						
General Revenue 4000010	0	0		0	0	0
Total Funding	0	0		0	0	0
Excess Appropriation/(Funding)	0	0		500,000	500,000	500,000
Grand Total	0	0		500,000	500,000	500,000

DHS - Medical Services

Audit Findings

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

Findings

Recommendations

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

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
 Fiscal Year 2013
 Required by A.C.A. 25-36-104

AGENCY: 0710 DHS - Medical Services

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Presidential Citizens Fellows	\$100,000	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>1</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$28,450,357</u>
% OF MINORITY CONTRACTS AWARDED	<u>0.06 %</u>

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
4KS Nursing Home Quality	88,750	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
642 Medicaid Expansion-Medical Svcs	57,418	2	112,326	2	121,480	2	121,604	2	119,804	2	121,604	2
648 Medicaid Exp-Prescription Drugs	3,506,147	0	3,496,000	0	4,614,268	0	5,728,242	0	5,728,242	0	5,728,242	0
648 Medicaid Exp-Hospital & Medical Services	64,361,241	0	50,085,000	0	80,999,373	0	92,024,933	0	92,024,933	0	92,024,933	0
876 Nursing Home Closure Costs	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
878 Long Term Care Facility Receivership	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
896 Division of Medical Services	25,679,734	315	26,004,844	312	26,600,567	322	26,615,147	322	28,106,604	352	26,615,147	322
897 ARKIDS B Program	101,969,167	0	106,056,000	0	137,336,792	0	148,436,682	0	148,436,682	0	148,436,682	0
897 Hospital & Medical Services	3,351,967,548	0	3,905,693,000	0	3,905,842,951	0	4,151,397,953	0	4,151,397,953	0	4,151,397,953	0
897 Prescription Drugs	326,066,085	0	335,941,000	0	373,142,423	0	385,783,553	0	385,783,553	0	385,783,553	0
897 Private Nursing Home Care	607,645,861	0	623,534,000	0	687,787,762	0	716,865,047	0	716,865,047	0	716,865,047	0
898 Child & Family Life Inst	0	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
898 Infant Infirmary	24,000,219	0	24,691,000	0	26,733,146	0	27,555,873	0	27,555,873	0	27,555,873	0
898 Public Nursing Home Care	178,374,699	0	186,676,000	0	212,598,210	0	223,528,121	0	223,528,121	0	223,528,121	0
Total	4,683,716,869	317	5,266,039,170	314	5,459,526,972	324	5,781,807,155	324	5,783,296,812	354	5,781,807,155	324

Funding Sources		%		%		%		%		%	
General Revenue	4000010	803,401,190	17.2	886,014,317	16.8	917,932,848	17.7	1,270,025,606	22.9	917,932,848	17.7
Federal Revenue	4000020	3,276,854,533	70.0	3,836,015,131	72.8	3,828,322,683	73.8	3,828,121,952	69.1	3,828,322,683	73.8
Trust Fund	4000050	246,842,023	5.3	46,987,605	0.9	48,550,000	0.9	48,550,000	0.9	48,550,000	0.9
Merit Adjustment Fund	4000055	93,941	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Drug Rebates	4000200	43,320,740	0.9	36,184,279	0.7	37,269,807	0.7	37,269,807	0.7	37,269,807	0.7
General Improvement Fund	4000265	0	0.0	107,735,551	2.0	0	0.0	0	0.0	0	0.0
Hospital Assessment Fee	4000281	64,503,922	1.4	67,158,462	1.3	61,458,300	1.2	61,458,300	1.1	61,458,300	1.2
ICF/MR Provider Fee	4000282	11,459,666	0.2	11,689,145	0.2	10,870,062	0.2	10,870,062	0.2	10,870,062	0.2
Miscellaneous Transfers	4000355	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0
Quality Assurance Fee	4000395	76,521,195	1.6	77,023,589	1.5	86,602,589	1.7	86,602,589	1.6	86,602,589	1.7
Reimbursement	4000425	0	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0
Tobacco Settlement	4000495	23,488,561	0.5	18,393,449	0.3	28,113,533	0.5	28,112,633	0.5	28,113,533	0.5
Various Program Support	4000730	137,116,098	2.9	178,622,642	3.4	170,989,932	3.3	171,614,863	3.1	170,989,932	3.3
Total Funds		4,683,716,869	100.0	5,266,039,170	100.0	5,190,324,754	100.0	5,542,840,812	100.0	5,190,324,754	100.0
Excess Appropriation/(Funding)		0		0		591,482,401		240,456,000		591,482,401	
Grand Total		4,683,716,869		5,266,039,170		5,781,807,155		5,783,296,812		5,781,807,155	

BEFORE REVISED BUDGET

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
4KS Nursing Home Quality	88,750	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
642 Medicaid Expansion-Medical Svcs	57,418	2	112,326	2	121,480	2	121,604	2	121,604	2	121,604	2
648 Medicaid Exp-Prescription Drugs	3,506,147	0	3,496,000	0	4,614,268	0	5,728,242	0	5,728,242	0	5,728,242	0
648 Medicaid Exp-Hospital & Medical Services	64,361,241	0	50,085,000	0	80,999,373	0	92,024,933	0	92,024,933	0	92,024,933	0
876 Nursing Home Closure Costs	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
878 Long Term Care Facility Receivership	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
896 Division of Medical Services	25,679,734	315	26,004,844	312	26,600,567	322	26,615,147	322	26,955,488	327	26,955,488	327
897 ARKIDS B Program	101,969,167	0	106,056,000	0	137,336,792	0	148,436,682	0	148,436,682	0	148,436,682	0
897 Hospital & Medical Services	3,351,967,548	0	3,905,693,000	0	3,905,842,951	0	4,151,397,953	0	5,064,814,909	0	5,064,814,909	0
897 Prescription Drugs	326,066,085	0	335,941,000	0	373,142,423	0	385,783,553	0	385,783,553	0	385,783,553	0
897 Private Nursing Home Care	607,645,861	0	623,534,000	0	687,787,762	0	716,865,047	0	716,865,047	0	716,865,047	0
898 Child & Family Life Inst	0	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
898 Infant Infirmary	24,000,219	0	24,691,000	0	26,733,146	0	27,555,873	0	27,555,873	0	27,555,873	0
898 Public Nursing Home Care	178,374,699	0	186,676,000	0	212,598,210	0	223,528,121	0	223,528,121	0	223,528,121	0
Total	4,683,716,869	317	5,266,039,170	314	5,459,526,972	324	5,781,807,155	324	6,695,564,452	329	6,695,564,452	329

Funding Sources		%		%		%		%		%	
General Revenue	4000010	803,401,190	17.2	886,014,317	16.8	917,932,848	17.7	899,314,699	14.0	899,314,699	14.0
Federal Revenue	4000020	3,276,854,533	70.0	3,836,015,131	72.8	3,828,322,683	73.8	5,042,528,040	78.8	5,042,528,040	78.8
Trust Fund	4000050	246,842,023	5.3	46,987,605	0.9	48,550,000	0.9	48,550,000	0.8	48,550,000	0.8
Merit Adjustment Fund	4000055	93,941	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Drug Rebates	4000200	43,320,740	0.9	36,184,279	0.7	37,269,807	0.7	37,269,807	0.6	37,269,807	0.6
General Improvement Fund	4000265	0	0.0	107,735,551	2.0	0	0.0	0	0.0	0	0.0
Hospital Assessment Fee	4000281	64,503,922	1.4	67,158,462	1.3	61,458,300	1.2	61,458,300	1.0	61,458,300	1.0
ICF/MR Provider Fee	4000282	11,459,666	0.2	11,689,145	0.2	10,870,062	0.2	10,870,062	0.2	10,870,062	0.2
Miscellaneous Transfers	4000355	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0
Quality Assurance Fee	4000395	76,521,195	1.6	77,023,589	1.5	86,602,589	1.7	86,602,589	1.4	86,602,589	1.4
Reimbursement	4000425	0	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0
Tobacco Settlement	4000495	23,488,561	0.5	18,393,449	0.3	28,113,533	0.5	28,113,533	0.5	28,113,533	0.4
Various Program Support	4000730	137,116,098	2.9	178,622,642	3.4	170,989,932	3.3	186,846,081	2.9	186,846,081	2.9
Total Funds		4,683,716,869	100.0	5,266,039,170	100.0	5,190,324,754	100.0	6,401,768,111	100.0	6,401,768,111	100.0
Excess Appropriation/(Funding)		0		0		591,482,401		293,796,341		293,796,341	
Grand Total		4,683,716,869		5,266,039,170		5,781,807,155		6,695,564,452		6,695,564,452	

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 4KS - Nursing Home Quality

Funding Sources: TLT - Long Term Care Trust Fund

The Nursing Home Quality of Life appropriation provides for two (2) new approaches to nursing home care. These approaches are as follows:

- Eden Alternative approach
- Greenhouse Project approach

Both the Eden Alternative and the Greenhouse Project are attempts to create a new model for long-term care facilities that emphasizes a more home style environment over traditional institutional settings. Evidence indicates that residents of facilities operated under either approach perform significantly better than residents of traditional long-term care facilities.

The Eden Alternative approach allows residents choices in their everyday living that are traditionally dictated to the resident by the facility. These choices include, among others, the choice of meals (what is served and when) and the care routine. It also utilizes permanent assignments of caregivers to create familiarity and trust.

The Greenhouse Project approach utilizes Eden Alternative principals, but with a strikingly different physical plant. Greenhouse Project facilities are constructed on the premise that the elders will thrive in a nursing home if it's built to resemble living in one's own house. This means that facilities are built in small, separate units with each unit housing its own kitchen and laundry, and with no more than ten (10) beds - all of which are private rooms. This gives residents more privacy and more control over their lives. Additionally, Greenhouse Project facilities stress resident participation. This is performed in a number of ways. For example:

1. Residents are encouraged to participate in meal planning and preparation. The facility is constructed so that residents can both gather around the kitchen and observe or participate in meal preparation. This gives them meaningful experiences and allows a time for interaction between the elders and the staff.
2. Residents are encouraged to use their skills and interests for the benefit of other residents. An emphasis is placed on what residents can do rather than just their physical ailments and disabilities.
3. The use of "universal" workers. Under this concept, each unit or house is staffed by the same CNAs and nurses who not only perform

traditional care, but also perform laundry and meal preparation. This aids in worker retention by varying the duties of the workers. It also allows the workers to better learn the desires and abilities of residents, and to encourage their participation in various aspects of their own care, as if they were home. The staffs are assigned only to one particular unit or house allowing the elders to become better acquainted with their caregivers.

Facilities that adopt the Eden Alternative/Greenhouse Project model are operated at the same cost as traditional facilities. Once a facility has adopted the model, there is no additional cost, making the on going project cost-neutral. The cost of building a facility to meet Greenhouse Project requirements are approximately the same as for a traditional facility.

There are, however, one-time or initial startup costs for training and physical plant changes for existing facilities. In order to encourage the adoption of the Eden Alternative/Greenhouse Project model, the U. S. Department of Health and Human Services' proposed that the Arkansas Department of Human Services utilize some of the funding collected that is associated with the imposition of civil penalties levied on long-term care facilities in the Long-Term Care Trust Fund.

As the licensing and regulatory agency, the Office of Long Term Care believes that encouraging the adoption of these models benefits the State of Arkansas in a number of ways. First, the models provide a higher level of care for residents, at little or no cost to the State. Second, the adoption of these models results in an inarguable increase in the quality of life for residents. Third, adoption of this proposal places Arkansas in a leadership role in remaking the long-term care model, and demonstrates the State's commitment to seeking improvement in long-term care.

Funding for this program is derived from other revenues which are indicated as the Long-Term Care Trust Fund. This fund consist of all moneys and interest received from the imposition of civil penalties levied by the state on long-term care facilities found to be out of compliance with the requirements of federal or state law or regulations. Under this appropriation, funds are targeted for Eden Alternative/Greenhouse Project related grants to facilities. The funding would be provided by grants for:

- Eden Alternative Associate Training to providers; and
- Greenhouse Project development for new construction of facilities.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments..

Appropriation Summary

Appropriation: 4KS - Nursing Home Quality

Funding Sources: TLT - Long Term Care Trust Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	88,750	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total	88,750	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Funding Sources						
Trust Fund 4000050	88,750	1,500,000		1,500,000	1,500,000	1,500,000
Total Funding	88,750	1,500,000		1,500,000	1,500,000	1,500,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	88,750	1,500,000		1,500,000	1,500,000	1,500,000

Analysis of Budget Request

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

The Medicaid Expansion Program provides appropriation for the administration component of the Medicaid Expansion Program established by Initiated Act 1 of 2000 for the Division of Medical Services. The expanded Medicaid programs are as follows:

1. Expansion of Medicaid coverage and benefits to pregnant women with incomes up to 200 percent of the Federal Poverty Level (approved for implementation November 1, 2001);
2. Expansion of inpatient and outpatient hospital reimbursements and benefits to adults age 19 to 64 to reduce coinsurance payment from 22 percent to 10 percent of the cost of the first Medicaid covered day of each admission and cover additional medically necessary days in the hospital from 20 days up to 24 allowed days per State Fiscal Year (approved for implementation November 1, 2001);
3. Expansion of non-institutional coverage and benefits to adults aged 65 and over. Referred to as ARSeniors, this program extends full Medicaid benefits to adults age 65 and over who have been identified as Qualified Medicare Beneficiaries (QMB) and meet specific income limits (approved for implementation October 1, 2002); and
4. Creation of a limited benefit package to assist adults age 19 to 64 who are uninsured low-wage employees of small Arkansas businesses. This program, ARHealthNetworks, was approved by the Centers for Medicare and Medicaid Services (CMS) as a Section 1115 demonstration waiver through the Health Insurance Flexibility and Accountability (HIFA) office of the Secretary of the federal Department of Health and Human Services. Enrollment in the program began December 20, 2006 with coverage effective January 2007.

Funding for this appropriation is derived from tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	37,060	68,514	76,141	76,241	76,241	76,241
	#Positions	2	2	2	2	2	2
Personal Services Matching	5010003	17,624	25,994	27,521	27,545	27,545	27,545
Operating Expenses	5020002	2,468	15,818	15,818	15,818	15,818	15,818
Conference & Travel Expenses	5050009	266	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		57,418	112,326	121,480	121,604	121,604	121,604
Funding Sources							
Federal Revenue	4000020	28,709	56,163		60,802	60,802	60,802
Tobacco Settlement	4000495	28,709	56,163		60,802	60,802	60,802
Total Funding		57,418	112,326		121,604	121,604	121,604
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		57,418	112,326		121,604	121,604	121,604

Analysis of Budget Request

Appropriation: 648 - Tobacco-Delay Draw-Paying

Funding Sources: PTD - Medicaid Expansion Program Account

Medicaid Expansion Program - Prescription Drugs referenced on page 236

The Medicaid Expansion Program - Prescription Drugs provides appropriation for the prescription drugs component of the Medicaid Expansion Program established by Initiated Act 1 of 2000. This appropriation is funded through tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Medicaid Expansion Program - Hospital and Medical Services referenced on page 237

The Medicaid Expansion Program - Hospital and Medical Services provides appropriation for the Hospital/Medical component of the Medicaid Expansion Program established by Initiated Act 1 of 2000. This appropriation is funded through tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying

Funding Sources: PTD - Medicaid Expansion Program Account

Appropriation	2012-2013 Actual	2013-2014 Budget	2013-2014 Authorized	2014-2015		
				Legislative Recommendation	Agency Request	Executive Recommendation
Medicaid Exp-Prescrip Drugs 5100004	3,506,147	3,496,000	4,614,268	5,728,242	5,728,242	5,728,242
Total	3,506,147	3,496,000	4,614,268	5,728,242	5,728,242	5,728,242
Funding Sources						
Federal Revenue 4000020	121,472	124,112		146,984	146,984	146,984
Tobacco Settlement 4000495	3,384,675	3,371,888		3,581,258	3,581,258	3,581,258
Total Funding	3,506,147	3,496,000		3,728,242	3,728,242	3,728,242
Excess Appropriation/(Funding)	0	0		2,000,000	2,000,000	2,000,000
Grand Total	3,506,147	3,496,000		5,728,242	5,728,242	5,728,242

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying

Funding Sources: PTD - Medicaid Expansion Program Account

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Medicaid Exp-Hosp/Med Svcs	5100004	64,361,241	50,085,000	80,999,373	92,024,933	92,024,933	92,024,933
Total		64,361,241	50,085,000	80,999,373	92,024,933	92,024,933	92,024,933
Funding Sources							
Federal Revenue	4000020	44,286,064	35,119,602		52,553,460	52,553,460	52,553,460
Tobacco Settlement	4000495	20,075,177	14,965,398		24,471,473	24,471,473	24,471,473
Total Funding		64,361,241	50,085,000		77,024,933	77,024,933	77,024,933
Excess Appropriation/(Funding)		0	0		15,000,000	15,000,000	15,000,000
Grand Total		64,361,241	50,085,000		92,024,933	92,024,933	92,024,933

Analysis of Budget Request

Appropriation: 876 - Nursing Home Closure Costs

Funding Sources: TLT - Long Term Care Trust Fund

Nursing Home Closure Costs appropriation is available in the event the Division of Medical Services finds it necessary to take over the operation of a nursing home in an emergency situation. The purpose of any take-over would be for the protection of the health or property of residents of long-term care facilities, including, but not limited to, the payment for the costs of relocation of residents to other facilities, maintenance and operation of a facility pending correction of deficiencies or closure, and reimbursement of residents for personal funds lost.

