

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive/Legislative Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
320 Child Care Development-Discretionary	16,932,362	0	22,209,372	0	21,469,372	0	25,719,372	0	25,719,372	0	25,719,372	0	25,469,372	0	25,469,372	0	25,469,372	0
890 Food Program	57,169,257	0	52,291,250	0	52,291,250	0	59,291,250	0	59,291,250	0	59,291,250	0	64,291,250	0	64,291,250	0	64,291,250	0
896 Division of Child Care/Early Childhood	15,751,146	178	18,762,934	187	17,941,107	171	23,140,952	192	23,284,092	192	23,284,092	192	23,149,821	192	23,292,966	192	23,292,966	192
898 Child Care Grant/Aids	26,006,567	0	27,630,656	0	26,359,437	0	29,630,656	0	29,630,656	0	29,630,656	0	29,630,656	0	29,630,656	0	29,630,656	0
929 Child Care-Treasury Paying	0	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0
<b>Total</b>	<b>115,859,332</b>	<b>178</b>	<b>121,081,749</b>	<b>187</b>	<b>118,248,703</b>	<b>171</b>	<b>137,969,767</b>	<b>192</b>	<b>138,112,907</b>	<b>192</b>	<b>138,112,907</b>	<b>192</b>	<b>142,728,636</b>	<b>192</b>	<b>142,871,781</b>	<b>192</b>	<b>142,871,781</b>	<b>192</b>

Funding Sources		%		%		%		%		%		%		%		%
General Revenue 4000010	6,669,275	5.8	6,828,452	5.6			7,431,557	5.4	7,440,432	5.4	7,440,432	5.4	7,432,004	5.2	7,440,880	5.2
Federal Revenue 4000020	106,057,015	91.5	110,097,969	90.9			127,366,748	92.3	127,483,479	92.3	127,483,479	92.3	132,374,288	92.7	132,491,023	92.7
Special Revenue 4000030	325,697	0.3	329,503	0.3			329,503	0.2	329,503	0.2	329,503	0.2	329,503	0.2	329,503	0.2
Cash Fund 4000045	0	0.0	187,537	0.2			187,537	0.1	187,537	0.1	187,537	0.1	187,537	0.1	187,537	0.1
Merit Adjustment Fund 4000055	15,486	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA 4000244	543,111	0.5	740,000	0.6			250,000	0.2	250,000	0.2	250,000	0.2	0	0.0	0	0.0
Reallocation of Resources 4000410	325,000	0.3	600,000	0.5			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support 4000730	1,923,748	1.7	2,298,288	1.9			2,404,422	1.7	2,421,956	1.8	2,421,956	1.8	2,405,304	1.7	2,422,838	1.7
<b>Total Funds</b>	<b>115,859,332</b>	<b>100.0</b>	<b>121,081,749</b>	<b>100.0</b>			<b>137,969,767</b>	<b>100.0</b>	<b>138,112,907</b>	<b>100.0</b>	<b>138,112,907</b>	<b>100.0</b>	<b>142,728,636</b>	<b>100.0</b>	<b>142,871,781</b>	<b>100.0</b>
Excess Appropriation/(Funding)	0		0				0		0		0		0		0	
<b>Grand Total</b>	<b>115,859,332</b>		<b>121,081,749</b>				<b>137,969,767</b>		<b>138,112,907</b>		<b>138,112,907</b>		<b>142,728,636</b>		<b>142,871,781</b>	

Child Care (320) Budgeted amount in Child Care Development-Discretionary exceeds the FY13 Authorized amount due to a transfer from the Miscellaneous Federal Grant Holding Account.  
 Child Care (896; 898) Budget and Positions exceeds Authorized Appropriation by authority of Reallocation of Resources.

## **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 \$21,469,372 in each year of the biennium.

The Agency Change Level request for this appropriation is \$4,250,000 in FY2014 and \$4,000,000 in FY2015. The following delineates the agency's request:

- \$4,000,000 each year of the biennium is requested to accommodate growth in the federal voucher program to provide child care services.
- \$250,000 in American Recovery and Reinvestment Act of 2009 appropriation is requested for FY2014. This request will allow for the remaining funding to be used for the completion of an ARRA funded program developing an early childhood asset mapping system and improving the Traveling Arkansas Professional Pathways registry.

