

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive/Legislative Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
896 Director's Office	1,277,676	13	1,426,294	13	1,426,294	13	1,666,447	13	1,666,447	13	1,608,679	13	1,691,005	13	1,691,005	13	1,633,237	13
896 Office of Chief Counsel	9,262,804	161	10,316,755	171	10,332,783	172	11,576,693	177	11,385,095	175	11,325,095	175	11,793,168	177	11,590,824	175	11,530,824	175
<b>Total</b>	<b>10,540,480</b>	<b>174</b>	<b>11,743,049</b>	<b>184</b>	<b>11,759,077</b>	<b>185</b>	<b>13,243,140</b>	<b>190</b>	<b>13,051,542</b>	<b>188</b>	<b>12,933,774</b>	<b>188</b>	<b>13,484,173</b>	<b>190</b>	<b>13,281,829</b>	<b>188</b>	<b>13,164,061</b>	<b>188</b>

Funding Sources		%		%		%		%		%		%		%		%		
General Revenue 4000010	3,988,377	37.8	3,931,515	33.5			6,256,336	47.3	4,387,381	35.2	4,269,613	34.6	6,411,768	47.7	4,460,329	35.2	4,342,561	34.6
Federal Revenue 4000020	5,054,986	48.0	4,586,748	39.1			5,203,411	39.4	5,083,813	40.8	5,083,813	41.2	5,298,898	39.4	5,168,382	40.8	5,168,382	41.1
Various Program Support 4000730	1,497,117	14.2	3,224,786	27.5			1,756,226	13.3	2,995,616	24.0	2,995,616	24.3	1,743,836	13.0	3,053,882	24.1	3,053,882	24.3
<b>Total Funds</b>	<b>10,540,480</b>	<b>100.0</b>	<b>11,743,049</b>	<b>100.0</b>			<b>13,215,973</b>	<b>100.0</b>	<b>12,466,810</b>	<b>100.0</b>	<b>12,349,042</b>	<b>100.0</b>	<b>13,454,502</b>	<b>100.0</b>	<b>12,682,593</b>	<b>100.0</b>	<b>12,564,825</b>	<b>100.0</b>
Excess Appropriation/(Funding)	0		0				27,167		584,732		584,732		29,671		599,236		599,236	
<b>Grand Total</b>	<b>10,540,480</b>		<b>11,743,049</b>				<b>13,243,140</b>		<b>13,051,542</b>		<b>12,933,774</b>		<b>13,484,173</b>		<b>13,281,829</b>		<b>13,164,061</b>	

## **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 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 within OCC are as follows:

- Appeals and Hearing - provides administrative hearing for the appeal of adverse agency actions. Appeals may concern child maltreatment, TEA, Medicaid, food stamps, intentional program violations, estate recovery, and a variety of other areas.
- County Legal Operations - provides statewide legal representation to the Department of Human Services in the areas of child welfare and adult protective services.
- Employee Relations/Equal Opportunity - processes employee grievances and conducts mediations and fact-finding conferences related to employee grievances and complaints. This office also ensures compliance with federal and state civil rights/anti-discrimination laws, regulations, executive orders, etc., and investigates client complaints of rude and discourteous treatment.
- General Counsel - represents the Department, in administrative matters and state and federal litigation related to Medicaid, Long Term Care, guardianship, employee garnishments and recovery of money

- owed DHS from a variety of sources. Litigation involving collection issues are in such areas as food stamp overpayments, AFDC overpayments, grants, fees for services at mental health and developmental disabilities institutions, and Estate Recovery.
- Management Assistance - is the DHS primary point of contact for Freedom of Information Act requests, monitors agency promulgation of rules, provides fiscal planning and monitoring, logistics support, and conducts special projects.
- Audit - 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 Investigation - responsible for investigating and referring for prosecution allegations of recipient fraud or Intentional Program Violation 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 Director's Office/Office of Chief Counsel 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 cost allocation plan. Other funding which is indicated as various program support can also include sources such as 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.

