

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive/Legislative Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
320 Child Care Development-Discretionary	36,546,359	0	18,469,372	0	39,139,072	0	21,469,372	0	21,469,372	0	21,469,372	0	21,469,372	0	21,469,372	0	21,469,372	0
890 Food Program	46,235,621	0	46,791,250	0	46,791,250	0	52,291,250	0	52,291,250	0	52,291,250	0	52,291,250	0	52,291,250	0	52,291,250	0
896 Division of Child Care/Early Childhood	16,664,815	175	18,357,297	171	17,529,476	171	18,249,432	187	17,780,570	171	17,780,570	171	18,249,432	187	17,941,107	171	17,941,107	171
898 Child Care Grant/Aids	22,212,165	0	20,359,437	0	28,125,422	0	26,359,437	0	26,359,437	0	26,359,437	0	26,359,437	0	26,359,437	0	26,359,437	0
929 Child Care-Treasury Paying	0	0	187,537	0	200,000	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0
<b>Total</b>	<b>121,658,960</b>	<b>175</b>	<b>104,164,893</b>	<b>171</b>	<b>131,785,220</b>	<b>171</b>	<b>118,557,028</b>	<b>187</b>	<b>118,088,166</b>	<b>171</b>	<b>118,088,166</b>	<b>171</b>	<b>118,557,028</b>	<b>187</b>	<b>118,248,703</b>	<b>171</b>	<b>118,248,703</b>	<b>171</b>

Funding Sources		%		%		%		%		%		%		%		%	
General Revenue	4000010	6,522,289	5.4	6,828,452	6.6	7,499,452	6.8	6,838,524	6.3	6,838,524	6.3	7,499,452	6.8	6,843,469	6.3	6,843,469	6.3
Federal Revenue	4000020	91,334,982	75.1	92,349,364	88.7	99,198,869	90.5	98,738,513	91.0	98,738,513	91.0	99,198,869	90.5	98,873,075	91.0	98,873,075	91.0
Special Revenue	4000030	20,000	0.0	274,275	0.3	274,275	0.3	274,275	0.3	274,275	0.3	274,275	0.3	274,275	0.3	274,275	0.3
Cash Fund	4000045	0	0.0	187,537	0.2	187,537	0.2	187,537	0.2	187,537	0.2	187,537	0.2	187,537	0.2	187,537	0.2
Federal Funds-ARRA	4000244	21,696,629	17.8	2,128,370	2.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	167,900	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	1,917,160	1.6	2,396,895	2.3	2,396,895	2.2	2,439,734	2.2	2,439,734	2.2	2,396,895	2.2	2,460,764	2.3	2,460,764	2.3
<b>Total Funds</b>		<b>121,658,960</b>	<b>100.0</b>	<b>104,164,893</b>	<b>100.0</b>	<b>109,557,028</b>	<b>100.0</b>	<b>108,478,583</b>	<b>100.0</b>	<b>108,478,583</b>	<b>100.0</b>	<b>109,557,028</b>	<b>100.0</b>	<b>108,639,120</b>	<b>100.0</b>	<b>108,639,120</b>	<b>100.0</b>
Excess Appropriation/(Funding)		0		0		9,000,000		9,609,583		9,609,583		9,000,000		9,609,583		9,609,583	
<b>Grand Total</b>		<b>121,658,960</b>		<b>104,164,893</b>		<b>118,557,028</b>		<b>118,088,166</b>		<b>118,088,166</b>		<b>118,557,028</b>		<b>118,248,703</b>		<b>118,248,703</b>	

## **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 each year of the biennium.

The Agency Change Level request for this appropriation is \$3,000,000 each year of the biennium in unfunded appropriation in anticipation of federal program growth.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

## Appropriation Summary

**Appropriation:** 320 - Child Care Development-Discretionary

**Funding Sources:** FWF - DHS Federal

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	17,491,651	18,469,372	18,469,372	21,469,372	21,469,372	21,469,372	21,469,372	21,469,372	21,469,372
Child Care Dev-Discretionary - ARRA 5900052	19,054,708	0	20,669,700	0	0	0	0	0	0
<b>Total</b>	<b>36,546,359</b>	<b>18,469,372</b>	<b>39,139,072</b>	<b>21,469,372</b>	<b>21,469,372</b>	<b>21,469,372</b>	<b>21,469,372</b>	<b>21,469,372</b>	<b>21,469,372</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	17,491,651	18,469,372		18,469,372	18,469,372	18,469,372	18,469,372	18,469,372	18,469,372
Federal Funds-ARRA 4000244	19,054,708	0		0	0	0	0	0	0
<b>Total Funding</b>	<b>36,546,359</b>	<b>18,469,372</b>		<b>18,469,372</b>	<b>18,469,372</b>	<b>18,469,372</b>	<b>18,469,372</b>	<b>18,469,372</b>	<b>18,469,372</b>
Excess Appropriation/(Funding)	0	0		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
<b>Grand Total</b>	<b>36,546,359</b>	<b>18,469,372</b>		<b>21,469,372</b>	<b>21,469,372</b>	<b>21,469,372</b>	<b>21,469,372</b>	<b>21,469,372</b>	<b>21,469,372</b>