Funding for this appropriation is derived from other revenues which are indicated as the Long-Term Care Trust Fund. This fund consist of all moneys and interest received from the imposition of civil penalties levied by the state on long-term care facilities found to be out of compliance with the requirements of federal or state law or regulations.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 876 - Nursing Home Closure Costs

Funding Sources: TLT - Long Term Care Trust Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Expenses 5900046	0	50,000	50,000	50,000	50,000	50,000
Total	0	50,000	50,000	50,000	50,000	50,000
Funding Sources						
Trust Fund 4000050	0	50,000		50,000	50,000	50,000
Total Funding	0	50,000		50,000	50,000	50,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	50,000		50,000	50,000	50,000

Analysis of Budget Request

Appropriation: 878 - Long Term Care Facility Receivership

Funding Sources: DLT - Long Term Care Facility Receivership Fund

As authorized by Arkansas Code Annotated §20-10-901 et seq., the Long Term Care Facility Receivership appropriation is used to pay the expenses of receivers appointed, if a nursing home is placed in receivership. Payment may not be made from this account until a court of law has found that a nursing home has insufficient funds to pay a receiver after all other operating expenses of the facility have been paid. The funding for this appropriation is from reimbursement for services provided by the agency.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 878 - Long Term Care Facility Receivership

Funding Sources: DLT - Long Term Care Facility Receivership Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Expenses 5900046	0	100,000	100,000	100,000	100,000	100,000
Total	0	100,000	100,000	100,000	100,000	100,000
Funding Sources						
Reimbursement 4000425	0	100,000		100,000	100,000	100,000
Total Funding	0	100,000		100,000	100,000	100,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	100,000		100,000	100,000	100,000

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

Act 348 of 1985 authorized the reorganization of the Department of Human Services. As part of this reorganization, the Division of Social Services became the Division of Economic and Medical Services. Act 164 of 1995 eliminated the Division of Economic and Medical Services, creating the Division of Medical Services, while functions at the county level were assigned to the Division of County Operations (formerly the Division of Program Operations). The Division of Medical Services' primary responsibility is management of the Arkansas Medicaid program, which was created by the passage of Title XIX of the Social Security Act of 1965, with Arkansas implementing the program on January 1, 1970.

Medicaid enables states to furnish:

- medical assistance to those who have insufficient incomes and resources to meet the costs of necessary medical services
- rehabilitation and other services to help these families and individuals become or remain independent and able to care for themselves

Each state has some sort of Medicaid program to meet the federal mandates and requirements as laid out in Title XIX. Arkansas, however, established a medical care program 26 years before passage of the federal laws requiring health care for the needy: Section 7 of Act 280 of 1939 and Act 416 of 1977 authorized the State of Arkansas to establish and maintain a medical care program for the indigent and vested responsibility for regulating and administering the program in the Arkansas Department of Human Services. This program receives federal grants under Title XIX. Thus Arkansas Medicaid is a joint federal and state program that provides necessary medical services to eligible persons who are not able to pay for such services. Individuals are certified as eligible for Medicaid services through the state's county Human Services Offices or District Social Security Offices. The Social Security Administration automatically sends SSI recipient information to DHS.

The Arkansas Medicaid Program is divided into three (3) forms of services:

1. Services Mandated by the Federal Government
2. Optional Services Chosen by Arkansas
3. Waivers Approved by the Centers for Medicare and Medicaid Services (CMS)

These services are as follows:

Services Mandated by the Federal Government:

- Child Health Services (EPSDT - Early and Periodic Screening, Diagnosis and Treatment)
- Family Planning

- Federally Qualified Health Centers (FQHC)
- Home Health
- Hospital, Inpatient and Outpatient
- Laboratory and X-Ray
- Medical and Surgical Services of a Dentist
- Nurse Midwife
- Nurse Practitioner (Family and Pediatric)
- Nursing Facility Services (Age 21 or Older)
- Physician
- Rural Health Clinics (RHC)
- Transportation to and from medical providers (is also a federal requirement when the transportation is medically necessary)

Optional Services Chosen by Arkansas:

- ✓ Ambulatory Surgical Center Services
- ✓ Audiological Services (Under Age 21)
- ✓ Certified Registered Nurse Anesthetist (CRNA)
- ✓ Child Health Management Services (CHMS) (Under Age 21)
- ✓ Chiropractic Services
- ✓ Dental Services
- ✓ Developmental Day Treatment Clinic Services (DDTCS) (Preschool and Age 18 or Older)
- ✓ Developmental Rehabilitation Services (Under Age 3)
- ✓ Domiciliary Care Services
- ✓ Durable Medical Equipment
- ✓ End-Stage Renal Disease (ESRD) Facility Services
- ✓ Hearing Aid Services
- ✓ Hospice Services
- ✓ Hyperalimentation Services
- ✓ Independent Choices
- ✓ Inpatient Psychiatric Services Under Age 21
- ✓ Intermediate Care Facility Services for Mentally Retarded
- ✓ Licensed Mental Health Practitioner Services (Under Age 21)
- ✓ Medical Supplies
- ✓ Medicare Crossovers
- ✓ Nursing Facility Services (Under Age 21)

- ✓ Occupational, Physical, Speech Therapy Services (Under Age 21)
- ✓ Orthotic Appliances
- ✓ Program of All-Inclusive Care for the Elderly (PACE)
- ✓ Personal Care Services
- ✓ Podiatrist Services
- ✓ Portable X-Ray Services
- ✓ Prescription Drugs
- ✓ Private Duty Nursing Services (for Ventilator-Dependent All Ages and High-Tech Non-Ventilator Dependent Persons (Under 21)
- ✓ Prosthetic Devices
- ✓ Radiation Therapy Center
- ✓ Rehabilitative Hospital Services
- ✓ Rehabilitative Services for Persons with Mental Illness (RSPMI)
- ✓ Rehabilitative Services for Persons with Physical Disabilities (RSPD) (Under Age 21)
- ✓ Rehabilitative Services for Youth and Children (RSYC) (Under Age 21)
- ✓ Respiratory Care Services (Under Age 21)
- ✓ School-Based Mental Health Services (Under Age 21)
- ✓ Targeted Case Management for Pregnant Women
- ✓ Targeted Case Management Beneficiaries Age 60 and Older
- ✓ Targeted Case Management for Beneficiaries of Children's Services (Under 21)
- ✓ Targeted Case Management for Beneficiaries of Children's Services who are SSI Beneficiaries or TEFRA Waiver Beneficiaries (Under Age 16)
- ✓ Targeted Case Management for Beneficiaries in the Division of Children and Family Services (Under Age 21)
- ✓ Targeted Case Management for Beneficiaries in the Division of Youth Services (Under Age 21)
- ✓ Targeted Case Management for Beneficiaries Age 21 and under with a Developmental Disability
- ✓ Targeted Case Management for Beneficiaries Age 22 and over with a Developmental Disability
- ✓ Targeted Case Management Services for other Beneficiaries Under Age 21
- ✓ Transportation Services (Ambulance, Non-Emergency)
- ✓ Ventilator Equipment
- ✓ Visual Services

Waivers Approved by the Centers for Medicare and Medicaid Services (CMS):

- ❖ Alternatives for Adults with Physical Disabilities Waiver
- ❖ AR HealthNetWorks
- ❖ ArKids B Waiver

- ❖ DDS Alternative Community Services Waiver
- ❖ ElderChoices Waiver
- ❖ Living Choices (Assisted Living)
- ❖ Non-Emergency Transportation
- ❖ Tax Equity Fiscal Responsibility Act of 1982 (TEFRA)
- ❖ Women's Health (Family Planning)

The Arkansas Medicaid Program does have limitations on the services that are provided. The major benefit limitations on services for adults (age 21 and older) are as follows:

- Twelve visits to hospital outpatient departments allowed per state fiscal year.
- A total of twelve office visits allowed per state fiscal year for any combination of the following: certified nurse midwife, physician, medical services provided by a dentist, medical services furnished by an optometrist, and Rural Health Clinics.
- One basic family planning visit and three (3) periodic family planning visits per state fiscal year. Family planning visits are not counted toward other service limitations.
- Lab and x-ray services limited to total benefit payment of \$500 per state fiscal year, except for EPSDT beneficiaries.
- Three pharmaceutical prescriptions are allowed per month (family planning and smoking cessation prescriptions are not counted against benefit limit; unlimited prescriptions for nursing facility beneficiaries and EPSDT beneficiaries under age 21). Extensions will be considered up to a maximum of six (6) prescriptions per month for beneficiaries at risk of institutionalization. Beneficiaries receiving services through the Independent Choices waiver may receive up to nine (9) medically necessary prescriptions per month. Medicare-Medicaid beneficiaries (dual eligibles) are no longer eligible for Medicaid prescription drug benefits after January 1, 2006.
- Inpatient hospital days limited to 24 per state fiscal year, except for EPSDT beneficiaries and certain organ transplant patients.
- Co-insurance: Some beneficiaries must pay 10% of first Medicaid covered day of hospital stay.
- Beneficiaries in the Working Disabled aid category must pay 25% of the charges for the first Medicaid covered day of inpatient hospital services and must also pay co-insurance for some additional services.
- Some beneficiaries must pay \$.50 - \$3 of every prescription, and \$2 on the dispensing fee for prescription services for eyeglasses. Beneficiaries in the Working Disabled aid category must pay a higher co-payment for these services and also must pay co-payments for some additional services.

Additional Information for limitations relating to children:

- The families of some children are responsible for co-insurance, co-payments, or premiums.
- Co-insurance: Arkids B beneficiaries must pay 20% of the charges for the first Medicaid covered day of inpatient hospital services and must also pay co-insurance for some outpatient services.
- Co-Pay: Arkids B beneficiaries must pay a higher co-payment for these services and also must pay co-payments for some outpatient services.

- Premiums: Based on family income certain TEFRA beneficiaries must pay a premium.

The Division consists of the Director's Office and six (6) distinct organizational units:

Medical Services: The Office of Medical Services includes the following operations: Program Integrity, Medical Assistance and Utilization Review. The Program Integrity section is federally mandated to comply with federal regulations outlined in 42 CFR Part 455 and 456. The goal of the Program Integrity section is to ensure payments are consistent with the quality of care being provided, verify that medical services are medically necessary and rendered as billed, payments for services are correct and funds identified for collection are pursued. Program Integrity performs on-site reviews to ensure providers are in compliance with Medicaid policy. The Medical Assistance section administers the Dental, Visual and Child Health Services (EPSDT) Medicaid programs and oversees the non-emergency transportation program, Medicaid Managed Care Systems and ConnectCare programs. This section also assists providers and beneficiaries in resolving matters related to billing and coverage. The Utilization Review section develops healthcare policies based on recognized standards of care, current healthcare initiatives and participation from community stakeholders to ensure adequate coverage benefits for Medicaid beneficiaries. Utilization review monitors the quality and medical necessity of services delivered by Medicaid health care providers. In addition this section is responsible for the prior authorization of medically necessary services such as transplants, extension of benefits, prosthetics, hearing aids, hyperalimentation services and out of state transportation.

Medicaid Management, Information, and Performance (MMIP): The Office of Medicaid Management, Information, and Performance is responsible for administering the Medicaid Management Information System (MMIS) which processes all Medicaid claims. The MMIS Systems and Support Unit procures and administers the contracted fiscal agent that operates the MMIS. This Unit also monitors the fiscal agent's contract compliance, performs quality assurance reviews on how the MMIS operates, manages requests for modifications to the MMIS, develops enhancements to the MMIS, and develops and produces reports from the Medicaid data warehouse.

Long Term Care: The Office of Long Term Care (OLTC) is the unit of state government responsible for the regulation of long-term care facilities in Arkansas. These facilities include Nursing Homes, Intermediate Care Facilities for the Mentally Retarded (ICF/MR), Residential Care Facilities (RCF), Adult Day Care, Adult Day Health Care, Post-Acute Head Injury Facilities, Assisted Living Facilities (ALF) and Psychiatric Residential Treatment Facilities (PRTF). This regulation of facilities includes conducting on-site inspections of facilities, investigations of complaints against facilities, medical need determinations for placement into facilities, and licensure of facilities and facility administrators. In addition, the Office of Long Term Care administers a criminal record background check on the employees and applicants and of facilities the Office regulates, and the Office is responsible for the administration of the training and certification of Certified Nursing Assistance (CNAs), who are long-term care facility caregivers that are employed in long-term care facilities and hospital-based facilities. The Office of Long Term Care includes the following operations: Quality Assurance & Support, Survey & Certification, Special Programs, Abuse & Neglect, and State Regulated Facilities.

Program and Administrative Support: The Office of Program and Administrative Support includes the following operations: Financial Activities, Provider Reimbursement and Third Party Liability. The Financial Activities unit performs such functions as program and operational budgeting, expenditure monitoring and evaluation, federal and state reporting, and administrative support such as personnel management, contract issuance and management, requests for proposals, and the preparation of interagency agreements. The Provider Reimbursement unit is responsible for maintaining rate files, establishing and administering methodologies for provider reimbursements, including cost reports and cost settlements, and financial aspects of the Office of Long Term Care such as budgeting, reimbursement, and audits of provider cost reports. The Third Party Liability area is responsible for implementing cost-avoidance procedures to prevent the payment of Medicaid money when other (third) parties such as private insurance companies should pay the claim. In addition, in those instances where cost-avoidance is not successful, the Third Party Liability unit is responsible for pursuing recoupment of Medicaid monies.

Pharmacy: The Pharmacy Office is responsible for assuring that medically necessary pharmaceutical therapy is provided to Arkansas Medicaid recipients. It seeks to deliver these services cost effectively while complying with all state and federal requirements. The OBRA 90 statute requires states to cover all outpatient drugs by a manufacturer who signs a rebate agreement with the Centers for Medicare / Medicaid (CMS) as well as to establish a Drug Utilization Review (DUR) Board which is under the direction of the Pharmacy Office. The Office researches clinical data, develops the clinical criteria and edits for various drugs and drug classes, then works directly with the state's fiscal agent to apply the criteria and edits within the software, is the project manager for the stated evidenced-based prescription drug program, researches and reviews claims information to assist providers, beneficiaries and interested parties and researches exception criteria to assist physicians.