Base level positions were changed from unclassified to Professional and Executive Pay Plan to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly except for the DHS Director position and the two (2) Deputy Director positions. Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Base Level request for this appropriation is \$12,481,948 in FY2010 and \$12,694,473 in FY2011 with 184 budgeted base level positions.

The Agency Change Level request for this appropriation is \$761,192 in FY2010 and \$789,700 in FY2011 with a general revenue request of \$2,071,589 in FY2010 and \$2,155,694 in FY2011. The general revenue request consists of the following components:

- \$1,986,723 in FY2010 and \$2,069,207 in FY2011 in new general revenue;
- \$20,479 in FY2010 and \$20,880 in FY2011 requested to be transferred from the Youth Services Fund Account which is associated with a request to transfer 1 position from Division of Youth Services;
- \$21,608 in FY2010 and \$21,975 in FY2011 requested to be reallocated within the DHS Administration Fund Account to the Director's Office/Office of Chief Counsel from the Division of Administrative Services which is associated with a request to transfer 1 position from the Division of Administrative Services;
- \$28,978 in FY2010 and \$29,574 in FY2011 requested to be transferred from the County Operations Fund Account which is associated with a request to transfer 1 position from the Division of County Operations;
- \$13,801 in FY2010 and \$14,058 in FY2011 requested to be transferred from the Medical Services Fund Account which is associated with a request to transfer 1 position from Division of Medical

Services.

The following delineates the Agency Request:

- Transfer 1 position from the Division of Youth Services with appropriation and general revenue (noted above) to manage the appeals and hearings database.
- Transfer 1 position from the Division of Administrative Services with appropriation and general revenue (noted above) to assist in auditing the child and adult protection cases.
- Transfer 1 position from the Division of County Operations with appropriation and general revenue (noted above) to assist with appeals concerning food stamp fraud and transitional employment assistance.
- Transfer 1 position from the Division of Medical Services with appropriation and general revenue (noted above) to perform receptionist duties for the appeals and hearings section.
- Transfer 1 position from the Division of Behavioral Health Services with appropriation to be utilized as an attorney as part of the enhancement of the third party liability unit.
- Transfer 2 positions to the Division of Medical Services with appropriation to assist with the Medicaid oversight unit.
- Restoration of 1 position that is authorized but not budgeted with salary and matching appropriation to assist the audit unit.
- 5 new Extra Help positions with extra help appropriation and matching appropriation and general revenue funding. The five (5) extra help positions are requested to create a DHS Fellows Program to attract outstanding men and women from a variety of academic disciplines and career paths to DHS with the hope that they will become future professionals or leaders in the DHS organization.
- 2 new Attorney Specialist positions with salary and matching appropriation and general revenue funding. The two (2) attorney specialist will assist with analyzing state and federal laws and regulations, writing opinions, legal requirements and increased caseloads of child maltreatment hearing requests.
- \$188,000 in FY2010 and \$200,000 in FY2011 is requested for the Operating Expenses line item for telecommunications wireless, network services, rent, mileage, fuel, office supplies, data processing supplies and software/licenses.
- \$62,000 in FY2010 and \$70,000 in FY2011 is requested for the Travel line item for continuing education credits.

The Executive Recommendation provides for Agency Request except for no new regular positions and no increase in the Travel line item. New general revenue has been provided for in the amount of \$117,768 each year of the biennium. The Executive Recommendation has provided for continued use of the DHS Federal Reimbursement/Other Holding Fund revenues which are indicated as various program support in the amount of \$1,254,340 in FY2010 and \$1,326,360 in FY2011 which are derived from many sources including federal awards, fees, third party reimbursements and maximization of federal claiming.

