

FISCAL SESSION - MANUAL

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DEPARTMENT OF CORRECTION

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF CORRECTION
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Inventory records and controls were inadequate at the central warehouse, feed mill and salvage/excess materials. Exceptions were noted between the Agency's perpetual records and actual inventory on hand during test counts. Four exceptions, or 10%, were noted during a test count of 40 items at the central warehouse, eight exceptions, or 80%, were noted during a test count of 10 items at the feed mill and 11 exceptions, or 24%, were noted during a test count of 45 items at salvage/excess materials. Central warehouse, feed mill and salvage/excess materials had \$1,193,431; \$476,493; and \$483,001, respectively, in total inventory for the fiscal year ended June 30, 2008. Inadequate inventory records and controls reduce the Agency's ability to properly safeguard and account for these assets for use in the care and custody of inmates.

Recommendations

Maintain accurate records and strengthen internal controls over all inventories by reconciling perpetual inventory records to periodic physical counts performed during the year and at fiscal year-end.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF CORRECTION
REPORT ON CERTIFICATION OF CONSUMPTION OF FARM PRODUCE
FOR THE YEAR ENDED JUNE 30, 2008

Findings

None

Recommendations

None

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1MJ County Jail Reimbursement	12,290,300	0	7,349,934	0	7,500,035	0	7,500,035	0	12,919,866	0	7,500,035	0
2ZV Work Release Cash	2,309,092	0	5,797,702	0	7,502,054	0	7,761,272	0	7,761,272	0	7,761,272	0
33K UAMS Juvenile Assessment	0	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
4HS Fire Station Treasury Cash	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
509 Inmate Care & Custody	277,491,266	4,193	287,605,076	4,138	320,247,401	4,527	338,472,249	4,597	349,428,234	4,606	338,472,249	4,597
511 Prison Industry	7,617,248	52	10,213,359	52	10,282,236	52	11,074,002	52	11,074,002	52	11,074,002	52
512 Farm Operations	11,673,082	57	13,506,033	60	16,107,046	60	17,779,535	60	17,779,535	60	17,779,535	60
847 Federal Programs	419,607	1	1,053,761	1	1,253,205	1	1,126,335	1	122,560	1	1,126,335	1
859 Inmate Welfare Treasury Cash	9,127,267	0	12,213,783	25	12,570,183	27	13,151,588	27	13,151,588	27	13,151,588	27
865 Non-Tax Revenue Receipts	3,508,923	0	3,800,000	0	5,772,626	0	5,772,626	0	5,772,626	0	5,772,626	0
B01 Regional Facilities Oprs Cash	0	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0
B06 Prison Housing Contract Cash	0	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
C02 Constr Fund Deficiency Cash	0	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
Total	324,436,785	4,303	343,114,648	4,276	382,809,786	4,667	404,212,642	4,737	419,584,683	4,746	404,212,642	4,737

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	21,428,899	6.2	18,520,928	5.2	10,207,004	2.5	10,207,004	2.4	10,207,004	2.5
General Revenue	4000010	284,582,956	83.0	288,653,243	81.7	332,473,041	82.3	353,177,460	83.4	332,473,041	82.3
Federal Revenue	4000020	419,607	0.1	1,053,761	0.3	1,126,335	0.3	122,560	0.0	1,126,335	0.3
Special Revenue	4000030	13,484,842	3.9	17,142,347	4.9	23,988,651	5.9	23,988,651	5.7	23,988,651	5.9
Cash Fund	4000045	16,163,134	4.7	19,091,606	5.4	31,390,590	7.8	31,390,590	7.4	31,390,590	7.8
Budget Stabilization Trust	4000130	3,600,000	1.0	4,600,000	1.3	4,600,000	1.1	4,600,000	1.1	4,600,000	1.1
DFA Motor Vehicle Acquisition	4000184	289,624	0.1	0	0.0	0	0.0	0	0.0	0	0.0
Gen Rev Allot Reserve	4000262	2,979,432	0.9	0	0.0	0	0.0	0	0.0	0	0.0
Salary Savings	4000454	0	0.0	4,251,767	1.2	0	0.0	0	0.0	0	0.0
State Administration of Justice	4000470	9,219	0.0	8,000	0.0	25,000	0.0	25,000	0.0	25,000	0.0
Total Funds		342,957,713	100.0	353,321,652	100.0	403,810,621	100.0	423,511,265	100.0	403,810,621	100.0
Excess Appropriation/(Funding)		(18,520,928)		(10,207,004)		402,021		(3,926,582)		402,021	
Grand Total		324,436,785		343,114,648		404,212,642		419,584,683		404,212,642	

The FY09 Actual amount for appropriation 1MJ exceeds the Budget/Authorized amounts due to special language allowing Carry Forward of appropriation and funding. The Actual Number of Positions exceeds Budgeted Number of Positions due to reduction in General Revenue Funding.