Policy, Program and Contract Oversight: The Policy, Program and Contract Oversight consists of three units. The Program Planning and Development (PPD) unit develops and maintains the Medicaid State Plan and the State's Child Health Insurance Program Plan, both required by CMS. This Unit develops and maintains fifty-seven (57) different Medicaid provider policy manuals, which include information on covered services, benefit limits, prior approvals, and billing procedures. The Waiver Quality Assurance unit is responsible for monitoring operation of the Medicaid waiver programs. The Waiver QA unit assures compliance with CMS requirements for operating the waivers through case reviews, data analysis, technical assistance to operating agencies, communication and coordination with CMS, developing new waivers and amendments to existing waivers, and developing QA strategies and interagency agreements for the waivers. The Contract Oversight unit is responsible for assisting program and contract staff in developing performance indicators for contracts and monitoring the performance of all Division of Medical Services contractors.

The Agency is funded through general revenue (DEM - Medical Services Fund Account), federal and other revenues. Federal revenue is provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as various program support are derived from Third Party Liability Recovery, Nurse Aide Training and Long-Term Care Licensure Fees.

There are two appropriation summaries provided for this appropriation:

Page 249 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 250 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Agency Change Level Request includes additional appropriation above the FY15 ALC/JBC Legislative Recommendation of \$340,341 to support various reassignments of job functions within the Agency, and reflects the following:

- Transfer Positions (5): Regular Salaries of \$256,242 and Personal Services Matching of \$84,099 to support the following positions - From **DBHS** one (1) Psychologist (C127), one (1) Research Project Analyst (C117), one (1) Certified Bachelors Teacher (C117) (\$136,325 Salaries, \$46,415 Match); From **DDS** one (1) DHS/Assistant Deputy Director for Managerial Accounting (N905) (\$76,041 Salaries, \$22,577 Match); From **DCCECE** one (1) DHS Program Administrator (C122) (\$45,238 Salaries, \$15,424 Match); From **OCC** one (1) Information Systems Coordinator (C124) (\$46,284 Salaries, \$15,667 Match); Lastly, to **DCCECE** one (1) Agency Fiscal Manager (C121) (\$47,646 Salaries, \$15,984 Match)

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	15,940,421	15,756,333	16,178,191	16,189,091	17,270,524	16,189,091
	#Positions	315	312	322	322	352	322
Extra Help	5010001	56,600	201,892	201,892	201,892	201,892	201,892
	#Extra Help	7	7	7	7	7	7
Personal Services Matching	5010003	5,321,867	5,267,206	5,441,071	5,444,751	5,760,009	5,444,751
Overtime	5010006	16	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,350,355	3,541,565	3,541,565	3,541,565	3,618,107	3,541,565
Conference & Travel Expenses	5050009	129,187	233,728	233,728	233,728	246,340	233,728
Professional Fees	5060010	471,490	555,132	555,132	555,132	555,132	555,132
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	147,142	144,388	144,388	144,388	150,000	144,388
Data Processing Services	5900044	262,656	299,600	299,600	299,600	299,600	299,600
Total		25,679,734	26,004,844	26,600,567	26,615,147	28,106,604	26,615,147
Funding Sources							
General Revenue	4000010	4,958,217	3,967,433		3,969,700	5,036,057	3,969,700
Federal Revenue	4000020	15,397,856	15,867,607		17,293,662	17,093,831	17,293,662
Merit Adjustment Fund	4000055	93,941	0		0	0	0
Various Program Support	4000730	5,229,720	6,169,804		5,351,785	5,976,716	5,351,785
Total Funding		25,679,734	26,004,844		26,615,147	28,106,604	26,615,147
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		25,679,734	26,004,844		26,615,147	28,106,604	26,615,147

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	15,940,421	15,756,333	16,178,191	16,189,091	16,445,333	16,445,333
	#Positions	315	312	322	322	327	327
Extra Help	5010001	56,600	201,892	201,892	201,892	201,892	201,892
	#Extra Help	7	7	7	7	7	7
Personal Services Matching	5010003	5,321,867	5,267,206	5,441,071	5,444,751	5,528,850	5,528,850
Overtime	5010006	16	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,350,355	3,541,565	3,541,565	3,541,565	3,541,565	3,541,565
Conference & Travel Expenses	5050009	129,187	233,728	233,728	233,728	233,728	233,728
Professional Fees	5060010	471,490	555,132	555,132	555,132	555,132	555,132
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	147,142	144,388	144,388	144,388	144,388	144,388
Data Processing Services	5900044	262,656	299,600	299,600	299,600	299,600	299,600
Total		25,679,734	26,004,844	26,600,567	26,615,147	26,955,488	26,955,488
Funding Sources							
General Revenue	4000010	4,958,217	3,967,433		3,969,700	3,969,700	3,969,700
Federal Revenue	4000020	15,397,856	15,867,607		17,293,662	17,293,662	17,293,662
Merit Adjustment Fund	4000055	93,941	0		0	0	0
Various Program Support	4000730	5,229,720	6,169,804		5,351,785	5,351,785	5,351,785
Total Funding		25,679,734	26,004,844		26,615,147	26,615,147	26,615,147
Excess Appropriation/(Funding)		0	0		0	340,341	340,341
Grand Total		25,679,734	26,004,844		26,615,147	26,955,488	26,955,488

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Private Nursing Home Care Appropriation referenced on page 255

The Private Nursing Home Care appropriation pays expenses for individuals who reside in nursing homes and are eligible to receive Medicaid Benefits. The residents in nursing home facilities have chronic medical needs. The referring physician must certify medical need with documented evidence of why services are needed in order for a person to be admitted and remain in a nursing home. Each Medicaid certified nursing facility evaluates each nursing home applicant's need for nursing home services. A thorough and complete evaluation must be conducted to ensure that individuals who do not require nursing home services are not admitted to nursing facilities. For Medicaid eligible recipients, the Office of Long Term Care cannot guarantee Medicaid reimbursement for any applicant admitted prior to approval by the Office of Long Term Care Medical Needs Determination section. No applicant with diagnoses or other indicators of mental illness, mental retardation, or developmental disabilities may be admitted to nursing home care prior to evaluation and approval by the Office of Long Term Care.

In general, nursing homes provide total care for their residents--meeting needs from social to dietary to medical. They are staffed by licensed nurses and certified nursing assistants. Nursing homes accept a variety of payment methods, such as private pay (which includes insurance), Medicaid, and Medicare. No age requirement applies to nursing home placements.

In addition to the provider payments noted above, Act 689 of 1987 created the Long-Term Care Aide Training program. Under this Act, the Office of Long Term Care was required to establish a training program to be completed by all aides in long term care facilities who provide personal care to residents. This program consists of 75 hours of training and is payable from the Private Nursing Home Care appropriation.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as quality assurance fee per Act 635 of 2001, various program support which can include nursing home administration fees and Medicaid match, miscellaneous transfers derived from Arkansas Code Annotated §17-24-305(b)(1)(A), and the Medicaid Trust Fund.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Prescription Drugs Appropriation referenced on page 256

The Prescription Drugs appropriation is an optional Medicaid service chosen by Arkansas. The program allows eligible recipients to obtain prescription medication through participating pharmacies in Arkansas. Reimbursement for the program is based on the drug cost and the fee for dispensing pharmaceuticals. The Omnibus Budget Reconciliation Act of 1990 authorized rebates from pharmaceutical manufacturers. The federal share is returned and the amount retained by the state is calculated based upon the state matching rate for Medicaid.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as drug rebates, Medicaid Trust Fund, and various program support which can include Medicaid match.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Hospital and Medical Services Appropriation referenced on pages 257 and 258

The Hospital and Medical Services appropriation is one of several federally supported and state administered assistance programs within the Medicaid program and consists of many services including inpatient and outpatient hospital, community mental health centers, community health centers, rural health clinics, home health, private duty nursing, personal care, hospice, practitioners such as physicians, dentists, audiologist, psychologist, speech, occupational and physical therapists, maternity clinics, family planning, laboratory and x-ray services, case management, transportation and Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for children under 21 years of age which is the Child Health Services Program. Waiver services are also included in this appropriation. Waiver services are those that the Centers for Medicare and Medicaid Services have waived traditional provisions of the Medicaid regulations and allow deviations in how and where the services are provided and include programs such as Elderchoices, DDS-Non-institutional Waiver and Adults with Physical Disabilities. Payments are made directly to providers for services for individuals who are eligible for Medicaid services. The State establishes reimbursement rates and the methodology for rate setting. However, the Centers for Medicare and Medicaid Services must approve the state's policy(ies) and regulations in order for the State to be in compliance with guidelines established in federal law.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as Medicaid Trust Fund, intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, hospital assessment fee per Act 562 of 2009 and as expended by Act 19 of 2011, and as various program support which can include matching funds from UAMS (from general revenue), Department of Education (from cash funds), Arkansas Children's Hospital, DHS Divisions (from general revenue) for services such as Therapies, Transportation, Waiver services, UPL-Upper

Payment Limit match, DSH-Disproportionate Share Hospital payments, etc. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

There are two appropriation summaries provided for this appropriation:

Page 257 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 258 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Agency Change Level Request reflects the following changes from the FY15 ALC/JBC Legislative Recommendation:

- Reallocation of the following general revenue funding to offset the use of Medicaid matching funds from each Division:

\$12,356,149 to **DCFS**,

\$3,500,000 to **DBHS**.

These reallocations result in no net additional general revenue.

- Transfer of \$1,583,044 in appropriation and \$2,762,000 in general revenue funding from DMS Hospital and Medical Services to the Division of Aging and Adult Services to support a new Conflict Free Case Management system.
- \$915,000,000 in appropriation to support implementation of the Private Option.

The Executive Recommendation provides for the Agency Request.

ARKIDS B Program Appropriation referenced on page 259

The ArKids B program appropriation provides medical services for children who are without medical insurance coverage. Many of the parents of these children are employed but are unable to afford the necessary coverage for their children. The parents earn sufficient salaries that make them ineligible for coverage by Medicaid, thereby leaving the children without medical care.

ArKids B Program is an optional Medicaid service chosen by Arkansas and is authorized through a federal waiver to the Medicaid program that expands coverage to children in families with income at or below 200 percent of the federal poverty level. Services are available only to children through 18 years of age and are otherwise ineligible to receive Medicaid benefits. Each child must have a Primary Care Physician who will either provide the needed services or make the appropriate referral for medically necessary treatment. A patient co-payment is required per physician visit and per prescription. Effective July 1, 2006, DHS set an annual cap on cost-sharing (co-payments and coinsurance) for ARKids B families. The annual cost-sharing cap is 5% of the family's annual gross (before taxes) income.

The ArKids B Program appropriation has two (2) components and they are as follows:

- Prescription Drugs
- Hospital/Medical

Prescription Drugs component has coverage limits based on medical necessity with a \$5 per prescription co-pay and the recipient must use generic and rebate manufactures.

Generally, the Hospital/Medical component benefits include such programs as inpatient hospital, physician visits, vision care (1 visit per year for routine exam and 1 pair of eyeglasses), dental services (2 visits per year for cleaning, x-rays, no orthodontia), medical supplies, home health services and emergency room services, ambulance (emergency only), ambulatory surgical center, durable medical equipment (\$500 per year), family planning, FQHC, nurse midwife, outpatient mental and behavior health (\$2,500 limit), podiatry, RHC and speech therapy with some form of co-pay required. Immunizations and preventative health screenings per protocols provided by the primary care physician or Division of Health require no patient co-payments.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues represent Medicaid Trust Funds.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Private Nursing Home Care	5100004	607,645,861	623,534,000	687,787,762	716,865,047	716,865,047	716,865,047
Total		607,645,861	623,534,000	687,787,762	716,865,047	716,865,047	716,865,047
Funding Sources							
General Revenue	4000010	82,566,850	87,669,879		129,945,966	129,945,966	129,945,966
Federal Revenue	4000020	427,116,949	436,966,596		485,267,008	485,267,008	485,267,008
Trust Fund	4000050	7,626,426	5,701,851		0	0	0
General Improvement Fund	4000265	0	17,105,551		0	0	0
Miscellaneous Transfers	4000355	115,000	115,000		115,000	115,000	115,000
Quality Assurance Fee	4000395	75,482,552	75,916,550		85,278,500	85,278,500	85,278,500
Tobacco Settlement	4000495	0	0		0	0	0
Various Program Support	4000730	14,738,084	58,573		58,573	58,573	58,573
Total Funding		607,645,861	623,534,000		670,665,047	670,665,047	670,665,047
Excess Appropriation/(Funding)		0	0		16,200,000	16,200,000	16,200,000
Grand Total		607,645,861	623,534,000		716,865,047	716,865,047	716,865,047

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Prescription Drugs	5100004	326,066,085	335,941,000	373,142,423	385,783,553	385,783,553	385,783,553
Total		326,066,085	335,941,000	373,142,423	385,783,553	385,783,553	385,783,553
Funding Sources							
General Revenue	4000010	67,741,958	79,334,419		102,573,441	102,573,441	102,573,441
Federal Revenue	4000020	200,649,237	207,431,844		224,340,305	224,340,305	224,340,305
Trust Fund	4000050	14,354,150	3,247,614		0	0	0
Drug Rebates	4000200	43,320,740	36,184,279		37,269,807	37,269,807	37,269,807
General Improvement Fund	4000265	0	9,742,844		0	0	0
Tobacco Settlement	4000495	0	0		0	0	0
Various Program Support	4000730	0	0		0	0	0
Total Funding		326,066,085	335,941,000		364,183,553	364,183,553	364,183,553
Excess Appropriation/(Funding)		0	0		21,600,000	21,600,000	21,600,000
Grand Total		326,066,085	335,941,000		385,783,553	385,783,553	385,783,553

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Professional Fees	5060010	0	0	0	0	0	0
Hospital and Medical Services	5100004	3,351,967,548	3,905,693,000	3,905,842,951	4,151,397,953	4,151,397,953	4,151,397,953
Total		3,351,967,548	3,905,693,000	3,905,842,951	4,151,397,953	4,151,397,953	4,151,397,953
Funding Sources							
General Revenue	4000010	624,094,719	682,570,159		637,420,433	958,446,834	637,420,433
Federal Revenue	4000020	2,366,060,988	2,908,369,563		2,775,401,877	2,775,401,877	2,775,401,877
Trust Fund	4000050	218,402,289	36,488,140		46,630,489	46,630,489	46,630,489
General Improvement Fund	4000265	0	80,864,376		0	0	0
Hospital Assessment Fee	4000281	64,503,922	67,158,462		61,458,300	61,458,300	61,458,300
ICF/MR Provider Fee	4000282	5,785,602	5,041,130		5,560,046	5,560,046	5,560,046
Tobacco Settlement	4000495	0	0		0	0	0
Various Program Support	4000730	73,120,028	125,201,170		111,900,407	111,900,407	111,900,407
Total Funding		3,351,967,548	3,905,693,000		3,638,371,552	3,959,397,953	3,638,371,552
Excess Appropriation/(Funding)		0	0		513,026,401	192,000,000	513,026,401
Grand Total		3,351,967,548	3,905,693,000		4,151,397,953	4,151,397,953	4,151,397,953