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	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	16,389,251	21,469,372	21,469,372	25,469,372	25,469,372	25,469,372	25,469,372	25,469,372	25,469,372
Child Care Dev-Discretionary - ARRA 5900052	543,111	740,000	0	250,000	250,000	250,000	0	0	0
<b>Total</b>	<b>16,932,362</b>	<b>22,209,372</b>	<b>21,469,372</b>	<b>25,719,372</b>	<b>25,719,372</b>	<b>25,719,372</b>	<b>25,469,372</b>	<b>25,469,372</b>	<b>25,469,372</b>

  

Funding Sources									
Federal Revenue 4000020	16,389,251	21,469,372		25,469,372	25,469,372	25,469,372	25,469,372	25,469,372	25,469,372
Federal Funds-ARRA 4000244	543,111	740,000		250,000	250,000	250,000	0	0	0
<b>Total Funding</b>	<b>16,932,362</b>	<b>22,209,372</b>		<b>25,719,372</b>	<b>25,719,372</b>	<b>25,719,372</b>	<b>25,469,372</b>	<b>25,469,372</b>	<b>25,469,372</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>16,932,362</b>	<b>22,209,372</b>		<b>25,719,372</b>	<b>25,719,372</b>	<b>25,719,372</b>	<b>25,469,372</b>	<b>25,469,372</b>	<b>25,469,372</b>

The Budgeted amount in Child Care Dev-Discretionary - ARRA 2009 exceeds the Authorized amount due to a transfer from the Miscellaneous Federal Grant Holding Account. Agency Change Level request includes ARRA appropriation in Child Care Dev-Discretionary - ARRA 2009 due to a temporary extension of ARRA funding from the federal granting agency.

## **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 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 CACFP assist 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 \$52,291,250 in each year of the biennium.

The Agency Change Level request for this appropriation is \$7,000,000 in FY2014 and \$12,000,000 in FY2015. 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 un-capped 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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	57,169,257	52,291,250	52,291,250	59,291,250	59,291,250	59,291,250	64,291,250	64,291,250	64,291,250
Total		57,169,257	52,291,250	52,291,250	59,291,250	59,291,250	59,291,250	64,291,250	64,291,250	64,291,250

Funding Sources										
Federal Revenue	4000020	57,169,257	52,291,250		59,291,250	59,291,250	59,291,250	64,291,250	64,291,250	64,291,250
Total Funding		57,169,257	52,291,250		59,291,250	59,291,250	59,291,250	64,291,250	64,291,250	64,291,250
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		57,169,257	52,291,250		59,291,250	59,291,250	59,291,250	64,291,250	64,291,250	64,291,250

## **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. 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 revenue. Federal revenue primarily includes funding from the Department of Health and Human Services Child Care Development Block Grant, Title IV-E Foster Care, Maternal Child Health and USDA Child Nutrition. Other revenue which is indicated as various program support can also include sources such as Child Care Provider License Fees and funding from the Arkansas Better Chance Program.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$18,817,378 in FY2014 and \$18,826,247 in FY2015 with 187 budgeted base level positions.

The Agency Change Level request for this appropriation is \$4,323,574 for each year of the biennium which reflects the following:

- Transfer in four (4) positions, as well as salary and match appropriation, from the Division of Children & Family Services that will be used meet the needs of the continuously growing USDA Food and Nutrition program.
- Transfer in one (1) position, as well as salary and match appropriation, from the Division of Developmental Disabilities Services that will be used meet the needs of the continuously growing USDA Food and Nutrition program.
- \$100,000 is requested each year of the biennium in the Operating Expenses line item. This increase will be used to accommodate the growth of mandated criminal background checks to absorb the steady increase of cost and number of annually completed background checks.
- \$4,000,000 is requested each year of the biennium in the Professional Fees line item to be used to procure professional consultant contracts for the development of a biometrics time and attendance system. The biometric system will assist with the integrity of the voucher program by reducing fraud and overpayments, administrative cost for both the Division and the provider community and

promoting increased safety for the State of Arkansas children.