Analysis of Budget Request

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

In the event the Arkansas Department of Correction cannot accept inmates from county jails due to insufficient bed space, the Agency reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and the Department of Correction and upon with approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in A.C.A. §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization fund and currently pays county jails \$28 per day for housing inmates sentenced to ADC.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Refunds/Reimbursements	5110014	12,290,300	7,349,934	7,500,035	7,500,035	12,919,866	7,500,035
Total		12,290,300	7,349,934	7,500,035	7,500,035	12,919,866	7,500,035
Funding Sources							
Fund Balance	4000005	2,584,188	2,053,355		2,053,355	2,053,355	2,053,355
General Revenue	4000010	8,780,035	7,349,934		7,500,035	12,919,866	7,500,035
Gen Rev Allot Reserve	4000262	2,979,432	0		0	0	0
Total Funding		14,343,655	9,403,289		9,553,390	14,973,221	9,553,390
Excess Appropriation/(Funding)		(2,053,355)	(2,053,355)		(2,053,355)	(2,053,355)	(2,053,355)
Grand Total		12,290,300	7,349,934		7,500,035	12,919,866	7,500,035

The FY09 Actual amount exceeds the Budget/Authorized amounts due to special language allowing Carry Forward of appropriation and funding. In FY09, Act 105 of 2009 authorized the transfer of \$2,979,432 from the General Revenue Allotment Reserve Fund.

Analysis of Budget Request

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

The Work Release Program allows inmates to hold paid jobs in the community while being housed at a correctional facility. Work Release participants reimburse the Department of Correction \$17 per day to offset the cost for maintenance and operation of the centers. There are currently six Work Release Centers located at Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. This is a cash funded appropriation that is supported by each inmate who participates in the Work Release Program.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	1,569,733	4,213,552	4,213,552	4,496,532	4,496,532	4,496,532
Conference & Travel Expenses	5050009	10,049	84,150	84,150	85,240	85,240	85,240
Professional Fees	5060010	443	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	728,867	500,000	1,704,352	1,679,500	1,679,500	1,679,500
Debt Service	5120019	0	0	500,000	500,000	500,000	500,000
Total		2,309,092	5,797,702	7,502,054	7,761,272	7,761,272	7,761,272
Funding Sources							
Fund Balance	4000005	7,158,609	7,867,462		4,235,760	4,235,760	4,235,760
Cash Fund	4000045	3,017,945	2,166,000		6,063,641	6,063,641	6,063,641
Total Funding		10,176,554	10,033,462		10,299,401	10,299,401	10,299,401
Excess Appropriation/(Funding)		(7,867,462)	(4,235,760)		(2,538,129)	(2,538,129)	(2,538,129)
Grand Total		2,309,092	5,797,702		7,761,272	7,761,272	7,761,272

Actual Expenditures for FY09 exceed Budget Amount in Capital Outlay due to a transfer of appropriation from the Motor Vehicle Acquisition Fund.

Analysis of Budget Request

Appropriation: 33K - UAMS Juvenile Assessment

Funding Sources: SSC - Sex and Child Offender Registration Fund

This appropriation request is for UAMS Juvenile Assessment. Funds for this appropriation are derived from collections by Arkansas Crime Information Center (ACIC) by collecting a \$250.00 fee from each individual who is required by law to register as a Level III or Level IV Sex Offender as required by provisions of A.C.A. §12-12-910 and §12-12-911 et seq. The fees are split between ACIC and the Department of Correction.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 33K - UAMS Juvenile Assessment

Funding Sources: SSC - Sex and Child Offender Registration Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	0	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		0	25,000	25,000	25,000	25,000	25,000
Funding Sources							
Fund Balance	4000005	25,160	34,379		17,379	17,379	17,379
State Administration of Justice	4000470	9,219	8,000		25,000	25,000	25,000
Total Funding		34,379	42,379		42,379	42,379	42,379
Excess Appropriation/(Funding)		(34,379)	(17,379)		(17,379)	(17,379)	(17,379)
Grand Total		0	25,000		25,000	25,000	25,000

Analysis of Budget Request

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

This appropriation provides for the construction of a new Fire Station at the Cummins Unit. Cash funds are collected through the Fire Protection Revolving Fund as authorized by Act 833 of 1991. The construction of the new Fire Station will be completed by Department of Correction's in-house construction division utilizing inmate labor to lower the cost.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Construction	5090005	0	50,000	50,000	50,000	50,000	50,000
Total		0	50,000	50,000	50,000	50,000	50,000
Funding Sources							
Fund Balance	4000005	50,150	65,231		45,231	45,231	45,231
Cash Fund	4000045	15,081	30,000		42,000	42,000	42,000
Total Funding		65,231	95,231		87,231	87,231	87,231
Excess Appropriation/(Funding)		(65,231)	(45,231)		(37,231)	(37,231)	(37,231)
Grand Total		0	50,000		50,000	50,000	50,000

Analysis of Budget Request

Appropriation: 509 - Inmate Care & Custody

Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

The Arkansas Department of Correction (ADC) is responsible for administration of an efficient and humane system of correction for individuals committed to the Department by the courts. In addition to providing for basic physiological and psychological needs of inmates, the Agency operates extensive farming, industry, work release programs, inmate welfare activities, pen stores, and maintenance and construction activities. Cash and special revenues produced by these and other auxiliary activities allow the Department wide discretion in planning and operating new and expanded inmate care and custody programs as well as construction projects.

The Board of Corrections is comprised of seven voting members: five citizen members, the chairperson of the Post Prison Transfer Board and one member of a criminal justice faculty. Each member is appointed by the Governor and serves a seven-year term.