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

- \$57,768 in new general revenue each year of the biennium associated with the five (5) new Extra Help positions for the DHS Fellows Program;
- \$60,000 in new general revenue each year of the biennium associated with the Operating Expenses line item for increased operational costs;
- \$20,479 in FY2010 and \$20,880 in FY2011 requested to be transferred from the Youth Services Fund Account which is associated with a request to transfer 1 position from Division of Youth Services;

- \$21,608 in FY2010 and \$21,975 in FY2011 requested to be reallocated within the DHS Administration Fund Account to the Director's Office/Office of Chief Counsel from the Division of Administrative Services which is associated with a request to transfer 1 position from the Division of Administrative Services;
- \$28,978 in FY2010 and \$29,574 in FY2011 requested to be transferred from the County Operations Fund Account which is associated with a request to transfer 1 position from the Division of County Operations;
- \$13,801 in FY2010 and \$14,058 in FY2011 requested to be transferred from the Medical Services Fund Account which is associated with a request to transfer 1 position from Division of Medical Services.

The above general revenue transfers that the Executive Recommendation has provided for are from existing allocations of general revenue from the Division of Youth Services, Division of Administrative Services, Division of County Operations and the Division of Medical Services.

The Legislative Recommendation provides for the Executive Recommendation and reduces General Revenue funding and appropriation to Base Level.

The Legislative Recommendation is to restrict Reallocation of Resources Language to allow no more than one transfer request each fiscal year.

## Appropriation Summary

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

**Funding Sources:** PWP - Administration Paying

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	7,222,226	8,286,286	8,109,805	8,973,225	8,873,167	8,873,167	9,158,066	9,055,708	9,055,708
	<b>#Positions</b>	<b>174</b>	<b>184</b>	<b>185</b>	<b>190</b>	<b>188</b>	<b>188</b>	<b>190</b>	<b>188</b>	<b>188</b>
Extra Help	5010001	17,397	22,578	22,578	200,348	200,348	142,580	200,348	200,348	142,580
	<b>#Extra Help</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Personal Services Matching	5010003	2,177,064	2,330,301	2,522,810	2,715,683	2,686,143	2,686,143	2,751,875	2,721,889	2,721,889
Operating Expenses	5020002	1,107,907	1,048,112	1,048,112	1,236,112	1,236,112	1,176,112	1,248,112	1,248,112	1,188,112
Conference & Travel Expenses	5050009	15,263	32,472	32,472	94,472	32,472	32,472	102,472	32,472	32,472
Professional Fees	5060010	623	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Data Processing Services	5900044	0	12,300	12,300	12,300	12,300	12,300	12,300	12,300	12,300
<b>Total</b>		<b>10,540,480</b>	<b>11,743,049</b>	<b>11,759,077</b>	<b>13,243,140</b>	<b>13,051,542</b>	<b>12,933,774</b>	<b>13,484,173</b>	<b>13,281,829</b>	<b>13,164,061</b>

Funding Sources										
General Revenue	4000010	3,988,377	3,931,515		6,256,336	4,387,381	4,269,613	6,411,768	4,460,329	4,342,561
Federal Revenue	4000020	5,054,986	4,586,748		5,203,411	5,083,813	5,083,813	5,298,898	5,168,382	5,168,382
Various Program Support	4000730	1,497,117	3,224,786		1,756,226	2,995,616	2,995,616	1,743,836	3,053,882	3,053,882
<b>Total Funding</b>		<b>10,540,480</b>	<b>11,743,049</b>		<b>13,215,973</b>	<b>12,466,810</b>	<b>12,349,042</b>	<b>13,454,502</b>	<b>12,682,593</b>	<b>12,564,825</b>
Excess Appropriation/(Funding)		0	0		27,167	584,732	584,732	29,671	599,236	599,236
<b>Grand Total</b>		<b>10,540,480</b>	<b>11,743,049</b>		<b>13,243,140</b>	<b>13,051,542</b>	<b>12,933,774</b>	<b>13,484,173</b>	<b>13,281,829</b>	<b>13,164,061</b>

The FY09 Budget amount in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

The FY08 and FY09 funding includes a General Revenue funding transfer from the DHS-Division of Children and Family Services by Authority of Reallocation of Resources.