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Hospital and Medical Services		3,351,967,548	3,905,693,000	3,905,842,951	4,151,397,953	5,064,814,909	5,064,814,909
Total	5100004	3,351,967,548	3,905,693,000	3,905,842,951	4,151,397,953	5,064,814,909	5,064,814,909
Funding Sources							
General Revenue	4000010	624,094,719	682,570,159		637,420,433	618,802,284	618,802,284
Federal Revenue	4000020	2,366,060,988	2,908,369,563		2,775,401,877	3,989,607,234	3,989,607,234
Trust Fund	4000050	218,402,289	36,488,140		46,630,489	46,630,489	46,630,489
General Improvement Fund	4000265	0	80,864,376		0	0	0
Hospital Assessment Fee	4000281	64,503,922	67,158,462		61,458,300	61,458,300	61,458,300
ICF/MR Provider Fee	4000282	5,785,602	5,041,130		5,560,046	5,560,046	5,560,046
Tobacco Settlement	4000495	0	0		0	0	0
Various Program Support	4000730	73,120,028	125,201,170		111,900,407	127,756,556	127,756,556
Total Funding		3,351,967,548	3,905,693,000		3,638,371,552	4,849,814,909	4,849,814,909
Excess Appropriation/(Funding)		0	0		513,026,401	215,000,000	215,000,000
Grand Total		3,351,967,548	3,905,693,000		4,151,397,953	5,064,814,909	5,064,814,909

AFTER REVISED BUDGET

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
ARKids B Program	5100004	101,969,167	106,056,000	137,336,792	148,436,682	148,436,682	148,436,682
Total		101,969,167	106,056,000	137,336,792	148,436,682	148,436,682	148,436,682
Funding Sources							
General Revenue	4000010	16,751,474	22,186,896		29,550,596	29,550,596	29,550,596
Federal Revenue	4000020	80,916,805	83,869,104		108,086,086	108,086,086	108,086,086
Trust Fund	4000050	4,300,888	0		0	0	0
Tobacco Settlement	4000495	0	0		0	0	0
Various Program Support	4000730	0	0		0	0	0
Total Funding		101,969,167	106,056,000		137,636,682	137,636,682	137,636,682
Excess Appropriation/(Funding)		0	0		10,800,000	10,800,000	10,800,000
Grand Total		101,969,167	106,056,000		148,436,682	148,436,682	148,436,682

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Child and Family Life Institute Appropriation referenced on page 262

Arkansas Code Annotated §20-78-104 authorized Arkansas Children's Hospital to provide administration for the Child Health and Family Life Institute (CHFLI). Children's Hospital and UAMS, Department of Pediatrics act in conjunction by either contract or cooperative agreement for necessary activities in the delivery of services through the CHFLI. The mission of the institute is "an initiated state effort to explore, develop, and evaluate new and better ways to address medically, socially, and economically interrelated health and developmental needs of children with special health care needs and their families. Utilizing a multidisciplinary collaboration of professionals, the Institute's priorities include wellness and prevention, screening and diagnosis, treatment and intervention, training and education, service access, public policy and advocacy, research and evaluation". Programs include such services as KIDS FIRST - a pediatric day health treatment program for preschool age children at risk for developmental delay; CO-MEND Councils of volunteer/local community activities with pooled resources to assist families; Outreach offers specialized health care at the local level for children who live in areas without specialized care available; Community Pediatrics-a support system with a pediatric team available to provide services in medically underserved areas; Children-at-Risk - diagnostic and treatment for children who have been abused and their families; Pediatric Psychology; Developmental/Physical Medicine and Rehabilitation for children with severe disabilities; and Adolescent Medicine. Children's Hospital is specifically to fund the KIDS FIRST Program as a priority when considering program funding decisions within the Institute. The Department of Pediatrics is the administrative oversight entity for cooperative agreements or contracts for the delivery of services.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Infant Infirmery Appropriation referenced on page 263

The Infant Infirmery Nursing Home appropriation provides for services to infants with special needs. The facilities are licensed as Private Pediatric Intermediate Care Facilities for the Mentally Retarded (ICFs/MR). Facilities receiving reimbursement through this appropriation are Arkansas Pediatric Facility, Brownwood Life Care Center, Millcreek of Arkansas and Easter Seals Children's Rehabilitation Center. These programs provide a valuable service in that many children are admitted to one of these programs when discharged from a hospital and need continuing attention and medical oversight but not on-going medical treatment.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, and the Medicaid Trust Fund.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Public Nursing Home Care Appropriation referenced on page 264

The Public Nursing Home Care appropriation includes Title XIX Medicaid reimbursement for services provided in the six (6) Human Development Centers (Intermediate Care Facilities for the Mentally Retarded-ICFs/MR), the Arkansas Health Center and the thirty-one (31) 15 Bed or Less (ICFs/MR) programs across the State. Services include 24 hour a day residential, medical, psychological, education and training, life skills training and therapy services needed through staffing and case plan determination. Annual staffings are required to reassess the progress of each individual and adjustments are made in case plans when necessary to help each person attain the goals and objectives established in the case plans.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as quality assurance fee per Act 635 of 2001, intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, various program support which can include matching funds from the Human Development Centers (from general revenue), the DDS Small 10 Beds Intermediate Care Facilities for the Mentally Retarded (ICFs/MR)(from general revenue), the Arkansas Health Center (from mixed funding).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Child & Family Life Inst 5100004	0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Total	0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Funding Sources						
General Revenue 4000010	0	2,100,000		2,100,000	2,100,000	2,100,000
Total Funding	0	2,100,000		2,100,000	2,100,000	2,100,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	2,100,000		2,100,000	2,100,000	2,100,000

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Infant Infirmary	5100004	24,000,219	24,691,000	26,733,146	27,555,873	27,555,873	27,555,873
Total		24,000,219	24,691,000	26,733,146	27,555,873	27,555,873	27,555,873
Funding Sources							
General Revenue	4000010	4,918,265	6,677,739		7,119,519	7,119,519	7,119,519
Federal Revenue	4000020	16,873,581	17,313,329		17,676,414	17,676,414	17,676,414
Trust Fund	4000050	376,004	0		0	0	0
General Improvement Fund	4000265	0	22,780		0	0	0
ICF/MR Provider Fee	4000282	665,911	677,152		703,940	703,940	703,940
Tobacco Settlement	4000495	0	0		0	0	0
Various Program Support	4000730	1,166,458	0		0	0	0
Total Funding		24,000,219	24,691,000		25,499,873	25,499,873	25,499,873
Excess Appropriation/(Funding)		0	0		2,056,000	2,056,000	2,056,000
Grand Total		24,000,219	24,691,000		27,555,873	27,555,873	27,555,873

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Public Nursing Home Care	5100004	178,374,699	186,676,000	212,598,210	223,528,121	223,528,121	223,528,121
Total		178,374,699	186,676,000	212,598,210	223,528,121	223,528,121	223,528,121
Funding Sources							
General Revenue	4000010	2,369,707	1,507,792		5,253,193	5,253,193	5,253,193
Federal Revenue	4000020	125,402,872	130,897,211		147,496,085	147,496,085	147,496,085
Trust Fund	4000050	1,693,516	0		369,511	369,511	369,511
ICF/MR Provider Fee	4000282	5,008,153	5,970,863		4,606,076	4,606,076	4,606,076
Quality Assurance Fee	4000395	1,038,643	1,107,039		1,324,089	1,324,089	1,324,089
Tobacco Settlement	4000495	0	0		0	0	0
Various Program Support	4000730	42,861,808	47,193,095		53,679,167	53,679,167	53,679,167
Total Funding		178,374,699	186,676,000		212,728,121	212,728,121	212,728,121
Excess Appropriation/(Funding)		0	0		10,800,000	10,800,000	10,800,000
Grand Total		178,374,699	186,676,000		223,528,121	223,528,121	223,528,121

DHS - County Operations

Audit Findings

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

Findings

Recommendations

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

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
 Fiscal Year 2013
 Required by A.C.A. 25-36-104

AGENCY: 0710 DHS - County Operations

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Southern Maid Janitorial Services	\$189,438	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 1

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$11,347,992

% OF MINORITY CONTRACTS AWARDED 0.39 %

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1DK Cty-Shelter Plus Care Program	1,599,878	0	1,747,135	0	1,906,932	0	1,908,598	0	1,908,598	0	1,908,598	0
396 Cty-Aid To Aged, Blind, Disabled	0	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0
409 Cty-Weatherization Program	8,522,389	0	0	0	8,000,000	0	0	0	0	0	0	0
410 Cty-Emergency Food Program	681,861	0	779,219	0	779,219	0	819,219	0	819,219	0	819,219	0
411 Cty-Low Income Energy Assistance Prgm	27,131,717	0	24,760,927	0	29,480,110	0	29,480,110	0	29,480,110	0	29,480,110	0
412 Cty-Refugee Resettlement Program	729	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
426 Cty-Homeless Assistance Grant	1,899,611	0	2,687,948	0	2,846,487	0	2,846,487	0	2,846,487	0	2,846,487	0
59H Hunger Coalition	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0
642 Medicaid Expansion-County Ops	2,172,109	58	2,890,604	60	2,871,187	60	2,872,788	60	2,846,314	60	2,872,788	60
896 Division of County Operations	115,431,624	1,883	124,145,039	1,881	125,327,545	1,881	124,956,084	1,876	123,853,624	1,881	124,956,084	1,876
897 TANF Block Grant	15,768,217	0	18,427,000	0	22,117,650	0	22,117,650	0	22,117,650	0	22,117,650	0
898 Community Svcs. Block Grant	8,649,726	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0
898 Supplemental Nutrition Assist(SNAP)	196,285	0	343,235	0	343,235	0	343,235	0	343,235	0	343,235	0
930 Cty-Commodity Distrib & Salvage Container	30,201	0	160,000	0	175,000	0	175,000	0	175,000	0	175,000	0
Total	183,079,460	1,941	186,089,610	1,941	203,995,868	1,941	195,667,674	1,936	194,538,740	1,941	195,667,674	1,936

Funding Sources		%		%		%		%		%	
General Revenue	4000010	47,304,689	25.8	48,969,228	26.3	48,992,734	25.0	49,278,636	26.2	48,992,734	26.1
Federal Revenue	4000020	121,371,820	66.3	127,931,723	68.7	132,724,883	67.8	124,847,719	66.4	124,724,883	66.4
Cash Fund	4000045	30,201	0.0	160,000	0.1	175,000	0.1	175,000	0.1	175,000	0.1
Merit Adjustment Fund	4000055	692,610	0.4	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA	4000244	4,637,046	2.5	0	0.0	0	0.0	0	0.0	0	0.0
Tobacco Settlement	4000495	1,086,054	0.6	1,445,302	0.8	1,436,394	0.7	1,423,157	0.8	1,436,394	0.8
Transfer From DWS	4000527	650,000	0.4	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	7,307,040	4.0	7,583,357	4.1	12,554,504	6.4	12,400,021	6.6	12,554,504	6.7
Total Funds		183,079,460	100.0	186,089,610	100.0	195,883,515	100.0	188,124,533	100.0	187,883,515	100.0
Excess Appropriation/(Funding)		0		0		(215,841)		6,414,207		7,784,159	
Grand Total		183,079,460		186,089,610		195,667,674		194,538,740		195,667,674	

Budget exceeds Authorized in Medicaid Expansion-County Ops (FC 642) due to salary and matching adjustments during the 2013-2015 Biennium.

Cty- Weatherization Program (FC 409) was transferred via Type 3 Transfer to the Arkansas Energy Office of the Arkansas Department of Economic Development by Act 1111 of 2013.

BEFORE REVISED BUDGET

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1DK Cty-Shelter Plus Care Program	1,599,878	0	1,747,135	0	1,906,932	0	1,908,598	0	1,908,598	0	1,908,598	0
396 Cty-Aid To Aged, Blind, Disabled	0	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0
409 Cty-Weatherization Program	8,522,389	0	0	0	8,000,000	0	0	0	0	0	0	0
410 Cty-Emergency Food Program	681,861	0	779,219	0	779,219	0	819,219	0	819,219	0	819,219	0
411 Cty-Low Income Energy Assistance Prgm	27,131,717	0	24,760,927	0	29,480,110	0	29,480,110	0	29,480,110	0	29,480,110	0
412 Cty-Refugee Resettlement Program	729	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
426 Cty-Homeless Assistance Grant	1,899,611	0	2,687,948	0	2,846,487	0	2,846,487	0	2,846,487	0	2,846,487	0
59H Hunger Coalition	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0
642 Medicaid Expansion-County Ops	2,172,109	58	2,890,604	60	2,871,187	60	2,872,788	60	2,872,788	60	2,872,788	60
896 Division of County Operations	115,431,624	1,883	124,145,039	1,881	125,327,545	1,881	124,956,084	1,876	125,233,442	1,876	125,233,442	1,876
897 TANF Block Grant	15,768,217	0	18,427,000	0	22,117,650	0	22,117,650	0	21,818,070	0	21,818,070	0
898 Community Svcs. Block Grant	8,649,726	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0
898 Supplemental Nutrition Assist(SNAP)	196,285	0	343,235	0	343,235	0	343,235	0	343,235	0	343,235	0
930 Cty-Commodity Distrib & Salvage Container	30,201	0	160,000	0	175,000	0	175,000	0	175,000	0	175,000	0
Total	183,079,460	1,941	186,089,610	1,941	203,995,868	1,941	195,667,674	1,936	195,645,452	1,936	195,645,452	1,936

Funding Sources		%		%		%		%		%	
General Revenue	4000010	47,304,689	25.8	48,969,228	26.3	48,992,734	26.1	48,992,734	26.1	48,992,734	26.1
Federal Revenue	4000020	121,371,820	66.3	127,931,723	68.7	124,724,883	66.4	124,724,883	66.4	124,724,883	66.4
Cash Fund	4000045	30,201	0.0	160,000	0.1	175,000	0.1	175,000	0.1	175,000	0.1
Merit Adjustment Fund	4000055	692,610	0.4	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA	4000244	4,637,046	2.5	0	0.0	0	0.0	0	0.0	0	0.0
Tobacco Settlement	4000495	1,086,054	0.6	1,445,302	0.8	1,436,394	0.8	1,436,394	0.8	1,436,394	0.8
Transfer From DWS	4000527	650,000	0.4	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	7,307,040	4.0	7,583,357	4.1	12,554,504	6.7	12,554,504	6.7	12,554,504	6.7
Total Funds		183,079,460	100.0	186,089,610	100.0	187,883,515	100.0	187,883,515	100.0	187,883,515	100.0
Excess Appropriation/(Funding)		0		0		7,784,159		7,761,937		7,761,937	
Grand Total		183,079,460		186,089,610		195,667,674		195,645,452		195,645,452	

Budget exceeds Authorized in Medicaid Expansion-County Ops (FC 642) due to salary and matching adjustments during the 2013-2015 Biennium.

Cty- Weatherization Program (FC 409) was transferred via Type 3 Transfer to the Arkansas Energy Office of the Arkansas Department of Economic Development by Act 1111 of 2013.

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 1DK - Cty-Shelter Plus Care Program

Funding Sources: FWF - DHS Federal

The Shelter Plus Care Program initially began in 1995 through a grant from the U. S. Department of Housing and Urban Development, Office of Community Planning and Development. The program provides rental assistance to hard-to-serve homeless persons (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases) and their families who are homeless or in emergency shelters. The Department of Human Services is the grantee for one (1) sub-grantee that has a total of four (4) grants. There are two components to the program, Tenant-Based Rental Assistance and Sponsor-Based Rental Assistance. The Tenant-Based program allows for applicants to request funds to provide rental assistance on behalf of program participants who choose their own housing. Under the Sponsor-Based program, an applicant may request funds through a contract with a non-profit organization for rental of housing owned by the non-profit organization. The program provides outreach, support and coordination of housing and services and monitoring.