The Agency has five divisions. The divisions and responsibilities are:

Administrative Services provides support to all operational units of the ADC while ensuring Agency compliance with state and federal accounting, budgetary and personnel procedures;

Institutional Services oversees the various Institutions, Work Release Programs, Regional Jails, Transportation Services, Accreditation, Classification and Emergency Preparedness;

Operations directs the Agriculture and Industry Programs, the 309 County Jail Contracts Program (A.C.A. §12-30-401) and also coordinates inmate grievances;

Health and Correctional Programs is responsible for Medical and Mental Health Services, Religious Services, Substance Abuse Treatment Program (SATP) and Reduction of Sexual Victimization Program (RSVP). The Health and Correctional Programs Division also coordinates educational programs provided through the Department of Correction School District, which is accredited and supervised by the Arkansas Department of Education. During the 1999 Legislative Session, responsibility for assessment of sex offenders in prison and living in communities in Arkansas was assigned to ADC. A unit supervised by the Deputy Director of Health and Correctional Programs conducts the assessments as prescribed by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law;

Construction and Maintenance is responsible for ongoing and preventative maintenance programs at the various units and design and construction projects for the department. Construction of facilities is often completed with inmate labor, which costs substantially less than free-world labor.

Funding for Inmate Care and Custody (ICC) is primarily from general revenue. Legislation specifies that fees collected from contracting with counties for an agreed upon number of beds is to be deposited in the "Regional Facilities Operation Account" and used for payment of debt service on, or operation of, regional facilities. The operation of these facilities is funded within Inmate Care and Custody appropriation with a portion of the cost defrayed by a transfer of the cash funds to the Inmate Care and Custody Fund. The use of cash and special revenue income for Inmate Care & Custody Fund Operations allows the Agency to prepare fiscal year budgets to help meet the contingencies of population growth.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 509 - Inmate Care & Custody

Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	133,406,990	137,550,357	145,687,127	150,680,650	154,379,283	150,680,650
	#Positions	4,193	4,138	4,527	4,597	4,606	4,597
Extra Help	5010001	134,699	200,000	200,000	200,000	200,000	200,000
	#Extra Help	120	120	120	120	120	120
Personal Services Matching	5010003	44,161,739	49,546,384	52,537,079	53,910,013	55,238,988	53,910,013
Overtime	5010006	2,259,140	1,550,000	2,400,000	2,400,000	1,550,000	2,400,000
Operating Expenses	5020002	50,294,992	47,502,875	58,078,179	62,914,129	69,375,214	62,914,129
Conference & Travel Expenses	5050009	222,148	168,141	365,766	413,141	418,781	413,141
Professional Fees	5060010	45,124,180	49,554,319	56,972,250	64,409,316	64,409,316	64,409,316
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	362,705	0	2,474,000	2,012,000	2,323,652	2,012,000
Jail Contracts	5900047	1,524,673	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000
Total		277,491,266	287,605,076	320,247,401	338,472,249	349,428,234	338,472,249
Funding Sources							
General Revenue	4000010	275,802,921	281,303,309		324,973,006	340,257,594	324,973,006
Cash Fund	4000045	1,497,288	2,050,000		4,549,340	4,549,340	4,549,340
DFA Motor Vehicle Acquisition	4000184	191,057	0		0	0	0
Salary Savings	4000454	0	4,251,767		0	0	0
Total Funding		277,491,266	287,605,076		329,522,346	344,806,934	329,522,346
Excess Appropriation/(Funding)		0	0		8,949,903	4,621,300	8,949,903
Grand Total		277,491,266	287,605,076		338,472,249	349,428,234	338,472,249

Actual Expenditures for FY09 and the Actual Number of Positions filled exceeds Budgeted Amounts and Budgeted Number of Positions due to the reduction in the Official General Revenue Forecast.

Analysis of Budget Request

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

The Prison Industry Program is a self-supporting operation funded by special revenues generated from the sale of goods produced and sold to other public tax-supported agencies, non-profit organizations, and employees of the State of Arkansas. Industry program provides opportunities for inmates to learn productive and marketable skills. Industry programs include: Graphic Arts and Duplicating, Mattress Manufacturing, Garment Manufacturing, Furniture Manufacturing, Vinyl Products, Janitorial Products, Athletic/Recreational Equipment Production, and the Fabrication Shop.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	1,781,443	1,964,497	2,008,044	2,050,904	2,050,904	2,050,904
	#Positions	52	52	52	52	52	52
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000
	#Extra Help	0	25	25	25	25	25
Personal Services Matching	5010003	560,666	649,438	674,768	683,493	683,493	683,493
Operating Expenses	5020002	5,093,350	7,140,638	7,140,638	7,649,295	7,649,295	7,649,295
Conference & Travel Expenses	5050009	3,443	20,000	20,000	30,000	30,000	30,000
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	178,346	428,786	428,786	650,310	650,310	650,310
Total		7,617,248	10,213,359	10,282,236	11,074,002	11,074,002	11,074,002
Funding Sources							
Fund Balance	4000005	3,723,490	2,037,132		1,490,683	1,490,683	1,490,683
Special Revenue	4000030	5,930,890	9,666,910		10,809,116	10,809,116	10,809,116
Total Funding		9,654,380	11,704,042		12,299,799	12,299,799	12,299,799
Excess Appropriation/(Funding)		(2,037,132)	(1,490,683)		(1,225,797)	(1,225,797)	(1,225,797)
Grand Total		7,617,248	10,213,359		11,074,002	11,074,002	11,074,002

Analysis of Budget Request

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

The Department of Correction's Farm Program is funded from special revenue derived from the sale of marketable agricultural and livestock products. In addition, the farm provides vegetables, meat, milk, and eggs for consumption by the inmate population. The primary goal of the Farm program is to provide useful and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock.