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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	6,438,306	6,759,569	6,459,447	6,928,806	7,044,975	7,044,975	6,936,006	7,052,175	7,052,175
<b>#Positions</b>		<b>178</b>	<b>187</b>	<b>171</b>	<b>192</b>	<b>192</b>	<b>192</b>	<b>192</b>	<b>192</b>	<b>192</b>
Extra Help	5010001	124,675	153,795	153,795	153,795	153,795	153,795	153,795	153,795	153,795
<b>#Extra Help</b>		<b>10</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	2,203,522	2,459,733	2,166,809	2,568,514	2,595,485	2,595,485	2,570,183	2,597,159	2,597,159
Overtime	5010006	6	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,213,913	4,417,990	4,189,209	4,517,990	4,517,990	4,517,990	4,517,990	4,517,990	4,517,990
Conference & Travel Expenses	5050009	69,376	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Professional Fees	5060010	3,649,221	4,901,847	4,901,847	8,901,847	8,901,847	8,901,847	8,901,847	8,901,847	8,901,847
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	52,127	0	0	0	0	0	0	0	0
<b>Total</b>		<b>15,751,146</b>	<b>18,762,934</b>	<b>17,941,107</b>	<b>23,140,952</b>	<b>23,284,092</b>	<b>23,284,092</b>	<b>23,149,821</b>	<b>23,292,966</b>	<b>23,292,966</b>

Funding Sources										
General Revenue	4000010	404,277	563,454		1,166,559	1,175,434	1,175,434	1,167,006	1,175,882	1,175,882
Federal Revenue	4000020	13,082,635	15,301,192		19,569,971	19,686,702	19,686,702	19,577,511	19,694,246	19,694,246
Merit Adjustment Fund	4000055	15,486	0		0	0	0	0	0	0
Reallocation of Resources	4000410	325,000	600,000		0	0	0	0	0	0
Various Program Support	4000730	1,923,748	2,298,288		2,404,422	2,421,956	2,421,956	2,405,304	2,422,838	2,422,838
<b>Total Funding</b>		<b>15,751,146</b>	<b>18,762,934</b>		<b>23,140,952</b>	<b>23,284,092</b>	<b>23,284,092</b>	<b>23,149,821</b>	<b>23,292,966</b>	<b>23,292,966</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>15,751,146</b>	<b>18,762,934</b>		<b>23,140,952</b>	<b>23,284,092</b>	<b>23,284,092</b>	<b>23,149,821</b>	<b>23,292,966</b>	<b>23,292,966</b>

Actual and Budgeted funding includes a General Revenue funding transfer from the DHS-Division of Children & Family Services by Authority of Reallocation of Resources.

Positions exceed Authorized by authority of Reallocation of Resources.

Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

## **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 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 \$27,630,656 in each year of the biennium.

The Agency Change Level request for this appropriation is \$2,000,000 each year of the biennium to accommodate growth in the federal voucher program for child care services.

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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	26,006,567	27,630,656	26,359,437	29,630,656	29,630,656	29,630,656	29,630,656	29,630,656	29,630,656
Total		26,006,567	27,630,656	26,359,437	29,630,656	29,630,656	29,630,656	29,630,656	29,630,656	29,630,656

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	19,415,872	21,036,155		23,036,155	23,036,155	23,036,155	23,036,155	23,036,155	23,036,155
Special Revenue	4000030	325,697	329,503		329,503	329,503	329,503	329,503	329,503	329,503
Total Funding		26,006,567	27,630,656		29,630,656	29,630,656	29,630,656	29,630,656	29,630,656	29,630,656
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		26,006,567	27,630,656		29,630,656	29,630,656	29,630,656	29,630,656	29,630,656	29,630,656

Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

## **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 \$187,537 for 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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Loan Guarantee/Grants	5900046	0	187,537	187,537	187,537	187,537	187,537	187,537	187,537	187,537
Total		0	187,537	187,537	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
Total Funding		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
Grand Total		0	187,537		187,537	187,537	187,537	187,537	187,537	187,537