

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
320 Child Care Development-Discretionary	25,678,650	0	25,469,372	0	25,469,372	0	28,469,372	0	28,469,372	0	28,469,372	0	28,469,372	0	28,469,372	0	28,469,372	0
890 Food Program	78,939,552	0	64,291,250	0	64,291,250	0	94,291,250	0	94,291,250	0	94,291,250	0	94,291,250	0	94,291,250	0	94,291,250	0
896 Division of Child Care/Early Childhood	17,569,210	197	23,686,421	203	23,389,321	194	23,841,398	203	23,841,398	203	23,841,398	203	23,850,642	203	23,850,642	203	23,850,642	203
898 Child Care Grant/Aids	24,750,156	0	29,630,656	0	29,630,656	0	33,130,656	0	33,130,656	0	33,130,656	0	33,130,656	0	33,130,656	0	33,130,656	0
929 Child Care-Treasury Paying	0	0	120,863	0	187,537	0	120,863	0	120,863	0	120,863	0	120,863	0	120,863	0	120,863	0
Total	146,937,568	197	143,198,562	203	142,968,136	194	179,853,539	203	179,853,539	203	179,853,539	203	179,862,783	203	179,862,783	203	179,862,783	203

Funding Sources		%		%		%		%		%		%		%		%		%	
General Revenue	4000010	7,440,432	5.1	7,440,880	5.2			7,445,647	4.1	7,445,647	4.1	7,445,647	4.1	7,446,106	4.1	7,446,106	4.1	7,446,106	4.1
Federal Revenue	4000020	136,857,491	93.1	133,190,153	93.0			169,330,580	94.1	169,330,580	94.1	169,330,580	94.1	169,338,423	94.1	169,338,423	94.1	169,338,423	94.1
Special Revenue	4000030	185,375	0.1	514,258	0.4			514,258	0.3	514,258	0.3	514,258	0.3	514,258	0.3	514,258	0.3	514,258	0.3
Cash Fund	4000045	0	0.0	120,863	0.1			120,863	0.1	120,863	0.1	120,863	0.1	120,863	0.1	120,863	0.1	120,863	0.1
Transfer to Medicaid Match	4000660	(45,820)	0.0	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	2,500,090	1.7	1,932,408	1.3			2,442,191	1.4	2,442,191	1.4	2,442,191	1.4	2,443,133	1.4	2,443,133	1.4	2,443,133	1.4
Total Funds		146,937,568	100.0	143,198,562	100.0			179,853,539	100.0	179,853,539	100.0	179,853,539	100.0	179,862,783	100.0	179,862,783	100.0	179,862,783	100.0
Excess Appropriation/(Funding)		0		0				0		0		0		0		0		0	
Grand Total		146,937,568		143,198,562				179,853,539		179,853,539		179,853,539		179,862,783		179,862,783		179,862,783	

FY15 Budget and Positions exceed Authorized in (896) Child Care and Early Childhood Education due to a transfer from the Miscellaneous Federal Grant Holding Account.

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 Base Level request for this appropriation is \$25,469,372 each year of the biennium.

The Agency Change Level request is \$3,000,000 each year of the biennium for growth in the federal voucher program which provides childcare services for working families.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	25,678,650	25,469,372	25,469,372	28,469,372	28,469,372	28,469,372	28,469,372	28,469,372	28,469,372
Total		25,678,650	25,469,372	25,469,372	28,469,372	28,469,372	28,469,372	28,469,372	28,469,372	28,469,372

Funding Sources										
Federal Revenue	4000020	25,678,650	25,469,372		28,469,372	28,469,372	28,469,372	28,469,372	28,469,372	28,469,372
Total Funding		25,678,650	25,469,372		28,469,372	28,469,372	28,469,372	28,469,372	28,469,372	28,469,372
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		25,678,650	25,469,372		28,469,372	28,469,372	28,469,372	28,469,372	28,469,372	28,469,372

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 centers, 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 assists 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 Base Level request for this appropriation is \$64,291,250 each year of the biennium.

The Agency Change Level request is \$30,000,000 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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	78,939,552	64,291,250	64,291,250	94,291,250	94,291,250	94,291,250	94,291,250	94,291,250	94,291,250
Total		78,939,552	64,291,250	64,291,250	94,291,250	94,291,250	94,291,250	94,291,250	94,291,250	94,291,250

Funding Sources										
Federal Revenue	4000020	78,939,552	64,291,250		94,291,250	94,291,250	94,291,250	94,291,250	94,291,250	94,291,250
Total Funding		78,939,552	64,291,250		94,291,250	94,291,250	94,291,250	94,291,250	94,291,250	94,291,250
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		78,939,552	64,291,250		94,291,250	94,291,250	94,291,250	94,291,250	94,291,250	94,291,250

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.

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

Base Level Regular Salaries and Personal Services Matching includes continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Base Level request for this appropriation is \$23,320,516 in FY2016 and \$23,329,760 in FY2017 with 194 budgeted base level positions.