State funding for inmate consumables is provided in the form of a loan from the Budget Stabilization Trust Fund not to exceed \$4.6 million annually. This loan may be forgiven at the end of the year upon certification of an equivalent amount of farm-produced food consumed by inmates.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	2,182,845	2,435,283	2,393,503	2,443,140	2,443,140	2,443,140
	#Positions	57	60	60	60	60	60
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000
	#Extra Help	0	25	25	25	25	25
Personal Services Matching	5010003	678,460	811,301	794,014	804,112	804,112	804,112
Operating Expenses	5020002	7,699,981	7,819,495	10,091,135	11,822,019	11,822,019	11,822,019
Conference & Travel Expenses	5050009	5,038	30,100	31,040	38,910	38,910	38,910
Professional Fees	5060010	62,622	322,354	322,354	328,354	328,354	328,354
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	645,603	1,427,500	1,815,000	1,683,000	1,683,000	1,683,000
Purchase Cattle/Meat	5900047	398,533	650,000	650,000	650,000	650,000	650,000
Total		11,673,082	13,506,033	16,107,046	17,779,535	17,779,535	17,779,535
Funding Sources							
Fund Balance	4000005	2,711,507	2,290,944		860,348	860,348	860,348
Special Revenue	4000030	7,553,952	7,475,437		13,179,535	13,179,535	13,179,535
Budget Stabilization Trust	4000130	3,600,000	4,600,000		4,600,000	4,600,000	4,600,000
DFA Motor Vehicle Acquisition	4000184	98,567	0		0	0	0
Total Funding		13,964,026	14,366,381		18,639,883	18,639,883	18,639,883
Excess Appropriation/(Funding)		(2,290,944)	(860,348)		(860,348)	(860,348)	(860,348)
Grand Total		11,673,082	13,506,033		17,779,535	17,779,535	17,779,535

The FY10 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the Authorized Amount due to salary and matching rate adjustments.

Analysis of Budget Request

Appropriation: 847 - Federal Programs

Funding Sources: FDC - Federal Programs

This federally funded appropriation provides for the operations for multiple Federal Program Grants. Currently, there is a grant with the Federal Bureau of Justice to be used for enhancement of the Statewide Automated Victim Information and Notification Program (SAVIN). This program ensures victims of crime receive accurate and timely information regarding the status of offenders and events related to their case. This information-sharing capability is also available to courts, corrections, and law enforcement officials.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Governor's Letter provided additional appropriation for anticipated federal funded grants.

Appropriation Summary

Appropriation: 847 - Federal Programs

Funding Sources: FDC - Federal Programs

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	41,789	32,605	163,907	167,677	42,840	167,677
	#Positions	1	1	1	1	1	1
Personal Services Matching	5010003	12,818	11,856	55,728	56,891	13,818	56,891
Operating Expenses	5020002	231,500	2,500	2,500	2,500	0	2,500
Conference & Travel Expenses	5050009	0	2,000	2,000	2,000	0	2,000
Professional Fees	5060010	133,500	1,004,800	1,029,070	897,267	65,902	897,267
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		419,607	1,053,761	1,253,205	1,126,335	122,560	1,126,335
Funding Sources							
Federal Revenue	4000020	419,607	1,053,761		1,126,335	122,560	1,126,335
Total Funding		419,607	1,053,761		1,126,335	122,560	1,126,335
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		419,607	1,053,761		1,126,335	122,560	1,126,335

Actual and/or Budgeted amounts for Regular Salary, Personal Service Matching and Operating Expenses exceed Budget and/or Authorized amounts due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

The Inmate Welfare appropriation provides for the operation of Pen Stores, which are self-supporting operations in which inmates can purchase various commissary supplies, primarily snack foods, in the Department's various units. The sales from these stores are deposited as cash funds and used for operational costs. In addition, the funds are used to purchase such items as chairs, televisions, visitation tables, and recreational equipment for inmate use.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	0	715,960	751,339	776,478	776,478	776,478
	#Positions	0	25	27	27	27	27
Personal Services Matching	5010003	0	274,583	290,604	295,710	295,710	295,710
Operating Expenses	5020002	9,127,267	10,923,240	10,923,240	11,479,400	11,479,400	11,479,400
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	300,000	605,000	600,000	600,000	600,000
Total		9,127,267	12,213,783	12,570,183	13,151,588	13,151,588	13,151,588
Funding Sources							
Fund Balance	4000005	3,332,644	3,269,671		1,504,248	1,504,248	1,504,248
Cash Fund	4000045	9,064,294	10,448,360		13,462,983	13,462,983	13,462,983
Total Funding		12,396,938	13,718,031		14,967,231	14,967,231	14,967,231
Excess Appropriation/(Funding)		(3,269,671)	(1,504,248)		(1,815,643)	(1,815,643)	(1,815,643)
Grand Total		9,127,267	12,213,783		13,151,588	13,151,588	13,151,588