Funding for this appropriation is 100% funded from federal sources such as the federal Department of Housing and Urban Development.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 1DK - Cty-Shelter Plus Care Program

Funding Sources: FWF - DHS Federal

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	1,599,878	1,747,135	1,906,932	1,908,598	1,908,598	1,908,598
Total	1,599,878	1,747,135	1,906,932	1,908,598	1,908,598	1,908,598
Funding Sources						
Federal Revenue 4000020	1,599,878	1,747,135		1,908,598	1,908,598	1,908,598
Total Funding	1,599,878	1,747,135		1,908,598	1,908,598	1,908,598
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	1,599,878	1,747,135		1,908,598	1,908,598	1,908,598

Analysis of Budget Request

Appropriation: 396 - Cty-Aid To Aged, Blind, Disabled

Funding Sources: DGF - DHS Grants Fund

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

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

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

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 396 - Cty-Aid To Aged, Blind, Disabled

Funding Sources: DGF - DHS Grants Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	0	4,000	4,000	4,000	4,000	4,000
Total	0	4,000	4,000	4,000	4,000	4,000
Funding Sources						
General Revenue 4000010	0	4,000		4,000	4,000	4,000
Total Funding	0	4,000		4,000	4,000	4,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	4,000		4,000	4,000	4,000

Analysis of Budget Request

Appropriation: 409 - Cty-Weatherization Program

Funding Sources: FWF - DHS Federal

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

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

- Replace broken windows.
- Caulk and weather strip doors and windows.
- Insulate uninsulated ceilings, walls and floors.
- Install storm windows, thermostats and conduct furnace tune-ups.
- Check health and safety standards prior to weatherizing the house.

Measures installed on mobile homes include:

- Replace broken windows.
- Caulk and weather strip doors and windows
- Install thermostats and conduct furnace tune-ups.
- Check health and safety standards prior to weatherizing the mobile home.

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

This program was transferred via Type 3 Transfer to the Arkansas Energy Office of the Arkansas Department of Economic Development by Act 1111 of 2013.

Appropriation Summary

Appropriation: 409 - Cty-Weatherization Program

Funding Sources:

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	4,923,662	0	8,000,000	0	0	0
Weatherization Program - ARRA 2009	5900052	3,598,727	0	0	0	0	0
Total		8,522,389	0	8,000,000	0	0	0
Funding Sources							
Federal Revenue	4000020	4,923,662	0		0	0	0
Federal Funds-ARRA	4000244	3,598,727	0		0	0	0
Total Funding		8,522,389	0		0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		8,522,389	0		0	0	0

Weatherization Program was transferred via Type 3 Transfer to the Arkansas Energy Office of the Arkansas Department of Economic Development by Act 1111 of 2013.

Analysis of Budget Request

Appropriation: 410 - Cty-Emergency Food Program

Funding Sources: FWF - DHS Federal

The Emergency Food Program provides food on an emergency basis for families in need and the homeless. Donated food is also made available for Disaster Assistance. Additionally, Division of County Operations (DCO) utilizes surplus USDA commodities to supplement low-income food programs in Arkansas. Agencies such as Food Banks and Community Program Action Agencies have agreements with DCO to provide food through soup kitchens, food pantries and mass distribution to households.

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

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 410 - Cty-Emergency Food Program

Funding Sources: FWF - DHS Federal

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	681,861	779,219	779,219	819,219	819,219	819,219
Total	681,861	779,219	779,219	819,219	819,219	819,219
Funding Sources						
Federal Revenue 4000020	681,861	779,219		819,219	819,219	819,219
Total Funding	681,861	779,219		819,219	819,219	819,219
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	681,861	779,219		819,219	819,219	819,219

Analysis of Budget Request

Appropriation: 411 - Cty-Low Income Energy Assistance Prgm

Funding Sources: FWF - DHS Federal

The Low Income Home Energy Assistance (LIHEAP) program provides federal funds to assist low-income households with the cost of their home energy expenses such as gas, electricity, propane, etc. The agency administers the Winter/Summer Assistance 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 150% 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 Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 411 - Cty-Low Income Energy Assistance Prgm

Funding Sources: FWF - DHS Federal

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	27,131,717	24,760,927	29,480,110	29,480,110	29,480,110	29,480,110
Total	27,131,717	24,760,927	29,480,110	29,480,110	29,480,110	29,480,110
Funding Sources						
Federal Revenue 4000020	27,131,717	24,760,927		29,480,110	29,480,110	29,480,110
Total Funding	27,131,717	24,760,927		29,480,110	29,480,110	29,480,110
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	27,131,717	24,760,927		29,480,110	29,480,110	29,480,110

Analysis of Budget Request

Appropriation: 412 - Cty-Refugee Resettlement Program

Funding Sources: FWF - DHS Federal

The Refugee Resettlement Program provides temporary assistance to refugees and entrants to the state to help in becoming self-sufficient and self-reliant. This program was established by the 1980 Immigration and Nationality Act and authorizes cash assistance and medical assistance for up to eight months following entry. Social services may be provided to refugees for up to five years. Refugees may apply for cash, medical and the supplemental nutrition assistance program (SNAP) assistance at Department of Human Services offices in their county of residence.

Due to the steady decline in eligibles, Arkansas chose to discontinue the optional Social Services component of the program effective October 1, 2002. Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) will continue to be available through the county offices to any new arrivals entering the state in the future. The federal Office of Refugee Resettlement contracts directly with an agency outside of DHS for the social services aspects of the program.

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

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 412 - Cty-Refugee Resettlement Program

Funding Sources: FWF - DHS Federal

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	729	12,000	12,000	12,000	12,000	12,000
Total	729	12,000	12,000	12,000	12,000	12,000
Funding Sources						
Federal Revenue 4000020	729	12,000		12,000	12,000	12,000
Total Funding	729	12,000		12,000	12,000	12,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	729	12,000		12,000	12,000	12,000

Analysis of Budget Request

Appropriation: 426 - Cty-Homeless Assistance Grant

Funding Sources: FWF - DHS Federal

The Homeless Assistance Grant is a federal program through the U. S. Department of Housing and Urban Development. 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. The estimated homeless count in the State of Arkansas for 2011 is 19,135. Funding for this appropriation is 100% federal.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 426 - Cty-Homeless Assistance Grant

Funding Sources: FWF - DHS Federal

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	1,781,131	2,687,948	2,846,487	2,846,487	2,846,487	2,846,487
Homeless Assistance Grant - ARRA 2009	5900052	118,480	0	0	0	0	0
Total		1,899,611	2,687,948	2,846,487	2,846,487	2,846,487	2,846,487
Funding Sources							
Federal Revenue	4000020	1,781,131	2,687,948		2,846,487	2,846,487	2,846,487
Federal Funds-ARRA	4000244	118,480	0		0	0	0
Total Funding		1,899,611	2,687,948		2,846,487	2,846,487	2,846,487
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		1,899,611	2,687,948		2,846,487	2,846,487	2,846,487

Analysis of Budget Request

Appropriation: 59H - Hunger Coalition
Funding Sources: DCO - County Operations Account

Arkansas food banks have reported an increase in utilization which is attributed to poor economic conditions and local disasters coupled with the increased cost of food storage and transportation. To address this need, the State Food Purchasing Program was created and funded with state general revenues generated from an increase in the tax on cigarettes and other tobacco products provided in Act 180 of 2009.

The Division of County Operations grants these funds to the Arkansas Hunger Relief Alliance for distribution to the local food distribution networks for the purpose of purchasing Arkansas products through the State Food Purchasing Program.

Funding for this appropriation is 100% General Revenue (DCO - County Operations Fund Account).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 59H - Hunger Coalition

Funding Sources: DCO - County Operations Account

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	995,113	995,113	995,113	995,113	995,113	995,113
Total	995,113	995,113	995,113	995,113	995,113	995,113
Funding Sources						
General Revenue 4000010	995,113	995,113		995,113	995,113	995,113
Total Funding	995,113	995,113		995,113	995,113	995,113
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	995,113	995,113		995,113	995,113	995,113

Analysis of Budget Request

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

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

1. Expansion of Medicaid coverage and benefits to pregnant women with incomes up to 200 percent of the Federal Poverty Level (approved for implementation November 1, 2001);
2. Expansion of inpatient and outpatient hospital reimbursements and benefits to adults age 19 to 64 to reduce coinsurance payment from 22 percent to 10 percent of the cost of the first Medicaid covered day of each admission and cover additional medically necessary days in the hospital from 20 days up to 24 allowed days per State Fiscal Year (approved for implementation November 1, 2001);
3. Expansion of non-institutional coverage and benefits to adults aged 65 and over. Referred to as ARSeniors, this program extends full Medicaid benefits to adults age 65 and over who have been identified as Qualified Medicare Beneficiaries (QMB) and meet specific income limits (approved for implementation October 1, 2002); and
4. Creation of a limited benefit package to assist adults age 19 to 64 who are uninsured low-wage employees of small Arkansas businesses. This program, ARHealthNetworks, was approved by the Centers for Medicare and Medicaid Services (CMS) as a Section 1115 demonstration waiver through the Health Insurance Flexibility and Accountability (HIFA) office of the Secretary of the federal Department of Health and Human Services. Enrollment in the program began December 20, 2006 with coverage effective January 2007.

Funding for this appropriation is derived from tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries 5010000	1,470,130	1,820,360	1,809,920	1,811,220	1,811,220	1,811,220
#Positions	58	60	60	60	60	60
Personal Services Matching 5010003	620,908	724,449	715,472	715,773	715,773	715,773
Operating Expenses 5020002	81,071	295,795	295,795	295,795	295,795	295,795
Conference & Travel Expenses 5050009	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0
Data Processing Services 5900044	0	50,000	50,000	50,000	50,000	50,000
Total	2,172,109	2,890,604	2,871,187	2,872,788	2,872,788	2,872,788
Funding Sources						
Federal Revenue 4000020	1,086,055	1,445,302		1,436,394	1,436,394	1,436,394
Tobacco Settlement 4000495	1,086,054	1,445,302		1,436,394	1,436,394	1,436,394
Total Funding	2,172,109	2,890,604		2,872,788	2,872,788	2,872,788
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	2,172,109	2,890,604		2,872,788	2,872,788	2,872,788

The FY14 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching adjustments during the 2013-2015 biennium.

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

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

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, eliminated the open-ended federal entitlement program of Aid to Families with Dependent Children (AFDC) and created a federal block grant program for states to provide cash assistance to families on a time-limited basis under the Temporary Assistance to Needy Families (TANF) program. The Arkansas Personal Responsibility and Public Assistance Reform Act, Act 1058 of 1997 was enacted during the 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) and also created the Work Pays program, which is an extension of the TEA program for former TEA recipients who are working. Pursuant to this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remains with the Division of County Operations while DWS is responsible for the provision of case management services and overall administration of the program.

The Division of County Operations has the primary responsibility for providing the leadership and support in each of the eighty-three (83) county offices in the 75 counties, a new Access Arkansas Center is being constructed in Batesville and will process approximately 28,000 applications and reevaluations each month, many of which are being filed online. The Division of County Operations is responsible for administering the SNAP, TEA, Medicaid and ARKids Programs to citizens across Arkansas. Additional programs administered at the county level though local organizations include the Community Services Block Grant; Energy and Weatherization Assistance for low income elderly, people with disabilities and families with children; Homeless and Housing Assistance; and Commodity Distribution. The Division 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 DHS Divisions at the local level and provides clerical support. The Division currently has four (4) distinct areas of operation: Field Operations, Program Planning and Development, Community Services and Administrative Support.

Funding for this appropriation is derived from a mix of sources that includes general revenue (DCO - County Operations Fund Account), federal and other revenues. Federal funding sources include revenues derived from administrative costs for TEA, SNAP, Community Services Block Grant, Refugee Resettlement, Emergency Shelter, Commodities, Child Health Insurance (CHIP) and Medicaid (Regular and Enhanced) programs. Other funding which is indicated as various program support can also include sources such as Title XIX match, miscellaneous collections, federal awards, fees, third party reimbursements and maximization of federal claiming. These other funds are considered to be non-federal and technically can be expended for any program or service within the Department.

There are two appropriation summaries provided for this appropriation:

Page 289 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 290 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Agency Change Level Request totals \$277,358 in appropriation and reflects the following reallocations from the FY15 ALC/JBC Legislative Recommendation:

- \$156,000 in appropriation from Regular Salaries to Extra Help with a corresponding reduction of (\$22,222) in Personal Services Matching to be used in county offices due to a need for eligibility workers and clerical staff on a temporary basis to provide direct services to clients.
- Operating Expenses appropriation of \$299,580 (from DCO - Transitional Employment Assistance) to address costs associated with county office facilities.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	60,438,734	61,918,496	63,386,609	63,264,743	62,315,244	63,264,743
	#Positions	1,883	1,881	1,881	1,876	1,881	1,876
Extra Help	5010001	223,222	390,052	234,052	234,052	234,052	234,052
	#Extra Help	24	26	37	37	37	37
Personal Services Matching	5010003	22,411,638	23,870,417	23,998,640	23,947,037	23,752,326	23,947,037
Overtime	5010006	27	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	21,189,016	23,402,003	23,121,923	23,102,423	23,121,923	23,102,423
Conference & Travel Expenses	5050009	87,379	172,081	178,831	172,081	178,831	172,081
Professional Fees	5060010	4,929,290	6,136,707	6,150,207	6,138,465	6,151,965	6,138,465
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	39,835	122,400	122,400	2,400	2,400	2,400
Data Processing Services	5900044	5,192,644	8,107,883	8,109,883	8,069,883	8,071,883	8,069,883
ARRA of 2009	5900052	919,839	0	0	0	0	0
Total		115,431,624	124,145,039	125,327,545	124,956,084	123,853,624	124,956,084

Funding Sources							
General Revenue	4000010	46,195,915	47,816,676		47,840,182	48,126,084	47,840,182
Federal Revenue	4000020	60,358,821	68,745,006		60,417,889	60,553,962	60,417,889
Merit Adjustment Fund	4000055	692,610	0		0	0	0
Federal Funds-ARRA	4000244	919,839	0		0	0	0
Various Program Support	4000730	7,264,439	7,583,357		12,554,504	12,400,021	12,554,504
Total Funding		115,431,624	124,145,039		120,812,575	121,080,067	120,812,575
Excess Appropriation/(Funding)		0	0		4,143,509	2,773,557	4,143,509
Grand Total		115,431,624	124,145,039		124,956,084	123,853,624	124,956,084

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	60,438,734	61,918,496	63,386,609	63,264,743	63,108,743	63,108,743
	#Positions	1,883	1,881	1,881	1,876	1,876	1,876
Extra Help	5010001	223,222	390,052	234,052	234,052	390,052	390,052
	#Extra Help	24	26	37	37	37	37
Personal Services Matching	5010003	22,411,638	23,870,417	23,998,640	23,947,037	23,924,815	23,924,815
Overtime	5010006	27	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	21,189,016	23,402,003	23,121,923	23,102,423	23,402,003	23,402,003
Conference & Travel Expenses	5050009	87,379	172,081	178,831	172,081	172,081	172,081
Professional Fees	5060010	4,929,290	6,136,707	6,150,207	6,138,465	6,138,465	6,138,465
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	39,835	122,400	122,400	2,400	2,400	2,400
Data Processing Services	5900044	5,192,644	8,107,883	8,109,883	8,069,883	8,069,883	8,069,883
ARRA of 2009	5900052	919,839	0	0	0	0	0
Total		115,431,624	124,145,039	125,327,545	124,956,084	125,233,442	125,233,442
Funding Sources							
General Revenue	4000010	46,195,915	47,816,676		47,840,182	47,840,182	47,840,182
Federal Revenue	4000020	60,358,821	68,745,006		60,417,889	60,717,469	60,717,469
Merit Adjustment Fund	4000055	692,610	0		0	0	0
Federal Funds-ARRA	4000244	919,839	0		0	0	0
Various Program Support	4000730	7,264,439	7,583,357		12,554,504	12,554,504	12,554,504
Total Funding		115,431,624	124,145,039		120,812,575	121,112,155	121,112,155
Excess Appropriation/(Funding)		0	0		4,143,509	4,121,287	4,121,287
Grand Total		115,431,624	124,145,039		124,956,084	125,233,442	125,233,442

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

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

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

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

The TEA caseload has decreased by over 65% since the program was implemented in July 1997. The reduction in the caseload has resulted in a comparable decrease in monthly cash assistance expenditures since July 1997. The Program expenditures have shifted to address employment related services, education/training and supportive services.