The Agency Change Level request is \$520,882 each year of the biennium for the following:

- Restore MFG Positions (9): Regular Salaries and Personal Services Matching of \$463,382. These positions were established through Miscellaneous Federal Grant. This request is due to the federal increases in meal rates, inclusion of additional meals, monitoring components by USDA, and increases in sponsor participation in the Health and Nutrition Program.
- Reclassify Position (1): A050C Agency Fiscal Manager (C121) to a 168X DCCECE Education Manager (C121). This position will be responsible for providing training and professional development to providers, as well as, recruit experienced individuals in the field of early childhood education.
- Conference and Travel of \$50,000 for staff to participate in mandated training and conferences for USDA Nutrition Programs.
- Professional Fees of \$7,500 due to costs associated with the increasing number of background checks completed annually for all licensed childcare facilities personnel.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 896 - DHS-Admin Paying Account

Funding Sources: PWP - Administration Paying

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	6,409,349	7,327,003	7,122,386	7,386,334	7,386,334	7,386,334	7,393,834	7,393,834	7,393,834
#Positions		197	203	194	203	203	203	203	203	203
Extra Help	5010001	98,983	153,795	153,795	153,795	153,795	153,795	153,795	153,795	153,795
#Extra Help		9	13	13	13	13	13	13	13	13
Personal Services Matching	5010003	2,473,066	2,715,788	2,623,303	2,753,934	2,753,934	2,753,934	2,755,678	2,755,678	2,755,678
Overtime	5010006	29	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,028,138	4,517,990	4,517,990	4,567,990	4,567,990	4,567,990	4,567,990	4,567,990	4,567,990
Conference & Travel Expenses	5050009	63,099	65,000	65,000	72,500	72,500	72,500	72,500	72,500	72,500
Professional Fees	5060010	5,496,546	8,901,845	8,901,847	8,901,845	8,901,845	8,901,845	8,901,845	8,901,845	8,901,845
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		17,569,210	23,686,421	23,389,321	23,841,398	23,841,398	23,841,398	23,850,642	23,850,642	23,850,642

Funding Sources										
General Revenue	4000010	1,175,434	1,175,882		1,180,649	1,180,649	1,180,649	1,181,108	1,181,108	1,181,108
Federal Revenue	4000020	14,248,412	20,097,147		20,237,574	20,237,574	20,237,574	20,245,417	20,245,417	20,245,417
Special Revenue	4000030	185,375	480,984		480,984	480,984	480,984	480,984	480,984	480,984
Transfer to Medicaid Match	4000660	(45,820)	0		0	0	0	0	0	0
Various Program Support	4000730	2,005,809	1,932,408		1,942,191	1,942,191	1,942,191	1,943,133	1,943,133	1,943,133
Total Funding		17,569,210	23,686,421		23,841,398	23,841,398	23,841,398	23,850,642	23,850,642	23,850,642
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		17,569,210	23,686,421		23,841,398	23,841,398	23,841,398	23,850,642	23,850,642	23,850,642

FY15 Budget amounts in Regular Salaries, Number of Positions and Personal Services Matching exceed Authorized 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 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, other revenue and special revenue. Federal revenues include Child Care Development Block Grant funding. Other revenue which is indicated as various program support consists of reimbursements. 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 \$29,630,656 each year of the biennium.

The Agency Change Level request is \$3,500,000 each year of the biennium. \$3,000,000 of this request is for growth in the federal voucher program while \$500,000 is due to the Division being a recipient of a grant from the Kellogg Foundation.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	24,750,156	29,630,656	29,630,656	33,130,656	33,130,656	33,130,656	33,130,656	33,130,656	33,130,656
Total		24,750,156	29,630,656	29,630,656	33,130,656	33,130,656	33,130,656	33,130,656	33,130,656	33,130,656

Funding Sources										
General Revenue	4000010	6,264,998	6,264,998		6,264,998	6,264,998	6,264,998	6,264,998	6,264,998	6,264,998
Federal Revenue	4000020	17,990,877	23,332,384		26,332,384	26,332,384	26,332,384	26,332,384	26,332,384	26,332,384
Special Revenue	4000030	0	33,274		33,274	33,274	33,274	33,274	33,274	33,274
Various Program Support	4000730	494,281	0		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding		24,750,156	29,630,656		33,130,656	33,130,656	33,130,656	33,130,656	33,130,656	33,130,656
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		24,750,156	29,630,656		33,130,656	33,130,656	33,130,656	33,130,656	33,130,656	33,130,656

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 Base Level and total request for this appropriation is \$120,863 each year of the biennium.

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

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 929 - Child Care-Treasury Paying

Funding Sources: NHS - Cash in Treasury

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Loan Guarantee/Grants	5900046	0	120,863	187,537	120,863	120,863	120,863	120,863	120,863	120,863
Total		0	120,863	187,537	120,863	120,863	120,863	120,863	120,863	120,863

Funding Sources										
Cash Fund	4000045	0	120,863		120,863	120,863	120,863	120,863	120,863	120,863
Total Funding		0	120,863		120,863	120,863	120,863	120,863	120,863	120,863
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	120,863		120,863	120,863	120,863	120,863	120,863	120,863

Expenditure of appropriation is contingent upon available funding.