Analysis of Budget Request

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

This cash appropriation is funded by proceeds derived from contractual agreement with a telephone service provider for the operation of a coin-less telephone system. The program allows inmates to call family or friends collect with a portion of the receipts from such calls paid to the Department of Correction by the telephone company. The appropriation is used for inmate assistance projects, security equipment, long term needs, and general operations as annually approved by the Arkansas Board of Corrections.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	2,662,551	1,089,575	2,903,750	2,903,750	2,903,750	2,903,750
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	191,370	160,000	213,151	213,151	213,151	213,151
Construction	5090005	440,875	2,255,725	2,255,725	2,255,725	2,255,725	2,255,725
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	214,127	294,700	400,000	400,000	400,000	400,000
Total		3,508,923	3,800,000	5,772,626	5,772,626	5,772,626	5,772,626
Funding Sources							
Fund Balance	4000005	1,843,151	902,754		0	0	0
Cash Fund	4000045	2,568,526	2,897,246		5,772,626	5,772,626	5,772,626
Total Funding		4,411,677	3,800,000		5,772,626	5,772,626	5,772,626
Excess Appropriation/(Funding)		(902,754)	0		0	0	0
Grand Total		3,508,923	3,800,000		5,772,626	5,772,626	5,772,626

Actual Expenditures for FY09 exceed Budget Amount in Operating Expenses and Professional Fees due to Agency not fully budgeting Authorized appropriation in FY10.

Analysis of Budget Request

Appropriation: B01 - Regional Facilities Oprs Cash

Funding Sources: 143 - Cash in Bank

This appropriation request is for Debt Service/Lease payments through the Arkansas Development Finance Authority for the bonded indebtedness or leases of regional correctional facilities. Receipts into this account are transfers from work release cash funds, payments to the Department of Correction for the housing of county and city prisoners in regional facilities, or such other sources as required.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: B01 - Regional Facilities Oprs Cash

Funding Sources: 143 - Cash in Bank

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Debt Service 5120019	0	800,000	800,000	800,000	800,000	800,000
Total	0	800,000	800,000	800,000	800,000	800,000
Funding Sources						
Cash Fund 4000045	0	800,000		800,000	800,000	800,000
Total Funding	0	800,000		800,000	800,000	800,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	800,000		800,000	800,000	800,000

Analysis of Budget Request

Appropriation: B06 - Prison Housing Contract Cash

Funding Sources: 143 - Cash in Bank

This appropriation request is for Debt Service/Lease payments through the Arkansas Development Finance Authority for the bonded indebtedness or leases of regional correctional facilities. Receipts into this account are transfers from work release cash funds, payments to the Department of Correction for the housing of county and city prisoners in regional facilities, or such other sources as required.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: B06 - Prison Housing Contract Cash

Funding Sources: 143 - Cash in Bank

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Debt Service 5120019	0	200,000	200,000	200,000	200,000	200,000
Total	0	200,000	200,000	200,000	200,000	200,000
Funding Sources						
Cash Fund 4000045	0	200,000		200,000	200,000	200,000
Total Funding	0	200,000		200,000	200,000	200,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	200,000		200,000	200,000	200,000

Analysis of Budget Request

Appropriation: C02 - Constr Fund Deficiency Cash

Funding Sources: 143 - Cash in Bank

This appropriation request is for Debt Service/Lease payments through the Arkansas Development Finance Authority for the bonded indebtedness or leases of regional correctional facilities. Receipts into this account are transfers from work release cash funds, payments to the Department of Correction for the housing of county and city prisoners in regional facilities, or such other sources as required.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: C02 - Constr Fund Deficiency Cash

Funding Sources: 143 - Cash in Bank

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Debt Service 5120019	0	500,000	500,000	500,000	500,000	500,000
Total	0	500,000	500,000	500,000	500,000	500,000
Funding Sources						
Cash Fund 4000045	0	500,000		500,000	500,000	500,000
Total Funding	0	500,000		500,000	500,000	500,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	500,000		500,000	500,000	500,000

DEPARTMENT OF COMMUNITY CORRECTION

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF COMMUNITY CORRECTION
FOR THE YEAR ENDED JUNE 30, 2007

Findings

None

Recommendations

None

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1BA Community Correction - Federal	126,150	0	4,137,882	0	4,137,882	0	4,137,882	0	4,137,882	0	4,137,882	0
1BR Residents Cash Treasury	838,305	0	1,882,024	0	1,882,024	0	1,882,024	0	1,882,024	0	1,882,024	0
2GH Community Correction-Special	8,577,047	104	11,279,573	118	11,315,376	118	11,432,709	118	11,432,709	118	11,432,709	118
2GK County Jail Reimbursement	1,012,824	0	1,960,100	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
510 Community Correction - State	63,665,065	1,167	65,525,235	1,106	78,837,027	1,269	80,228,412	1,269	86,794,866	1,312	80,228,412	1,269
Total	74,219,391	1,271	84,784,814	1,224	99,172,309	1,387	100,681,027	1,387	107,247,481	1,430	100,681,027	1,387

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	14,492,689	16.4	13,963,572	14.7	10,003,650	9.6	10,003,650	8.9	10,003,650	9.6
General Revenue	4000010	64,077,828	72.7	65,371,771	69.0	79,349,080	75.9	88,293,220	78.8	79,349,080	75.9
Federal Revenue	4000020	126,150	0.1	4,137,882	4.4	4,137,882	4.0	4,137,882	3.7	4,137,882	4.0
Special Revenue	4000030	7,622,580	8.6	7,652,543	8.1	7,275,800	7.0	7,275,800	6.5	7,275,800	7.0
Cash Fund	4000045	1,822,795	2.1	2,162,696	2.3	2,270,286	2.2	2,270,286	2.0	2,270,286	2.2
Tobacco Settlement Funds Grant	4000496	0	0.0	1,500,000	1.6	1,500,000	1.4	0	0.0	1,500,000	1.4
Transfer 20% Asset Forfeiture	4000500	40,921	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		88,182,963	100.0	94,788,464	100.0	104,536,698	100.0	111,980,838	100.0	104,536,698	100.0
Excess Appropriation/(Funding)		(13,963,572)		(10,003,650)		(3,855,671)		(4,733,357)		(3,855,671)	
Grand Total		74,219,391		84,784,814		100,681,027		107,247,481		100,681,027	