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

Funding for this appropriation is derived from the federal Temporary Assistance for Needy Families (TANF) block grant and general revenue from the Department of Human Services Grants Fund Account (DGF-DHS Grants Fund) as authorized in Arkansas Code Annotated §19-5-306 (10)(A)(iv) and general revenue fund transfers from the Department of Workforce Services as authorized in Section 9 of Act 32 of 2010 for FY2011 and Section 9 of Act 952 of 2011 for FY2012. Other funding which is indicated as various program support can also include sources such as the payback of the federal share of overpayment collections on AFDC and interest on TEA cash assistance.

There are two appropriation summaries provided for this appropriation:

Page 293 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 294 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Agency Change Level Request includes a reallocation of appropriation below the FY15 ALC/JBC Legislative Recommendation of (\$299,580) (to DCO - Operating Expenses) to address costs associated with the county office facilities.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
TANF Block Grant	5100004	15,768,217	18,427,000	22,117,650	22,117,650	22,117,650	22,117,650
Total		15,768,217	18,427,000	22,117,650	22,117,650	22,117,650	22,117,650
Funding Sources							
Federal Revenue	4000020	15,075,616	18,427,000		18,477,000	18,477,000	18,477,000
Transfer From DWS	4000527	650,000	0		0	0	0
Various Program Support	4000730	42,601	0		0	0	0
Total Funding		15,768,217	18,427,000		18,477,000	18,477,000	18,477,000
Excess Appropriation/(Funding)		0	0		3,640,650	3,640,650	3,640,650
Grand Total		15,768,217	18,427,000		22,117,650	22,117,650	22,117,650

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
TANF Block Grant	5100004	15,768,217	18,427,000	22,117,650	22,117,650	21,818,070	21,818,070
Total		15,768,217	18,427,000	22,117,650	22,117,650	21,818,070	21,818,070
Funding Sources							
Federal Revenue	4000020	15,075,616	18,427,000		18,477,000	18,177,420	18,177,420
Transfer From DWS	4000527	650,000	0		0	0	0
Various Program Support	4000730	42,601	0		0	0	0
Total Funding		15,768,217	18,427,000		18,477,000	18,177,420	18,177,420
Excess Appropriation/(Funding)		0	0		3,640,650	3,640,650	3,640,650
Grand Total		15,768,217	18,427,000		22,117,650	21,818,070	21,818,070

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

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

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 Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Suppl Nutrition Assist(SNAP)	5100004	196,285	343,235	343,235	343,235	343,235	343,235
Community Srvs. Block Grant	5100004	8,649,726	9,137,390	9,137,390	9,137,390	9,137,390	9,137,390
Total		8,846,011	9,480,625	9,480,625	9,480,625	9,480,625	9,480,625
Funding Sources							
General Revenue	4000010	113,661	153,439		153,439	153,439	153,439
Federal Revenue	4000020	8,732,350	9,327,186		9,327,186	9,327,186	9,327,186
Total Funding		8,846,011	9,480,625		9,480,625	9,480,625	9,480,625
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		8,846,011	9,480,625		9,480,625	9,480,625	9,480,625

Analysis of Budget Request

Appropriation: 930 - Cty-Commodity Distrib & Salvage Container

Funding Sources: NHS - Cash in Treasury

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

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 930 - Cty-Commodity Distrib & Salvage Container

Funding Sources: NHS - Cash in Treasury

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	28,338	150,510	165,510	165,510	165,510	165,510
Conference & Travel Expenses	5050009	1,863	9,490	9,490	9,490	9,490	9,490
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		30,201	160,000	175,000	175,000	175,000	175,000
Funding Sources							
Cash Fund	4000045	30,201	160,000		175,000	175,000	175,000
Total Funding		30,201	160,000		175,000	175,000	175,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		30,201	160,000		175,000	175,000	175,000

DHS - Developmental Disabilities Services

Audit Findings

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

Findings

Recommendations

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

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
 Fiscal Year 2013
 Required by A.C.A. 25-36-104

AGENCY: 0710 DHS - Developmental Disabilities Services

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Government Supply Services LLC	\$1,428,750	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 1

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$1,260,337

% OF MINORITY CONTRACTS AWARDED 3.75 %

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
147 Special Olympics	178,759	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0
397 Children's Medical Services	1,601,073	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0
408 Children's Medical Services-Federal	252,518	0	1,144,083	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0
59J Autism Treat/Coord	928,415	0	273,974	0	1,492,500	0	1,492,500	0	1,492,500	0	1,492,500	0
653 DDS-State Operations	5,496,525	0	7,099,242	0	7,099,242	0	7,099,242	0	7,099,242	0	7,099,242	0
657 Community Programs	17,373	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
658 Grants to Community Providers	15,728,873	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0
896 Division of Developmental Disabilities Srvs	131,115,058	2,629	140,508,457	2,487	157,032,469	2,711	158,129,283	2,711	156,471,318	2,711	158,129,283	2,711
982 Inter-Divisional Programs	84,263	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0
Total	155,402,857	2,629	166,984,492	2,487	185,029,152	2,711	186,125,966	2,711	184,468,001	2,711	186,125,966	2,711

Funding Sources		%		%		%		%		%
General Revenue 4000010	63,696,598	41.0	67,937,981	40.7	68,105,507	41.1	67,702,036	41.3	68,105,507	41.1
Federal Revenue 4000020	15,176,062	9.8	24,343,853	14.6	23,732,426	14.3	23,551,896	14.4	23,732,426	14.3
Special Revenue 4000030	17,373	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0
Cash Fund 4000045	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Merit Adjustment Fund 4000055	1,500,000	1.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Medicaid Match 4000660	(12,429,100)	(8.0)	(12,836,261)	(7.7)	(11,617,735)	(7.0)	(11,617,735)	(7.1)	(11,617,735)	(7.0)
Various Program Support 4000730	87,441,924	56.3	87,488,919	52.4	85,398,186	51.5	84,324,222	51.4	85,398,186	51.5
Total Funds	155,402,857	100.0	166,984,492	100.0	165,668,384	100.0	164,010,419	100.0	165,668,384	100.0
Excess Appropriation/(Funding)	0		0		20,457,582		20,457,582		20,457,582	
Grand Total	155,402,857		166,984,492		186,125,966		184,468,001		186,125,966	

BEFORE REVISED BUDGET

Department Appropriation Summary

		Historical Data						Agency Request and Recommendations					
Appropriation		2012-2013		2013-2014		2013-2014		2014-2015					
		Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
147	Special Olympics	178,759	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0
397	Children's Medical Services	1,601,073	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0
408	Children's Medical Services-Federal	252,518	0	1,144,083	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0
59J	Autism Treat/Coord	928,415	0	273,974	0	1,492,500	0	1,492,500	0	1,492,500	0	1,492,500	0
653	DDS-State Operations	5,496,525	0	7,099,242	0	7,099,242	0	7,099,242	0	7,119,242	0	7,119,242	0
657	Community Programs	17,373	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
658	Grants to Community Providers	15,728,873	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0
896	Division of Developmental Disabilities Srvs	131,115,058	2,629	140,508,457	2,487	157,032,469	2,711	158,129,283	2,711	157,655,596	2,704	157,655,596	2,704
982	Inter-Divisional Programs	84,263	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0
Total		155,402,857	2,629	166,984,492	2,487	185,029,152	2,711	186,125,966	2,711	185,672,279	2,704	185,672,279	2,704

Funding Sources			%		%		%		%		%	
General Revenue	4000010	63,696,598	41.0	67,937,981	40.7		68,105,507	41.1	68,105,507	41.1	68,105,507	41.1
Federal Revenue	4000020	15,176,062	9.8	24,343,853	14.6		23,732,426	14.3	23,732,426	14.3	23,732,426	14.3
Special Revenue	4000030	17,373	0.0	50,000	0.0		50,000	0.0	50,000	0.0	50,000	0.0
Cash Fund	4000045	0	0.0	0	0.0		0	0.0	0	0.0	0	0.0
Merit Adjustment Fund	4000055	1,500,000	1.0	0	0.0		0	0.0	0	0.0	0	0.0
Transfer to Medicaid Match	4000660	(12,429,100)	(8.0)	(12,836,261)	(7.7)		(11,617,735)	(7.0)	(11,617,735)	(7.0)	(11,617,735)	(7.0)
Various Program Support	4000730	87,441,924	56.3	87,488,919	52.4		85,398,186	51.5	85,398,186	51.5	85,398,186	51.5
Total Funds		155,402,857	100.0	166,984,492	100.0		165,668,384	100.0	165,668,384	100.0	165,668,384	100.0
Excess Appropriation/(Funding)		0		0			20,457,582		20,003,895		20,003,895	
Grand Total		155,402,857		166,984,492			186,125,966		185,672,279		185,672,279	

AFTER BUDGET REQUEST

Analysis of Budget Request

Appropriation: 147 - Special Olympics

Funding Sources: DEA - Developmental Disabilities Services Fund

This appropriation is for a grant to the Arkansas Special Olympics, Inc. This program provides sports training and competitive opportunities throughout the year for athletes who are developmentally challenged.

Funding for this appropriation is 100% general revenue (DEA-Developmental Disabilities Services Fund Account).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 147 - Special Olympics

Funding Sources: DEA - Developmental Disabilities Services Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	178,759	178,768	178,768	178,768	178,768	178,768
Total	178,759	178,768	178,768	178,768	178,768	178,768
Funding Sources						
General Revenue 4000010	178,759	178,768		178,768	178,768	178,768
Total Funding	178,759	178,768		178,768	178,768	178,768
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	178,759	178,768		178,768	178,768	178,768

Analysis of Budget Request

Appropriation: 397 - Children's Medical Services

Funding Sources: DGF - DHS Grants Fund

The State Children's Medical Services (CMS) program provides services to children with special health care needs. CMS assists in the provision of services through service teams, satellite offices and parent support groups. In addition to the children with special health care needs, CMS also assists children with special needs on the Tax Equity and Fiscal Responsibility Act (TEFRA) program. TEFRA considers just the child and the child's income for eligibility and is broader in scope than Medicaid. A medical condition must be present to be eligible.

CMS programs are community based with staff at the local level making decisions on behalf of the families receiving services. CMS staff members assist families by coordinating care in areas such as assessments, arranging medical appointments, determining additional needed services, payment authorization, coordinating parent support groups, arranging respite care and transportation, and coordinating the TEFRA program.

Funding for this appropriation is 100% general revenue (DGF - Department of Human Services Grants Fund Account).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 397 - Children's Medical Services

Funding Sources: DGF - DHS Grants Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	1,601,073	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279
Total	1,601,073	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279
Funding Sources						
General Revenue 4000010	1,601,073	1,729,279		1,729,279	1,729,279	1,729,279
Total Funding	1,601,073	1,729,279		1,729,279	1,729,279	1,729,279
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	1,601,073	1,729,279		1,729,279	1,729,279	1,729,279

Analysis of Budget Request

Appropriation: 408 - Children's Medical Services-Federal

Funding Sources: FWF - DHS Federal

The Federal Children's Medical Services (CMS) appropriation is a companion to the State Children's Medical Services appropriation 397 and provides for community based services for children with special health care needs, including chronic illnesses and physical disabilities. Examples of services include therapies, medications, transportation, medical treatments and equipment. The community based offices allow for more rapid responses to the needs of the children and their families. This appropriation supports the programs and services detailed in the State CMS program appropriation.

Funding for this appropriation includes 100% federal revenue consisting of Title V funding.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 408 - Children's Medical Services-Federal

Funding Sources: FWF - DHS Federal

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	252,518	1,144,083	1,446,205	1,446,205	1,446,205	1,446,205
Total	252,518	1,144,083	1,446,205	1,446,205	1,446,205	1,446,205
Funding Sources						
Federal Revenue 4000020	252,518	1,144,083		1,446,205	1,446,205	1,446,205
Total Funding	252,518	1,144,083		1,446,205	1,446,205	1,446,205
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	252,518	1,144,083		1,446,205	1,446,205	1,446,205

Analysis of Budget Request

Appropriation: 59J - Autism Treat/Coord

Funding Sources: DEA - Developmental Disabilities Services Fund Account

An increasing numbers of Arkansans are being diagnosed with Autism Spectrum Disorders. Children and adults with Autism Spectrum Disorders require specialized treatment. To address this need, state general revenues generated from an increase in the tax on cigarettes and other tobacco products as a result of Act 180 of 2009 were provided to the Division of Developmental Disabilities Services.

The Division of Developmental Disabilities Services is working closely with the Legislative Task Force on Autism to identify and prioritize needed services to this population.

Funding is 100% General Revenue (DEA - Developmental Disabilities Services Fund Account).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 59J - Autism Treat/Coord

Funding Sources: DEA - Developmental Disabilities Services Fund Account

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	928,415	273,974	1,492,500	1,492,500	1,492,500	1,492,500
Total	928,415	273,974	1,492,500	1,492,500	1,492,500	1,492,500
Funding Sources						
General Revenue 4000010	928,415	273,974		1,492,500	1,492,500	1,492,500
Total Funding	928,415	273,974		1,492,500	1,492,500	1,492,500
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	928,415	273,974		1,492,500	1,492,500	1,492,500

Analysis of Budget Request

Appropriation: 657 - Community Programs

Funding Sources: SDT - DDS Dog Track Special Revenue Fund

The Community Programs appropriation is utilized to provide services for eligible individuals through licensed community providers. Pursuant to Arkansas Code Annotated §23-111-503, this appropriation is funded by fees generated from proceeds of the Southland Greyhound Park. Generally, this appropriation is used to supplement contracts with community providers for a wide range of services provided to individuals with developmental disabilities.

Funding for this appropriation includes 100% special revenue consisting of two-thirds (2/3) of the net proceeds derived from the three (3) additional days of racing authorized by the Arkansas Racing Commission for any dog racing meet, and is to be used for the sole benefit for Community Programs of the Division of Developmental Disabilities Services.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 657 - Community Programs

Funding Sources: SDT - DDS Dog Track Special Revenue Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Community Programs 5900046	17,373	50,000	50,000	50,000	50,000	50,000
Total	17,373	50,000	50,000	50,000	50,000	50,000
Funding Sources						
Special Revenue 4000030	17,373	50,000		50,000	50,000	50,000
Total Funding	17,373	50,000		50,000	50,000	50,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	17,373	50,000		50,000	50,000	50,000

Analysis of Budget Request

Appropriation: 658 - Grants to Community Providers

Funding Sources: DEA - Developmental Disabilities Services Fund Account

The Grants to Community Providers appropriation provides for community based services through private non-profit service providers throughout the state for individuals who do not meet Medicaid eligibility criteria for services such as speech, occupational and physical therapy, adult development and preschool services. In addition to grants to community providers for contracted services, this appropriation provides Medicaid Match paid by warrant for Developmental Day Treatment Clinic Services (5 day week clinics that provide work training for adults and preschool training for children), Therapy, Personal Care and Case Management.

Funding for this appropriation is 100% general revenue (DEA - Developmental Disabilities Services Fund Account).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 658 - Grants to Community Providers

Funding Sources: DEA - Developmental Disabilities Services Fund Account

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	15,728,873	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045
Total	15,728,873	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045
Funding Sources						
General Revenue 4000010	15,728,873	15,892,045		15,892,045	15,892,045	15,892,045
Total Funding	15,728,873	15,892,045		15,892,045	15,892,045	15,892,045
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	15,728,873	15,892,045		15,892,045	15,892,045	15,892,045

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

This appropriation provides administrative support for the Division of Developmental Disabilities (DDS). This Division administers state programs and services for people with developmental disabilities. Arkansas Statutes define a developmental disability as impairment generally attributable to mental retardation, cerebral palsy, epilepsy or autism. Services through DDS are available for persons diagnosed as having a disability occurring prior to age 22.