## **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 \$46,791,250 each year of the biennium.

The Agency Change Level request for this appropriation is \$5,500,000 each year of the biennium. The increase will be used for the Special Nutrition Program with the goal of increasing meals to children in Arkansas 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.

## Appropriation Summary

**Appropriation:** 890 - Food Program

**Funding Sources:** FWF - DHS Federal

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	46,210,723	46,791,250	46,791,250	52,291,250	52,291,250	52,291,250	52,291,250	52,291,250	52,291,250
ARRA of 2009	5900052	24,898	0	0	0	0	0	0	0	0
<b>Total</b>		<b>46,235,621</b>	<b>46,791,250</b>	<b>46,791,250</b>	<b>52,291,250</b>	<b>52,291,250</b>	<b>52,291,250</b>	<b>52,291,250</b>	<b>52,291,250</b>	<b>52,291,250</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	46,210,723	46,791,250		52,291,250	52,291,250	52,291,250	52,291,250	52,291,250	52,291,250
Federal Funds-ARRA	4000244	24,898	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>46,235,621</b>	<b>46,791,250</b>		<b>52,291,250</b>	<b>52,291,250</b>	<b>52,291,250</b>	<b>52,291,250</b>	<b>52,291,250</b>	<b>52,291,250</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>46,235,621</b>	<b>46,791,250</b>		<b>52,291,250</b>	<b>52,291,250</b>	<b>52,291,250</b>	<b>52,291,250</b>	<b>52,291,250</b>	<b>52,291,250</b>

## **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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Base Level request for this appropriation is \$16,248,760 each year of the biennium with 171 budgeted base level positions.

The Agency Change Level request for this appropriation is \$2,000,672 each year of the biennium with a general revenue request of \$671,000 each year. The general revenue request consists of the following component:

- \$671,000 in each year transferred from DCFS in conjunction with the transfer of the Child Welfare Agency Licensing Unit from DCFS to DCCECE.

The following delineates the agency's request:

- Transfer sixteen (16) positions from DCFS with salary and matching appropriation in conjunction with the transfer of the Child Welfare Agency Licensing Unit.
- Transfer one (1) position from the Division of Youth Services (DYS) with salary and matching appropriation that will be responsible for managing child health issues and concerns within DCCECE.
- Transfer one (1) position to DHS with salary and matching appropriation to support the operations of the Division.
- Reclassification on one (1) position with salary and matching appropriation due to the duties and responsibilities changing since the pay plan study.

- \$1,041,573 each year of the biennium in Operating Expenses appropriation. A portion of this appropriation will be used in conjunction with the transfer of the licensing unit from DCFS to DCCECE. The remaining appropriation will be used in support of the Special Nutrition Program.
- \$15,000 each year of the biennium in Conference Fees and Travel appropriation to be used to support the transfer of the licensing unit from DCFS.
- \$64,137 each year of the biennium in Professional Fees appropriation to be used to support the Special Nutrition Program.
- ARRA appropriation is being discontinued.

The Executive Recommendation provides for the Agency Request with the exception of the transfers from the Division of Children and Family Services.

The Legislative Recommendation concurs with the Executive Recommendation.

## Appropriation Summary

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

**Funding Sources:** PWP - Administration Paying

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	5,676,537	6,032,227	6,316,591	6,638,266	6,325,916	6,325,916	6,638,266	6,459,447	6,459,447
<b>#Positions</b>		<b>175</b>	<b>171</b>	<b>171</b>	<b>187</b>	<b>171</b>	<b>171</b>	<b>187</b>	<b>171</b>	<b>171</b>
Extra Help	5010001	136,792	153,795	153,795	153,795	153,795	153,795	153,795	153,795	153,795
<b>#Extra Help</b>		<b>9</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
Personal Services Matching	5010003	1,881,159	2,002,559	2,106,884	2,296,315	2,139,803	2,139,803	2,296,315	2,166,809	2,166,809
Overtime	5010006	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	2,925,105	3,147,636	3,156,804	4,189,209	4,189,209	4,189,209	4,189,209	4,189,209	4,189,209
Conference & Travel Expenses	5050009	48,598	50,000	50,000	65,000	65,000	65,000	65,000	65,000	65,000
Professional Fees	5060010	3,379,601	4,837,710	4,870,402	4,901,847	4,901,847	4,901,847	4,901,847	4,901,847	4,901,847
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
ARRA of 2009	5900052	2,617,023	2,128,370	870,000	0	0	0	0	0	0
<b>Total</b>		<b>16,664,815</b>	<b>18,357,297</b>	<b>17,529,476</b>	<b>18,249,432</b>	<b>17,780,570</b>	<b>17,780,570</b>	<b>18,249,432</b>	<b>17,941,107</b>	<b>17,941,107</b>