Analysis of Budget Request

Appropriation: 1BA - Community Correction - Federal

Funding Sources: FPF - Federal Fund

This appropriation is funded by federal funds and provides support for several Federal Grant Programs. The Programs are for Offender Substance Abuse Rehabilitation Treatment, Drug Court, Serious and Violent Offenders, Transitional Housing and preparation for release from incarceration with follow up.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 1BA - Community Correction - Federal

Funding Sources: PPF - Federal Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses 5020002	0	206,270	206,270	206,270	206,270	206,270
Conference & Travel Expenses 5050009	0	74,415	74,415	74,415	74,415	74,415
Professional Fees 5060010	126,150	3,210,386	3,210,386	3,210,386	3,210,386	3,210,386
Data Processing 5090012	0	0	0	0	0	0
Grants and Aid 5100004	0	646,811	646,811	646,811	646,811	646,811
Capital Outlay 5120011	0	0	0	0	0	0
Total	126,150	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882
Funding Sources						
Federal Revenue 4000020	126,150	4,137,882		4,137,882	4,137,882	4,137,882
Total Funding	126,150	4,137,882		4,137,882	4,137,882	4,137,882
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	126,150	4,137,882		4,137,882	4,137,882	4,137,882

Analysis of Budget Request

Appropriation: 1BR - Residents Cash Treasury

Funding Sources: NCC - Cash in Treasury

The Residential Services appropriation provides for the operation of the Community Correction Facilities Commissaries. These are self-supporting operations in which residents can purchase various commissary supplies and snack foods in the Department's various centers. This appropriation also utilizes the proceeds from the coin-less telephone program in which the Agency receives partial reimbursement from the telephone company for phone calls made by the residents. The proceeds are used to purchase items of mutual benefit to all residents. The appropriation is also used for inmate assistance projects, security equipment, long term needs and general operations.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 1BR - Residents Cash Treasury

Funding Sources: NCC - Cash in Treasury

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	838,305	1,717,354	1,717,354	1,717,354	1,717,354	1,717,354
Conference & Travel Expenses	5050009	0	62,870	62,870	62,870	62,870	62,870
Professional Fees	5060010	0	101,800	101,800	101,800	101,800	101,800
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		838,305	1,882,024	1,882,024	1,882,024	1,882,024	1,882,024
Funding Sources							
Fund Balance	4000005	1,270,547	1,695,897		1,363,005	1,363,005	1,363,005
Cash Fund	4000045	1,263,655	1,549,132		1,768,640	1,768,640	1,768,640
Total Funding		2,534,202	3,245,029		3,131,645	3,131,645	3,131,645
Excess Appropriation/(Funding)		(1,695,897)	(1,363,005)		(1,249,621)	(1,249,621)	(1,249,621)
Grand Total		838,305	1,882,024		1,882,024	1,882,024	1,882,024

Analysis of Budget Request

Appropriation: 2GH - Community Correction-Special

Funding Sources: SPF - Community Correction Revolving Fund

The Department of Community Correction is responsible for adult probation and parole services. This appropriation is utilized to support these services as well as special programs primarily for alcohol and drug and mental health treatment. The fees also provide for safety equipment, vehicles, and drug testing supplies. The special revenue supporting this appropriation includes fees and sanctions levied by the courts or authorized by the Board of Corrections and paid by offenders. The probation/parole fee is \$25 each month.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 2GH - Community Correction-Special
Funding Sources: SPF - Community Correction Revolving Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	3,432,493	4,230,024	4,203,052	4,301,249	4,301,249	4,301,249
	#Positions	104	118	118	118	118	118
Personal Services Matching	5010003	626,984	1,358,201	1,420,976	1,440,112	1,440,112	1,440,112
Operating Expenses	5020002	64,691	153,417	153,417	153,417	153,417	153,417
Conference & Travel Expenses	5050009	0	1,000	1,000	1,000	1,000	1,000
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	227,731	549,462	549,462	549,462	549,462	549,462
WMS Commission Parking Srvs from Fees	5900046	10,000	10,000	10,000	10,000	10,000	10,000
Community Correction Program	5900047	4,215,148	4,977,469	4,977,469	4,977,469	4,977,469	4,977,469
Total		8,577,047	11,279,573	11,315,376	11,432,709	11,432,709	11,432,709
Funding Sources							
Fund Balance	4000005	13,222,142	12,267,675		8,640,645	8,640,645	8,640,645
Special Revenue	4000030	7,622,580	7,652,543		7,275,800	7,275,800	7,275,800
Total Funding		20,844,722	19,920,218		15,916,445	15,916,445	15,916,445
Excess Appropriation/(Funding)		(12,267,675)	(8,640,645)		(4,483,736)	(4,483,736)	(4,483,736)
Grand Total		8,577,047	11,279,573		11,432,709	11,432,709	11,432,709

The FY10 Budgeted amount in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2010 fiscal year.