In addition to the coordination of community programs and services for individuals with mental retardation and/or developmental disabilities, DDS is responsible for the management and operation of five (5) state-owned and controlled Human Development Centers (HDCs). These institutional facilities provide 24-hour residential services, habilitation, medical services, therapies and education at the following:

Conway HDC: Provides comprehensive services including a skilled nursing facility for children and adults. Primary emphasis is on medical services, special education, domestic and personal skill development, habilitation training, workshop opportunities, employment training, recreation opportunities and development.

Arkadelphia HDC: Provides comprehensive services for adults of all functioning levels except for those with severe medical needs. Primary emphasis is on adult enrichment, vocational training and transitional placement.

Jonesboro HDC: Provides comprehensive services for adults of all functioning levels except those with severe medical needs. Primary emphasis is on serving individuals with a primary diagnosis of mental retardation.

Booneville HDC: Provides varied services for adults who are ambulatory with no severe medical needs. Primary emphasis is training programs and living options for those with that do not require extensive medical care, but may need behavioral services due to mental illness.

Southeast Arkansas (Warren) HDC: Provides both institutional and group home services for adults. Primary emphasis includes functional training for daily living skills and vocational training.

Funding for this appropriation consists of general revenue (DEA - Developmental Disabilities Services Fund Account), federal revenue and other revenue. Federal revenue primarily includes Title XIX, Title V, Targeted Case Management, Early Intervention, Foster Grandparent funding and Social Service Block Grant funding. Other funding, which is indicated as various program support can also include sources such

as Target Case Management funding, client fees and Special Education Fund.

There are two appropriation summaries provided for this appropriation:

Page 317 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 318 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Agency Change Level Request includes a reduction of appropriation below the FY15 ALC/JBC Legislative Recommendation of (\$453,687), and reflects the following:

- Transfer Positions (-7): Regular Salaries of (\$340,242) and Personal Services Matching of (\$113,445) to support the following positions - to **OCC**, one (1) Physician Specialist (N917) (-\$122,914 salary, -\$33,461 match) for the re-organization of the Grievance Office; to **DAAS**, two (2) Admin Specialist III (C112), one (1) Maintenance Supervisor (C115), one (1) DHS Program Specialist (C115), and one (1) Staff Development Coordinator (-\$141,287 salary, -\$57,407 match) for the new Conflict Free Case Management program; to **DMS**, one (1) DHS/Asst Deputy Director for Managerial Accounting (N905) (-\$76,041 salary, -\$22,577 match) to support the reassignment of job functions within the agency.
- Reallocation: (\$154,340) in appropriation from Operating Expenses. \$134,340 to Capital Outlay in anticipation of replacing medical/transport equipment for resident care, and \$20,000 to Foster Grandparents Stipends to support an increase in the Foster Grandparents Program in accordance with the grant award guidelines.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	73,882,407	73,714,530	81,301,394	81,370,794	80,043,099	81,370,794
	#Positions	2,629	2,487	2,711	2,711	2,711	2,711
Extra Help	5010001	1,167,572	1,719,667	1,889,553	1,889,553	1,889,553	1,889,553
	#Extra Help	138	200	200	200	200	200
Personal Services Matching	5010003	28,898,298	29,950,711	32,936,587	32,956,432	32,626,162	32,956,432
Overtime	5010006	441,329	796,000	2,310,000	2,310,000	2,310,000	2,310,000
Extra Salaries	5010008	0	27,000	27,000	27,000	27,000	27,000
Operating Expenses	5020002	21,779,647	26,419,738	29,408,439	30,550,348	30,550,348	30,550,348
Conference & Travel Expenses	5050009	59,224	103,253	103,253	103,253	103,253	103,253
Professional Fees	5060010	645,407	912,537	918,147	918,147	918,147	918,147
Data Processing	5090012	0	0	0	0	0	0
Grants/Patient Services	5100004	5,162,028	6,752,051	6,752,051	6,752,051	6,752,051	6,752,051
Capital Outlay	5120011	270,541	394,300	394,300	259,960	259,960	259,960
Foster Grandparent Stipends	5900038	269,697	280,000	280,000	280,000	280,000	280,000
Data Processing Services	5900044	360,282	420,205	550,000	550,000	550,000	550,000
Vocational Trainees	5900046	174,228	230,000	239,000	239,000	239,000	239,000
Purchase of service	5900047	3,436,123	5,820,516	6,954,796	6,954,796	6,954,796	6,954,796
Children & Adolescent Svcs	5900047	64,800	67,191	67,191	67,191	67,191	67,191
Total		136,611,583	147,607,699	164,131,711	165,228,525	163,570,560	165,228,525
Funding Sources							
General Revenue	4000010	45,175,215	49,755,271		48,704,271	48,300,800	48,704,271
Federal Revenue	4000020	14,923,544	23,199,770		22,286,221	22,105,691	22,286,221
Merit Adjustment Fund	4000055	1,500,000	0		0	0	0
Transfer to Medicaid Match	4000660	(12,429,100)	(12,836,261)		(11,617,735)	(11,617,735)	(11,617,735)
Various Program Support	4000730	87,441,924	87,488,919		85,398,186	84,324,222	85,398,186
Total Funding		136,611,583	147,607,699		144,770,943	143,112,978	144,770,943
Excess Appropriation/(Funding)		0	0		20,457,582	20,457,582	20,457,582
Grand Total		136,611,583	147,607,699		165,228,525	163,570,560	165,228,525

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	73,882,407	73,714,530	81,301,394	81,370,794	81,030,552	81,030,552
	#Positions	2,629	2,487	2,711	2,711	2,704	2,704
Extra Help	5010001	1,167,572	1,719,667	1,889,553	1,889,553	1,889,553	1,889,553
	#Extra Help	138	200	200	200	200	200
Personal Services Matching	5010003	28,898,298	29,950,711	32,936,587	32,956,432	32,842,987	32,842,987
Overtime	5010006	441,329	796,000	2,310,000	2,310,000	2,310,000	2,310,000
Extra Salaries	5010008	0	27,000	27,000	27,000	27,000	27,000
Operating Expenses	5020002	21,779,647	26,419,738	29,408,439	30,550,348	30,396,008	30,396,008
Conference & Travel Expenses	5050009	59,224	103,253	103,253	103,253	103,253	103,253
Professional Fees	5060010	645,407	912,537	918,147	918,147	918,147	918,147
Data Processing	5090012	0	0	0	0	0	0
Grants/Patient Services	5100004	5,162,028	6,752,051	6,752,051	6,752,051	6,752,051	6,752,051
Capital Outlay	5120011	270,541	394,300	394,300	259,960	394,300	394,300
Foster Grandparent Stipends	5900038	269,697	280,000	280,000	280,000	300,000	300,000
Data Processing Services	5900044	360,282	420,205	550,000	550,000	550,000	550,000
Vocational Trainees	5900046	174,228	230,000	239,000	239,000	239,000	239,000
Purchase of service	5900047	3,436,123	5,820,516	6,954,796	6,954,796	6,954,796	6,954,796
Children & Adolescent Svcs	5900047	64,800	67,191	67,191	67,191	67,191	67,191
Total		136,611,583	147,607,699	164,131,711	165,228,525	164,774,838	164,774,838
Funding Sources							
General Revenue	4000010	45,175,215	49,755,271		48,704,271	48,704,271	48,704,271
Federal Revenue	4000020	14,923,544	23,199,770		22,286,221	22,286,221	22,286,221
Merit Adjustment Fund	4000055	1,500,000	0		0	0	0
Transfer to Medicaid Match	4000660	(12,429,100)	(12,836,261)		(11,617,735)	(11,617,735)	(11,617,735)
Various Program Support	4000730	87,441,924	87,488,919		85,398,186	85,398,186	85,398,186
Total Funding		136,611,583	147,607,699		144,770,943	144,770,943	144,770,943
Excess Appropriation/(Funding)		0	0		20,457,582	20,003,895	20,003,895
Grand Total		136,611,583	147,607,699		165,228,525	164,774,838	164,774,838

AFTER BUDGET REQUEST

Analysis of Budget Request

Appropriation: 982 - Inter-Divisional Programs

Funding Sources: DEA - Developmental Disabilities Services Fund Account

The DHS Inter-Divisional Program appropriation provides integrated services and programs for individuals with complex needs requiring the combined efforts of multiple DHS Divisions. The programs/services are for individualized "wrap around" services (e.g. respite care, in-home assistance, out of home support, etc.) to supplement and enhance available program options. These individualized services are alternatives to out-of-state placements and in-state residential options that allow the individual to remain in the community without institutionalism. The Division of Developmental Disabilities (DDS) staff coordinates the provision of services to ensure that those individuals with special needs that cross divisional lines receive needed services.

Funding for this appropriation is 100% general revenue (DEA - Developmental Disabilities Services Fund Account).

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 982 - Inter-Divisional Programs

Funding Sources: DEA - Developmental Disabilities Services Fund Account

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	84,263	108,644	108,644	108,644	108,644	108,644
Total	84,263	108,644	108,644	108,644	108,644	108,644
Funding Sources						
General Revenue 4000010	84,263	108,644		108,644	108,644	108,644
Total Funding	84,263	108,644		108,644	108,644	108,644
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	84,263	108,644		108,644	108,644	108,644

DHS - Services For The Blind

Audit Findings

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

Findings

Recommendations

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

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2013

None

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Recommendations					
	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
896 Division of Services for the Blind	4,678,005	73	6,556,894	76	6,625,482	76	6,629,807	76	6,585,505	76	6,629,807	76
898 Purchase of Services	3,456,313	0	4,419,977	0	4,419,977	0	4,419,977	0	4,419,977	0	4,419,977	0
Total	8,134,318	73	10,976,871	76	11,045,459	76	11,049,784	76	11,005,482	76	11,049,784	76

Funding Sources		%		%		%		%		%
General Revenue 4000010	1,880,943	23.1	1,901,644	17.3	1,902,128	17.2	1,895,652	17.2	1,902,128	17.2
Federal Revenue 4000020	6,222,135	76.5	9,075,227	82.7	9,147,656	82.8	9,109,830	82.8	9,147,656	82.8
Merit Adjustment Fund 4000055	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA 4000244	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support 4000730	31,240	0.4	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds	8,134,318	100.0	10,976,871	100.0	11,049,784	100.0	11,005,482	100.0	11,049,784	100.0
Excess Appropriation/(Funding)	0		0		0		0		0	
Grand Total	8,134,318		10,976,871		11,049,784		11,005,482		11,049,784	

BEFORE REVISED BUDGET

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Recommendations					
	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
896 Division of Services for the Blind	4,678,005	73	6,556,894	76	6,625,482	76	6,629,807	76	6,629,807	76	6,629,807	76
898 Purchase of Services	3,456,313	0	4,419,977	0	4,419,977	0	4,419,977	0	4,719,977	0	4,719,977	0
Total	8,134,318	73	10,976,871	76	11,045,459	76	11,049,784	76	11,349,784	76	11,349,784	76

Funding Sources		%		%		%		%		%
General Revenue 4000010	1,880,943	23.1	1,901,644	17.3	1,902,128	17.2	2,202,128	19.4	1,902,128	17.2
Federal Revenue 4000020	6,222,135	76.5	9,075,227	82.7	9,147,656	82.8	9,147,656	80.6	9,147,656	82.8
Merit Adjustment Fund 4000055	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA 4000244	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support 4000730	31,240	0.4	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds	8,134,318	100.0	10,976,871	100.0	11,049,784	100.0	11,349,784	100.0	11,049,784	100.0
Excess Appropriation/(Funding)	0		0		0		0		300,000	
Grand Total	8,134,318		10,976,871		11,049,784		11,349,784		11,349,784	

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

In 1983, Act 481 was passed, creating the Division of State Services for the Blind (DSB). The Act removed the Division from the jurisdiction of the Department of Rehabilitation Services and made it an autonomous state agency within the Department of Human Services. The Division is responsible for its own State Plan under the Federal Rehabilitation Act. Agency direction and performance responsibility lies with a seven (7) member consumer board comprised of organization representatives involved in providing services for people who have visual impairments. The member organizations include those such as Arkansas Lions, Blinded Veterans Association, Lions World Services for the Blind, Arkansas School for the Blind, and the Arkansas Affiliate of the National Federation of the Blind. By law, the majority of the members of the Board must be persons who are blind. This organizational structure was maintained in the reorganization of the Department when Act 348 of 1985 was passed. Services to individuals with visual impairments are provided by agency staff and by contracting with service providers who specialize in services for people with visual impairments.

DSB serves consumers through three interdependent units: Field Services, Vending Facility Program, and the DSB Directors Office. These three service units were designed by the DSB Board to offer two advantages to the State of Arkansas:

- First, to enhance the personal self-sufficiency of consumers eliminating costs associated with unnecessary skilled care; and
- Second, to maximize the potential contributions made by consumers as citizens and taxpayers.

The agency is funded through general revenue (DSB - State Services for the Blind Fund Account) and federal revenue. Federal funding sources include revenues derived from the federal Department of Education - Rehabilitation Services Administration, Social Security Administration; as well as, federal grant funding such as the Social Services Block Grant.

There are two appropriation summaries provided for this appropriation:

Page 326 reflects the Original FY14 Annual Operations Plan and the FY15 Agency request from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendations from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 327 reflects the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Agency Change Level Request includes additional appropriation and general revenue above the FY15

ALC/JBC Legislative Recommendation of \$300,000 to purchase services from World Services for the Blind, such as training in cane travel.