Funding Sources										
General Revenue	4000010	415,364	563,454		1,234,454	573,526	573,526	1,234,454	578,471	578,471
Federal Revenue	4000020	11,547,368	13,268,578		14,618,083	14,157,727	14,157,727	14,618,083	14,292,289	14,292,289
Federal Funds-ARRA	4000244	2,617,023	2,128,370		0	0	0	0	0	0
Reallocation of Resources	4000410	167,900	0		0	0	0	0	0	0
Various Program Support	4000730	1,917,160	2,396,895		2,396,895	2,439,734	2,439,734	2,396,895	2,460,764	2,460,764
<b>Total Funding</b>		<b>16,664,815</b>	<b>18,357,297</b>		<b>18,249,432</b>	<b>17,170,987</b>	<b>17,170,987</b>	<b>18,249,432</b>	<b>17,331,524</b>	<b>17,331,524</b>
Excess Appropriation/(Funding)		0	0		0	609,583	609,583	0	609,583	609,583
<b>Grand Total</b>		<b>16,664,815</b>	<b>18,357,297</b>		<b>18,249,432</b>	<b>17,780,570</b>	<b>17,780,570</b>	<b>18,249,432</b>	<b>17,941,107</b>	<b>17,941,107</b>

The FY10 funding includes a General Revenue fund transfer from the DHS - Division of Children and Family Services by Authority of Reallocation of Resources. Budget exceeds Authorized Appropriation in the ARRA of 2009 line item due to a transfer from the Miscellaneous Federal Grant Holding Account.

## **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.

The Agency Base Level request for this appropriation is \$20,359,437 each year of the biennium.

The Agency Change Level requests for this appropriation are \$6,000,000 each year of the biennium. The unfunded appropriation is in anticipation of federal program growth and for newly established programs for Headstart and the Early Learning Challenge Fund.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

## Appropriation Summary

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

**Funding Sources:** PWE - Grants Paying

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	22,212,165	20,359,437	28,125,422	26,359,437	26,359,437	26,359,437	26,359,437	26,359,437	26,359,437
<b>Total</b>		<b>22,212,165</b>	<b>20,359,437</b>	<b>28,125,422</b>	<b>26,359,437</b>	<b>26,359,437</b>	<b>26,359,437</b>	<b>26,359,437</b>	<b>26,359,437</b>	<b>26,359,437</b>
<b>Funding Sources</b>										
General Revenue	4000010	6,106,925	6,264,998		6,264,998	6,264,998	6,264,998	6,264,998	6,264,998	6,264,998
Federal Revenue	4000020	16,085,240	13,820,164		13,820,164	13,820,164	13,820,164	13,820,164	13,820,164	13,820,164
Special Revenue	4000030	20,000	274,275		274,275	274,275	274,275	274,275	274,275	274,275
<b>Total Funding</b>		<b>22,212,165</b>	<b>20,359,437</b>		<b>20,359,437</b>	<b>20,359,437</b>	<b>20,359,437</b>	<b>20,359,437</b>	<b>20,359,437</b>	<b>20,359,437</b>
Excess Appropriation/(Funding)		0	0		6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
<b>Grand Total</b>		<b>22,212,165</b>	<b>20,359,437</b>		<b>26,359,437</b>	<b>26,359,437</b>	<b>26,359,437</b>	<b>26,359,437</b>	<b>26,359,437</b>	<b>26,359,437</b>

## **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 and total request for this appropriation is \$187,537 each year of the biennium. Expenditure of appropriation is contingent upon available funding.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

## Appropriation Summary

**Appropriation:** 929 - Child Care-Treasury Paying

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

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Loan Guarantee/Grants	5900046	0	187,537	200,000	187,537	187,537	187,537	187,537	187,537	187,537
<b>Total</b>		0	187,537	200,000	187,537	187,537	187,537	187,537	187,537	187,537

Funding Sources										
Cash Fund	4000045	0	187,537		187,537	187,537	187,537	187,537	187,537	187,537
<b>Total Funding</b>		0	187,537		187,537	187,537	187,537	187,537	187,537	187,537
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		0	187,537		187,537	187,537	187,537	187,537	187,537	187,537