

**ARKANSAS DEPARTMENT OF CAREER EDUCATION
ARKANSAS REHABILITATION SERVICES (0520)
2011-13 BIENNIUM - EXECUTIVE RECOMMENDATION**

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

Arkansas Rehabilitation Services' (ARS) mission is to provide opportunities for individuals with disabilities to work and lead productive and independent lives. ARS provides statewide vocational rehabilitation services to disabled persons so they can return to or enter employment. ARS carries out its responsibilities through a field program that reaches all 75 counties through 19 field offices, the Hot Springs Rehabilitation Center Hospital(HSRC), Arkansas Career Training Institute (ACTI), and Special Programs and Support Services.

TOTAL APPROPRIATION

The total appropriation recommended for Arkansas Rehabilitation Services is \$61,343,896 for FY2012, and \$60,543,896 for FY2013.

FUNDING SOURCES

The appropriations for ARS are funded by federal funds (71%) and general revenue (21%), with the remaining 8% consisting of fund balances, special revenue, cash funds and program income (cafeteria fees, contributions, reimbursement fees, hospital medical fees, interest income and institutional services). The total recommended general revenue is \$12,953,772 each year.

II) SIGNIFICANT CHANGES

OPERATIONS (APPROPRIATION 128)

This appropriation provides the operating costs for ARS, including Field Services, ACTI, and the HSRC Hospital. This appropriation is funded by general revenue, federal funds (including ARRA funding), fund balances and program income. Recommended appropriation is \$58,049,001 for FY2012 and \$57,249,001 for FY2013. Which includes the following changes:

Regular Salaries and Matching - Reduction of \$21,747 each year due to downgrading 9 positions.

Capital Outlay - Recommends \$250,000 each year for the Arkansas Career Training Institute to acquire heavy shop equipment, welding and metal working machines, industrial automobile repair and wood working equipment.

Contract Services - Recommends a net increase of \$500,000 for FY2012 and \$700,000 for FY2013 to provide \$400,000 in FY2012 and \$600,000 in FY2013 to serve 230 and 345 additional individuals, respectively, with various direct services and adds \$100,000 each year for the Independent Living Program for home and vehicle modifications and other assistive devices. In addition, recommends the reallocation of the line item appropriations for Sheltered Workshops and Deaf-Blind Project in the amount of \$1,191,993 each year to the contract services line item.

ARRA - Recommends continuation of ARRA appropriation in the amount of \$1 million for FY2012 only, with \$500,000 funded by the Vocational Rehabilitation (VR) Stimulus Supplemental Funding for VR services and \$500,000 funded by the Fiscal Stabilization Funding program to finalize the upgrade of facilities at ACTI.

TECHNOLOGY EQUIPMENT - CASH IN TREASURY (APPROPRIATION 902)

This appropriation provides for loans to individuals for essential assistive technology and adaptive equipment, and provides for loan administration costs. Recommends \$1,580,000 each year which is an increase of \$1,500,000 to continue appropriations authorized by the Arkansas Legislative Council through the Cash Fund Holding Account appropriations for FY2010 and FY2011. The increase was required due to ARS assuming administrative responsibility for the program that was formerly carried out by the Arkansas Development Finance Authority.

III) ADDITIONAL POSITIONS

Total Positions for 2011-13 Biennium: 530
Total Budgeted Positions for FY 2010-11: 530

Increase / (Decrease): (0)

IV) SPECIAL LANGUAGE

COMPREHENSIVE SYSTEM OF PERSONNEL DEVELOPMENT: Authorizes a general waiver of the Financial Management Guide "R1-19-4-522 Continuing Professional Education" to allow the agency to provide college level coursework in degree programs for eligible employees selected by the agency to insure that qualified, professional personnel are in place to provide rehabilitation services. This waiver is required so that ARS can comply with Section 101(a)(7) of the Rehabilitation Act Amendments of 1992 which requires Vocational Rehabilitation (VR) agencies to establish qualified personnel standards for rehabilitation personnel, including VR Counselors, that are consistent with any national or state approved or recognized certification, licensing or registration requirement. Further provides, that the waiver is applicable to any and all formula and discretionary grants funded by the U.S. Department of Education Rehabilitation Services, now or in the future, to the state general revenue share, and to program income.

FORGIVENESS OF STUDENT LOAN PROGRAM LANGUAGE: Requires the Forgiveness of Student Loan Program to provide up to \$2,000 per year or a maximum of \$10,000 per employee to counselors employed by ARS that are determined eligible by rules promulgated by ARS in compliance with Act 1207 of 2007. The language further enumerates the eligibility requirements the rules must include: Satisfactory completion of a probationary period; proof of student loan that remains unpaid; an executed employment contract in which the counselor agrees to work for ARS 2 years for each year the program makes a payment on a student loan and agrees to repay ARS if the counselor resigns or is terminated prior to the end of the contract period.

In addition, the language requires ARS to pay for the program (up to a maximum of \$80,000 each year) out of the Grants and Aid line item within the Rehabilitation Services' Operations appropriation.

Last, the agency is required to provide written notification to all Rehabilitation Counselors employed by ARS of the availability of the program, along with a copy of the program rules, by July 1 of each year, and must report bi-annually to the Arkansas Legislative Council or Joint Budget Committee the number of employees participating in the program.

November 2010