Analysis of Budget Request

Appropriation: 2GK - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Arkansas Code §19-5-1045 provides Jail Reimbursement to Counties by the Department of Community Correction. Prior to this legislation, only the Department of Correction could provide Jail Reimbursements to the Counties. In the event that the Department of Correction or Department of Community Correction could not accept inmates from county jails due to insufficient bed space, each Agency would have to reimburse the counties for housing the inmates.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2GK - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Refunds/Reimbursements 5110014	1,012,824	1,960,100	3,000,000	3,000,000	3,000,000	3,000,000
Total	1,012,824	1,960,100	3,000,000	3,000,000	3,000,000	3,000,000
Funding Sources						
General Revenue 4000010	1,012,824	1,960,100		2,000,000	2,000,000	2,000,000
Total Funding	1,012,824	1,960,100		2,000,000	2,000,000	2,000,000
Excess Appropriation/(Funding)	0	0		1,000,000	1,000,000	1,000,000
Grand Total	1,012,824	1,960,100		3,000,000	3,000,000	3,000,000

Analysis of Budget Request

Appropriation: 510 - Community Correction - State

Funding Sources: HCP - Department of Community Correction Fund

The Department of Community Correction (DCC) is charged with providing an alternative to traditional prison incarceration for non-violent offenders. To be admitted to community correction facilities and/or programs, one must have a suspended imposition of sentence, probation, judicial transfer directly to a community correction facility, or post prison transfer to a facility or parole supervision.

The Department provides a foundation for enhancement of community correction programs, which includes strengthening and support of probation and parole services as well as implementation of non-traditional programs for offenders. The Department has the following six centers: the Central Arkansas Community Correction Center in Little Rock; the Southeast Arkansas Community Center in Pine Bluff; the Southwest Arkansas Community Center in Texarkana; the Northeast Arkansas Community Center in Osceola; the Technical Violator Center in Malvern; and the Northwest Arkansas Community Center in Fayetteville.

The Field Services Substance Abuse Program addresses not only chemical dependency but also many other issues through Day Reporting Centers, the Expanded Services Program and the substance abuse services offered in the area probation and parole offices.

The Department has successfully implemented a program that works within and through the Drug Court System. This program provides an alternative to incarceration to first time offenders and in addition provides a cost conscious system designed for the long term benefits by treating first time offenders in such a method as to change the norm since in addition to chemical dependency the majority of these offenders have multiple life control problems. There are currently 40 Drug Courts across the State.

The Agency is responsible for the licensing and monitoring of transitional housing facilities in the State. The Transitional Housing Program was started to alleviate some of the overcrowding caused by those inmates that do not have a place to go upon release. A fee of \$24 per day will be paid to transitional housing facilities and allow placement of approximately 342 offenders.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Governor's Letter provided \$1.5 million from the Tobacco Prevention and Cessation Program for the Adult Drug Court Program.

Appropriation Summary

Appropriation: 510 - Community Correction - State

Funding Sources: HCP - Department of Community Correction Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	34,495,050	36,094,184	41,410,353	42,340,220	43,750,313	42,340,220
	#Positions	1,167	1,106	1,269	1,269	1,312	1,269
Extra Help	5010001	8,037	25,000	25,000	25,000	25,000	25,000
	#Extra Help	5	10	10	10	10	10
Personal Services Matching	5010003	11,899,997	12,241,116	14,544,897	14,726,143	15,220,272	14,726,143
Operating Expenses	5020002	10,372,256	8,872,425	11,719,963	12,143,786	14,291,063	12,143,786
Conference & Travel Expenses	5050009	35,090	28,828	39,400	39,400	39,400	39,400
Professional Fees	5060010	6,854,635	8,263,682	10,851,646	10,906,647	13,101,147	10,906,647
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	245,768	47,216	367,671	47,216
Total		63,665,065	65,525,235	78,837,027	80,228,412	86,794,866	80,228,412
Funding Sources							
General Revenue	4000010	63,065,004	63,411,671		77,349,080	86,293,220	77,349,080
Cash Fund	4000045	559,140	613,564		501,646	501,646	501,646
Tobacco Settlement Funds Grant	4000496	0	1,500,000		1,500,000	0	1,500,000
Transfer 20% Asset Forfeiture	4000500	40,921	0		0	0	0
Total Funding		63,665,065	65,525,235		79,350,726	86,794,866	79,350,726
Excess Appropriation/(Funding)		0	0		877,686	0	877,686
Grand Total		63,665,065	65,525,235		80,228,412	86,794,866	80,228,412

The FY09 Actual amounts for Operating Expenses and Conference and Travel Expenses exceeds the Authorized amount due to a higher Authorized appropriation in FY09.

DOE - Public School Fund

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2008

Findings

The Office of Teacher Quality failed to adequately monitor and review the end-of-year budget reports submitted by local education agencies (LEA) participating in the Pathwise Mentoring Program due to ineffectively designed policies and procedures. Program assurances require a LEA to submit an end-of-year budget report at the completion of each school year which details the calculation of their award, the allowable expenditures during the year, and any program funds remaining. Residual program funds may be carried over to the next school year and impact that year's funding by reducing the award received. Twelve of the 21 program participants that were reviewed submitted end-of-year reports with errors which were not discovered by the Office of Teacher Quality and resulted in net overpayments of \$25,098. Also, one participant did not submit a required end-of-year report but still received an award of \$16,200 in the subsequent year.

