

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
320 Child Care Development-Discretionary	32,843,828	0	18,469,372	0	35,741,878	0	29,769,372	0	18,469,372	0	18,469,372	0	29,769,372	0	18,469,372	0	18,469,372	0
890 Food Program	39,897,397	0	39,291,250	0	39,291,250	0	44,291,250	0	44,291,250	0	44,291,250	0	46,791,250	0	46,791,250	0	46,791,250	0
896 Division of Child Care/Early Childhood	13,823,050	170	15,975,484	171	16,182,073	171	16,516,119	171	16,496,119	171	16,496,119	171	16,679,476	171	16,659,476	171	16,659,476	171
898 Child Care Grant/Aids	29,524,798	0	26,725,422	0	30,884,892	0	29,588,845	0	26,725,422	0	28,125,422	0	29,588,845	0	26,725,422	0	28,125,422	0
929 Child Care-Treasury Paying	0	0	100,000	0	100,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
Total	116,089,073	170	100,561,528	171	122,200,093	171	120,365,586	171	106,182,163	171	107,582,163	171	123,028,943	171	108,845,520	171	110,245,520	171

Funding Sources		%		%		%		%		%		%		%		%		
General Revenue 4000010	6,781,076	5.8	6,822,141	6.8			8,303,721	7.2	6,840,298	6.4	6,840,298	6.4	8,309,418	7.1	6,845,995	6.3	6,845,995	6.3
Federal Revenue 4000020	106,158,769	91.4	91,272,159	90.8			104,197,490	90.5	96,697,490	91.1	96,697,490	91.1	106,830,944	90.7	99,330,944	91.3	99,330,944	91.3
Special Revenue 4000030	1,055,755	0.9	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Cash Fund 4000045	0	0.0	100,000	0.1			200,000	0.2	200,000	0.2	200,000	0.2	200,000	0.2	200,000	0.2	200,000	0.2
Various Program Support 4000730	2,093,473	1.8	2,367,228	2.4			2,464,375	2.1	2,444,375	2.3	2,444,375	2.3	2,488,581	2.1	2,468,581	2.3	2,468,581	2.3
Total Funds	116,089,073	100.0	100,561,528	100.0			115,165,586	100.0	106,182,163	100.0	106,182,163	100.0	117,828,943	100.0	108,845,520	100.0	108,845,520	100.0
Excess Appropriation/(Funding)	0		0				5,200,000		0		1,400,000		5,200,000		0		1,400,000	
Grand Total	116,089,073		100,561,528				120,365,586		106,182,163		107,582,163		123,028,943		108,845,520		110,245,520	

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 off welfare to obtain child care so they can 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 Base Level request for this appropriation is \$18,469,372 for each year of the 2009-2011 biennium.

The Agency Change Level request for this appropriation is \$11,300,000 for each year of the 2009-2011 biennium of which \$7,500,000 is requested in Temporary Assistance to Needy Families funding (TANF) and \$3,800,000 in unfunded appropriation in anticipation of federal program growth for each year of the biennium.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

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

Appropriation Summary

Appropriation: 320 - Child Care Development-Discretionary

Funding Sources: FWF - DHS Federal

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	32,843,828	18,469,372	35,741,878	29,769,372	18,469,372	18,469,372	29,769,372	18,469,372	18,469,372
Total		32,843,828	18,469,372	35,741,878	29,769,372	18,469,372	18,469,372	29,769,372	18,469,372	18,469,372

Funding Sources										
Federal Revenue	4000020	32,843,828	18,469,372		25,969,372	18,469,372	18,469,372	25,969,372	18,469,372	18,469,372
Total Funding		32,843,828	18,469,372		25,969,372	18,469,372	18,469,372	25,969,372	18,469,372	18,469,372
Excess Appropriation/(Funding)		0	0		3,800,000	0	0	3,800,000	0	0
Grand Total		32,843,828	18,469,372		29,769,372	18,469,372	18,469,372	29,769,372	18,469,372	18,469,372

Analysis of Budget Request

Appropriation: 890 - Food Program

Funding Sources: FWF - DHS Federal

The Child Care and Adult Food Program 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 National School Lunch Program provides reimbursement to schools and licensed child care institutions serving lunches to eligible children. 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.

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

The Agency Base Level request for this appropriation is \$39,291,250 for each year of the 2009-2011 biennium.

The Agency Change Level request for this appropriation is \$5,000,000 in FY2010 and \$7,500,000 in FY2011. The increase will be used for the Special Nutrition Program with the goal of increasing meals to children in Arkansas by 10% each fiscal year in the uncapped federally funded program.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

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

Appropriation Summary

Appropriation: 890 - Food Program

Funding Sources: FWF - DHS Federal

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	39,897,397	39,291,250	39,291,250	44,291,250	44,291,250	44,291,250	46,791,250	46,791,250	46,791,250
Total	39,897,397	39,291,250	39,291,250	44,291,250	44,291,250	44,291,250	46,791,250	46,791,250	46,791,250
Funding Sources									
Federal Revenue 4000020	39,897,397	39,291,250		44,291,250	44,291,250	44,291,250	46,791,250	46,791,250	46,791,250
Total Funding	39,897,397	39,291,250		44,291,250	44,291,250	44,291,250	46,791,250	46,791,250	46,791,250
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	39,897,397	39,291,250		44,291,250	44,291,250	44,291,250	46,791,250	46,791,250	46,791,250

Actual exceeds authorized due to a transfer provided for by the authority of reallocation of resources during the FY2007-2009 biennium.