The Executive Recommendation provides for the Agency Request in appropriation only with no new general revenue.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	2,685,189	2,939,111	3,002,239	3,005,639	2,968,743	3,005,639
	#Positions	73	76	76	76	76	76
Extra Help	5010001	42,821	384,174	384,174	384,174	384,174	384,174
	#Extra Help	10	13	30	30	30	30
Personal Services Matching	5010003	984,951	1,100,394	1,105,854	1,106,779	1,099,373	1,106,779
Operating Expenses	5020002	825,898	1,389,715	1,389,715	1,389,715	1,389,715	1,389,715
Conference & Travel Expenses	5050009	53,902	55,000	55,000	55,000	55,000	55,000
Professional Fees	5060010	52,130	663,500	663,500	663,500	663,500	663,500
Data Processing	5090012	0	0	0	0	0	0
Purchase of Services	5100004	3,456,313	4,419,977	4,419,977	4,419,977	4,419,977	4,419,977
Capital Outlay	5120011	33,114	25,000	25,000	25,000	25,000	25,000
Total		8,134,318	10,976,871	11,045,459	11,049,784	11,005,482	11,049,784
Funding Sources							
General Revenue	4000010	1,880,943	1,901,644		1,902,128	1,895,652	1,902,128
Federal Revenue	4000020	6,222,135	9,075,227		9,147,656	9,109,830	9,147,656
Merit Adjustment Fund	4000055	0	0		0	0	0
Federal Funds-ARRA	4000244	0	0		0	0	0
Various Program Support	4000730	31,240	0		0	0	0
Total Funding		8,134,318	10,976,871		11,049,784	11,005,482	11,049,784
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		8,134,318	10,976,871		11,049,784	11,005,482	11,049,784

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	2,685,189	2,939,111	3,002,239	3,005,639	3,005,639	3,005,639
	#Positions	73	76	76	76	76	76
Extra Help	5010001	42,821	384,174	384,174	384,174	384,174	384,174
	#Extra Help	10	13	30	30	30	30
Personal Services Matching	5010003	984,951	1,100,394	1,105,854	1,106,779	1,106,779	1,106,779
Operating Expenses	5020002	825,898	1,389,715	1,389,715	1,389,715	1,389,715	1,389,715
Conference & Travel Expenses	5050009	53,902	55,000	55,000	55,000	55,000	55,000
Professional Fees	5060010	52,130	663,500	663,500	663,500	663,500	663,500
Data Processing	5090012	0	0	0	0	0	0
Purchase of Services	5100004	3,456,313	4,419,977	4,419,977	4,419,977	4,719,977	4,719,977
Capital Outlay	5120011	33,114	25,000	25,000	25,000	25,000	25,000
Total		8,134,318	10,976,871	11,045,459	11,049,784	11,349,784	11,349,784
Funding Sources							
General Revenue	4000010	1,880,943	1,901,644		1,902,128	2,202,128	1,902,128
Federal Revenue	4000020	6,222,135	9,075,227		9,147,656	9,147,656	9,147,656
Merit Adjustment Fund	4000055	0	0		0	0	0
Federal Funds-ARRA	4000244	0	0		0	0	0
Various Program Support	4000730	31,240	0		0	0	0
Total Funding		8,134,318	10,976,871		11,049,784	11,349,784	11,049,784
Excess Appropriation/(Funding)		0	0		0	0	300,000
Grand Total		8,134,318	10,976,871		11,049,784	11,349,784	11,349,784

AFTER REVISED BUDGET

DHS - Youth Services

Audit Findings

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

Findings

Recommendations

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

**ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2013
Required by A.C.A. 25-36-104**

AGENCY: 0710 DHS - Youth Services

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Phoenix Youth and Family Services Inc.	\$105,240	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 1

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$1,385,954

% OF MINORITY CONTRACTS AWARDED 0.66 %

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2012-2013		2013-2014		2013-2014		2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
2QZ Community Based Sanctions	2,465,361	0	2,550,000	0	2,550,000	0	2,550,000	0	2,550,000	0	2,550,000	0
2RA Juvenile Account Incentive Block Grant	391,032	0	1,356,880	0	1,671,520	0	1,671,520	0	1,671,520	0	1,671,520	0
2RB Community Services	16,390,731	0	16,436,514	0	21,427,312	0	21,427,312	0	21,427,312	0	21,427,312	0
2RC Federal Child & Youth Service Grants	4,505,782	0	5,410,582	0	5,746,475	0	5,746,475	0	5,746,475	0	5,746,475	0
2YH Residential Services	24,134,250	0	26,579,874	0	26,579,874	0	26,579,874	0	26,579,874	0	26,579,874	0
896 Division of Youth Services	7,180,197	87	8,390,580	88	10,845,601	88	10,847,695	88	8,781,014	88	10,847,695	88
Total	55,067,353	87	60,724,430	88	68,820,782	88	68,822,876	88	66,756,195	88	68,822,876	88

Funding Sources		%		%		%		%		%	
General Revenue	4000010	47,867,424	86.9	48,257,072	79.5	48,258,568	80.8	50,255,620	81.4	48,258,568	80.8
Federal Revenue	4000020	4,768,011	8.7	6,383,619	10.5	6,662,364	11.2	6,653,631	10.8	6,662,364	11.2
Trust Fund	4000050	391,032	0.7	1,356,880	2.2	1,671,520	2.8	1,671,520	2.7	1,671,520	2.8
Reallocation of Resources	4000410	(78,861)	(0.1)	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Ar Pub Defender	4000603	(87,909)	(0.2)	(240,000)	(0.4)	(240,000)	(0.4)	(240,000)	(0.4)	(240,000)	(0.4)
Transfer to DFA Disbursing	4000610	(400,000)	(0.7)	(400,000)	(0.7)	(400,000)	(0.7)	(400,000)	(0.6)	(400,000)	(0.7)
Various Program Support	4000730	2,607,656	4.7	5,366,859	8.8	3,776,859	6.3	3,776,859	6.1	3,776,859	6.3
Total Funds		55,067,353	100.0	60,724,430	100.0	59,729,311	100.0	61,717,630	100.0	59,729,311	100.0
Excess Appropriation/(Funding)		0		0		9,093,565		5,038,565		9,093,565	
Grand Total		55,067,353		60,724,430		68,822,876		66,756,195		68,822,876	

Analysis of Budget Request

Appropriation: 2QZ - Community Based Sanctions

Funding Sources: DYS - Youth Services Fund Account

This Community Based Sanctions appropriation is used by the Division of Youth Services (DYS) to ensure appropriate sanctions for juveniles adjudicated delinquent. This program is intended to provide a range of sanction alternatives for juveniles who are adjudicated delinquent and for those who fail to comply with aftercare plans or orders of the Court.

The intent of this program is to provide more options for the Courts and Community Based Providers in working with juveniles in the community rather than committing them to DYS. The primary goal of graduated (progressive) sanctions is to reduce problem behaviors, and include the following examples:

- Verbal Warnings
- Contracts with conditions (curfews, increased treatment, increased drug testing, etc.)
- Community Service/Work Crew hours
- Day Reporting
- Electronic Monitoring
- Short Term Confinement (requires court involvement)
- Long Term Confinement (requires court involvement)

Funding for this appropriation is 100% general revenue (DYS-Youth Services Fund Account)

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2QZ - Community Based Sanctions

Funding Sources: DYS - Youth Services Fund Account

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	2,465,361	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Total	2,465,361	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Funding Sources						
General Revenue 4000010	2,465,361	2,550,000		2,550,000	2,550,000	2,550,000
Total Funding	2,465,361	2,550,000		2,550,000	2,550,000	2,550,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	2,465,361	2,550,000		2,550,000	2,550,000	2,550,000

Analysis of Budget Request

Appropriation: 2RA - Juvenile Account Incentive Block Grant

Funding Sources: TYS - Juvenile Accountability Incentive Block Grant (JAIBG) Trust Fund

This Juvenile Accountability Incentive Block Grant (JAIBG) appropriation is a federal program administered by the Office of Juvenile Justice and Delinquency Prevention program within the US Department of Justice. The JAIBG designed to promote greater accountability in the juvenile justice system by targeting 16 specified program purpose areas, including the following:

- Graduated sanctions for juvenile offenders
- Construction of juvenile detention or correctional facilities
- Hiring of judges/probation officers/public defenders and pre-trial services
- Hiring prosecutors
- Funding to prosecutors, including technology, equipment and training programs
- Training for law enforcement & court personnel
- Juvenile gun courts
- Juvenile drug courts
- Juvenile records system
- Interagency information sharing programs
- Accountability based programs
- Risk and Needs assessment
- School safety accountability based programs
- Restorative justice programs
- Juvenile courts and probation programs
- Hiring/training detention & corrections personnel

Funding for this appropriation is 100% federal JAIBG funds that are designated for local units of government. The State established and utilizes an interest bearing trust fund to deposit program funds received through a grant award under the JAIBG program. State and local governments that are eligible to receive JAIBG funds must establish a coordinated enforcement plan developed by a Juvenile Crime Enforcement Coalition (JCEC) at either the state or local level for the purpose of reducing juvenile crime.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2RA - Juvenile Account Incentive Block Grant

Funding Sources: TYS - Juvenile Accountability Incentive Block Grant (JAIBG) Trust Fund

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	391,032	1,356,880	1,671,520	1,671,520	1,671,520	1,671,520
Total	391,032	1,356,880	1,671,520	1,671,520	1,671,520	1,671,520
Funding Sources						
Trust Fund 4000050	391,032	1,356,880		1,671,520	1,671,520	1,671,520
Total Funding	391,032	1,356,880		1,671,520	1,671,520	1,671,520
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	391,032	1,356,880		1,671,520	1,671,520	1,671,520

Analysis of Budget Request

Appropriation: 2RB - Community Services

Funding Sources: DYS - Youth Services Fund Account

The Community Services appropriation is utilized by the Division of Youth Services (DYS) to purchase services from community based providers for non-committed youth who are considered at risk or low risk, and for juveniles transferred from a DYS residential program to aftercare. These services include electronic monitoring, intensive supervision and tracking, day services (educational services for youth admitted to the program who are not enrolled in school), crime prevention/intervention and aftercare supervision for state custody youth.

In addition to non-residential programs offered, emergency shelter services are provided along with community based non secure residential treatment for juveniles whose emotional and/or behavioral problems cannot be remedied in his/her home. These services are available in each of the 28 judicial districts, and are provided by privately operated, nonprofit organizations to juveniles up to 18 years of age. Aftercare services are provided to juveniles up to 21 years of age.

Funding for this appropriation is general revenue (DYS-Youth Services Fund Account) and other revenues which are indicated as various program support that become available, such as Targeted Case Management funding and Rehab funding.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2RB - Community Services

Funding Sources: DYS - Youth Services Fund Account

Appropriation	2012-2013 Actual	2013-2014 Budget	2013-2014 Authorized	2014-2015		
				Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	16,390,731	16,436,514	21,427,312	21,427,312	21,427,312	21,427,312
Total	16,390,731	16,436,514	21,427,312	21,427,312	21,427,312	21,427,312
Funding Sources						
General Revenue 4000010	16,022,193	14,736,514		16,787,401	18,787,401	16,787,401
Various Program Support 4000730	368,538	1,700,000		639,911	639,911	639,911
Total Funding	16,390,731	16,436,514		17,427,312	19,427,312	17,427,312
Excess Appropriation/(Funding)	0	0		4,000,000	2,000,000	4,000,000
Grand Total	16,390,731	16,436,514		21,427,312	21,427,312	21,427,312

Analysis of Budget Request

Appropriation: 2RC - Federal Child & Youth Service Grants

Funding Sources: FWF - DHS Federal

This appropriation enables the Division of Youth Services to provide grants to various entities for delinquency programs in accordance with the U.S. Department of Justice. Programs focus on training local officials and staff to work with juveniles to prevent delinquency at the local level by developing comprehensive strategies for prevention, community policing, reducing disproportionate minority confinement, ensuring separation of children from adults in confinement when detention is unavoidable, removing non-offending youth from correctional facilities and promoting gender specific services to meet the needs of females to prevent them entering the juvenile justice system.

Funding for this appropriation is 100% federal revenue. The federal funds are derived from Juvenile Justice and Delinquency Prevention grants (JJPD), Social Service Block Grants (SSBG) and Title I funding.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2RC - Federal Child & Youth Service Grants

Funding Sources: FWF - DHS Federal

Appropriation	2012-2013	2013-2014	2013-2014	2014-2015		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	4,505,782	5,410,582	5,746,475	5,746,475	5,746,475	5,746,475
Total	4,505,782	5,410,582	5,746,475	5,746,475	5,746,475	5,746,475
Funding Sources						
Federal Revenue 4000020	4,505,782	5,410,582		5,746,475	5,746,475	5,746,475
Total Funding	4,505,782	5,410,582		5,746,475	5,746,475	5,746,475
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	4,505,782	5,410,582		5,746,475	5,746,475	5,746,475

Analysis of Budget Request

Appropriation: 2YH - Residential Services

Funding Sources: DYS - Youth Services Fund Account

This appropriation provides residential services for juveniles committed to the Division of Youth Services. Following evaluation at the state operated observation and assessment facility; juveniles are placed in an appropriate program in a secure and/or specialized treatment environment. The Division operates seven juvenile residential facilities that house and treat the state's most serious chronic or violent juvenile offenders committed to the Division by the State's District Courts.

Residential services are provided to juveniles through contracts with private community providers and include the following:

Alexander Youth Services Center (AYSC)

Provides centralized intake for all juveniles assigned to DYS and is assigned for the most serious violent/sexual offenders and for those that disrupt placement due to behavior issues. This facility houses 143 youth.

Six Regional Juvenile Treatment Centers

Provide services for males age 14-18, females age 14-21 (housed at the Mansfield female unit) and males age 18-21 housed at the Dermott Juvenile Correctional Facility (JCF). These facilities house a total of 204 youth.

Alternative placement and Specialized Treatment Programs

The Division contracts with 12 different provider groups throughout the state to provide specialized treatment including Psychiatric/Therapeutic Treatments, Sex Offender Treatment and Substance Abuse Treatment.

Funding for this appropriation is general revenue (DYS-Youth Services Fund Account) and other revenues which are indicated as various program support that become available, such as Targeted Case Management funding and Rehab funding.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2YH - Residential Services

Funding Sources: DYS - Youth Services Fund Account

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	24,134,250	26,579,874	26,579,874	26,579,874	26,579,874	26,579,874
Total		24,134,250	26,579,874	26,579,874	26,579,874	26,579,874	26,579,874
Funding Sources							
General Revenue	4000010	21,921,825	22,938,015		21,442,926	21,442,926	21,442,926
Various Program Support	4000730	2,212,425	3,641,859		3,136,948	3,136,948	3,136,948
Total Funding		24,134,250	26,579,874		24,579,874	24,579,874	24,579,874
Excess Appropriation/(Funding)		0	0		2,000,000	2,000,000	2,000,000
Grand Total		24,134,250	26,579,874		26,579,874	26,579,874	26,579,874

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

The Division of Youth Services was created by Act 1296 of 1993 to be entirely devoted “to handling the problems of youths involved with the juvenile justice system.” The primary responsibilities of DYS as it functions today are to coordinate components of the juvenile justice system, establish serious offender programs, expand community based-services, and provide services to delinquent and Family-in-Need-of-Services (FINS) youth. Other responsibilities of the agency include research related to juvenile delinquency and related problems, development of programs for early intervention and prevention of juvenile delinquency and maintenance of information on juvenile delinquents in the state. This appropriation provides administrative support for the Division of Youth Services.

Funding for this appropriation includes general revenue (DYS - Youth Services Fund Account), federal revenues, and other revenues that become available, which are indicated as various program support. The federal funds are derived from Juvenile Justice and Delinquency Prevention Program (JJDP) funds, Juvenile Accountability Block Grant (JAPBG) funds and Title I funds. Various program support can also include sources such as Public Welfare Foundation funding and Novice Teacher Grant funding.

The Agency Request reflects the FY15 requests from the 2012 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY15 ALC/JBC recommendation from the 2012 Fall Budget Hearings Summary Manuals, any Governor’s Letters adopted and member amendments.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2012-2013	2013-2014	2013-2014	2014-2015		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	3,561,393	3,777,261	3,872,966	3,874,666	3,820,552	3,874,666
	#Positions	87	88	88	88	88	88
Extra Help	5010001	31,861	40,008	40,008	40,008	40,008	40,008
	#Extra Help	5	34	34	34	34	34
Personal Services Matching	5010003	1,239,674	1,329,028	1,337,734	1,338,128	1,325,561	1,338,128
Overtime	5010006	282	8,004	8,004	8,004	8,004	8,004
Operating Expenses	5020002	2,126,573	2,821,575	3,013,339	3,013,339	3,013,339	3,013,339
Conference & Travel Expenses	5050009	67,282	37,554	114,500	114,500	114,500	114,500
Professional Fees	5060010	111,229	327,150	354,050	354,050	354,050	354,050
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	41,903	50,000	105,000	105,000	105,000	105,000
Statewide Prevention/Intervention Youth Div Service	5900048	0	0	2,000,000	2,000,000	0	2,000,000
Total		7,180,197	8,390,580	10,845,601	10,847,695	8,781,014	10,847,695

Funding Sources							
General Revenue	4000010	7,458,045	8,032,543		7,478,241	7,475,293	7,478,241
Federal Revenue	4000020	262,229	973,037		915,889	907,156	915,889
Reallocation of Resources	4000410	(78,861)	0		0	0	0
Transfer to Ar Pub Defender	4000603	(87,909)	(240,000)		(240,000)	(240,000)	(240,000)
Transfer to DFA Disbursing	4000610	(400,000)	(400,000)		(400,000)	(400,000)	(400,000)
Various Program Support	4000730	26,693	25,000		0	0	0
Total Funding		7,180,197	8,390,580		7,754,130	7,742,449	7,754,130
Excess Appropriation/(Funding)		0	0		3,093,565	1,038,565	3,093,565
Grand Total		7,180,197	8,390,580		10,847,695	8,781,014	10,847,695