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 funding. Federal revenue primarily includes Child Care Development Block Grant funding and Child Nutrition funding. Other funding, which is indicated as various program support, is derived from Child Care Provider License Fees and funding from the Arkansas Better Chance Program.

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. Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. 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 \$16,496,119 in FY2010 and \$16,659,476 in FY2011 with 171 budgeted base level positions.

The Agency Change Level request for this appropriation is \$20,000 for each year of the 2009-2011 biennium for Professional Fees. The additional appropriation will be used to expend funding received for the National Governor's Association Expanded Learning Opportunities.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

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	5,503,066	5,893,793	5,726,735	6,179,696	6,179,696	6,179,696	6,316,591	6,316,591	6,316,591
#Positions		170	171	171	171	171	171	171	171	171
Extra Help	5010001	129,372	153,795	153,795	153,795	153,795	153,795	153,795	153,795	153,795
#Extra Help		12	13	13	13	13	13	13	13	13
Personal Services Matching	5010003	1,832,149	1,845,690	1,901,832	2,080,422	2,080,422	2,080,422	2,106,884	2,106,884	2,106,884
Overtime	5010006	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	2,468,960	3,156,804	3,156,804	3,156,804	3,156,804	3,156,804	3,156,804	3,156,804	3,156,804
Conference & Travel Expenses	5050009	45,326	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Professional Fees	5060010	3,844,177	4,870,402	5,187,907	4,890,402	4,870,402	4,870,402	4,890,402	4,870,402	4,870,402
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		13,823,050	15,975,484	16,182,073	16,516,119	16,496,119	16,496,119	16,679,476	16,659,476	16,659,476

Funding Sources										
General Revenue	4000010	516,078	557,143		575,300	575,300	575,300	580,997	580,997	580,997
Federal Revenue	4000020	11,213,499	13,051,113		13,476,444	13,476,444	13,476,444	13,609,898	13,609,898	13,609,898
Various Program Support	4000730	2,093,473	2,367,228		2,464,375	2,444,375	2,444,375	2,488,581	2,468,581	2,468,581
Total Funding		13,823,050	15,975,484		16,516,119	16,496,119	16,496,119	16,679,476	16,659,476	16,659,476
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		13,823,050	15,975,484		16,516,119	16,496,119	16,496,119	16,679,476	16,659,476	16,659,476

Budget exceeds authorized on Regular Salaries to provide for Career Service Payments.

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 supports all childcare activities conducted across the State by providing assistance for low-income families and families transitioning off welfare with childcare so they can work or attend training or educational programs. Subsidized childcare is available to eligible parents via the State's day care voucher program with the Division of Child Care and Early Childhood Education. Parents may select any legally operating childcare provider in the State. Childcare providers must meet State basic required health and safety requirements. Included are such requirements as immunizations, building safety and health and safety training. 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 (Detailed information can be found in Appropriation 320-Child Care Development Discretionary)

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 and will not continue after FY2008.

The Agency Base Level request for this appropriation is \$26,725,422 for each year of the 2009-2011 biennium.

The Agency Change Level request for this appropriation is \$2,863,423 for each year of the 2009-2011 biennium of which \$1,463,423 is general revenue funded and \$1,400,000 is unfunded appropriation. The increase in general revenue will be used as an increase in the state match for the Child Care Development Fund which is generated by the state FMAP percentage. The unfunded appropriation is in anticipation of federal program growth.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation provides for the Agency Request 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: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	29,524,798	26,725,422	30,884,892	29,588,845	26,725,422	28,125,422	29,588,845	26,725,422	28,125,422
Total		29,524,798	26,725,422	30,884,892	29,588,845	26,725,422	28,125,422	29,588,845	26,725,422	28,125,422
Funding Sources										
General Revenue	4000010	6,264,998	6,264,998		7,728,421	6,264,998	6,264,998	7,728,421	6,264,998	6,264,998
Federal Revenue	4000020	22,204,045	20,460,424		20,460,424	20,460,424	20,460,424	20,460,424	20,460,424	20,460,424
Special Revenue	4000030	1,055,755	0		0	0	0	0	0	0
Total Funding		29,524,798	26,725,422		28,188,845	26,725,422	26,725,422	28,188,845	26,725,422	26,725,422
Excess Appropriation/(Funding)		0	0		1,400,000	0	1,400,000	1,400,000	0	1,400,000
Grand Total		29,524,798	26,725,422		29,588,845	26,725,422	28,125,422	29,588,845	26,725,422	28,125,422

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 childcare 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 nonrefundable grants to child care facilities for start-up, development, training scholarships, or expansion.

The Agency Base Level request for this appropriation is \$100,000 for each year of the 2009-2011 biennium.

The Agency Change Level request for this appropriation is \$100,000 for each year of the 2009-2011 biennium. This amount will be used to provide training to early care and education providers and will be funded by interest earned on the fund.

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

The Legislative Recommendation concurs with the Executive Recommendation.

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

Appropriation Summary

Appropriation: 929 - Child Care-Treasury Paying

Funding Sources: NHS - Cash in Treasury

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Loan Guarantee/Grants 5900046	0	100,000	100,000	200,000	200,000	200,000	200,000	200,000	200,000
Total	0	100,000	100,000	200,000	200,000	200,000	200,000	200,000	200,000
Funding Sources									
Cash Fund 4000045	0	100,000		200,000	200,000	200,000	200,000	200,000	200,000
Total Funding	0	100,000		200,000	200,000	200,000	200,000	200,000	200,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	100,000		200,000	200,000	200,000	200,000	200,000	200,000