Recommendations

The Office of Teacher Quality review all items in the end-of-year budget reports submitted by LEAs to ensure accurate reporting as well as the appropriate calculation of future funding.

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
057 Smart Start/Smart Step	10,502,118	0	10,457,160	0	10,457,160	0	10,666,303	0	10,666,303	0	10,666,303	0
082 English Language Learners	9,102,143	0	10,231,111	0	10,231,111	0	10,231,111	0	12,157,000	0	10,231,111	0
088 At Risk	4,175,893	0	5,118,030	0	5,118,030	0	5,188,530	0	1,688,530	0	5,188,530	0
091 Special Ed-Catastrophic	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0
094 Youth Shelters	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0
108 Tech Improvements	945,567	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
119 Tech Grants	3,602,195	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0
136 Distressed School District Support	8,779	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
150 Home School Test	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
1PS Non-Traditional Licensure	25,825	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1QV Content & Curriculum	68,367	0	50,000	0	50,000	0	50,000	0	0	0	50,000	0
1XE Economic Education	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0
2HP State Foundation Funding	1,831,305,419	0	1,782,297,537	0	1,833,770,949	0	1,843,181,242	0	1,887,533,111	0	1,843,181,242	0
2HR National School Lunch	157,767,290	0	161,866,532	0	161,071,480	0	161,071,480	0	165,098,267	0	161,071,480	0
2HS Prof Development Fund	19,283,992	0	23,076,951	0	23,279,850	0	23,279,850	0	23,380,750	0	23,279,850	0
2HT Teacher Housing Development	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
2HU Supplemental Millage	6,979,763	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
2HX Distance Learning Operations	5,723,910	0	10,331,400	0	10,331,400	0	10,331,400	0	10,331,400	0	10,331,400	0
2HY Education Renewal Zones	1,802,819	5	2,063,524	5	2,085,784	5	2,093,782	5	2,093,782	5	2,093,782	5
2HZ Academic Improvement Training	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2JA Content Standards	158,862	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0
2JB Intensive School Support	0	0	320,000	0	320,000	0	320,000	0	320,000	0	320,000	0
2JC Teacher Recruitment	1,609,388	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
2ZH School Funding Contingency	0	0	0	0	25,000,000	0	25,000,000	0	25,000,000	0	25,000,000	0
2ZK Leadership Acdmy-Mstr Principal	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2ZM Master Principal Bonus	72,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0
2ZS Special Needs Isolated Funding	4,620,969	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
311 Alternative Learning	20,169,790	0	19,968,837	0	19,968,837	0	19,968,837	0	19,968,837	0	19,968,837	0
326 General Facilities Funding	5,662,473	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0
331 Isolated Funding	7,156,657	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0
332 Student Growth	25,016,916	0	48,337,856	0	54,851,000	0	54,851,000	0	54,851,000	0	54,851,000	0
336 Bonded Debt Assistance	19,772,439	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0
34K Alternative Pay	807,907	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
34M Traveling Teachers	11,550	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
34N 98% URT Actual Collection Adj	28,937,808	0	25,367,101	0	25,367,101	0	26,508,621	0	26,508,621	0	26,508,621	0
380 Dept of Correction	5,147,675	0	5,447,675	0	5,447,675	0	5,597,675	0	5,597,675	0	5,597,675	0
394 Residential Ctrs/Juv Detention	13,515,718	0	15,188,254	0	15,188,254	0	15,188,254	0	15,016,533	0	15,188,254	0
421 Consolidation Incentive	0	0	5,210,100	0	5,210,100	0	5,210,100	0	5,210,100	0	5,210,100	0
425 Pygmalion Commission	40,000	0	40,000	0	40,000	0	40,000	0	40,000	0	40,000	0
434 Coop Education Tech Centers	1,200,000	0	1,200,000	0	1,200,000	0	1,200,000	0	1,200,000	0	1,200,000	0
437 Teacher Retirement Matching	7,044,735	0	6,655,000	0	6,655,000	0	6,655,000	0	7,337,138	0	6,655,000	0
438 Ntl Bd Prof Teaching Standards	6,090,743	0	7,475,840	0	7,475,840	0	7,475,840	0	9,106,160	0	7,475,840	0
440 Advanced Placement Incentive	822,905	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0
444 Criminal Background Checks	1,804	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
445 AR Easter Seals	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0
446 Public School Employee Ins	36,326,768	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0
447 School Food Services	1,650,000	0	1,650,000	0	1,650,000	0	1,650,000	0	1,650,000	0	1,650,000	0
450 Surplus Commodities	0	0	780,000	0	1,027,858	0	1,027,858	0	1,127,858	0	1,027,858	0
451 Grants to School Districts	50,000	0	67,856	0	67,856	0	67,856	0	50,000	0	67,856	0
452 Workers' Compensation	0	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
454 School Food-Legislative Audit	75,000	0	75,000	0	75,000	0	75,000	0	100,000	0	75,000	0
457 Gifted & Talented	1,422,875	0	1,451,354	0	1,451,354	0	1,480,381	0	1,480,381	0	1,480,381	0
458 School Worker Defense	153,186	0	390,000	0	390,000	0	390,000	0	390,000	0	390,000	0
459 Assessment/End Course Testing	15,473,394	0	23,887,747	0	23,887,747	0	23,887,747	0	23,887,747	0	23,887,747	0
460 Court Ordered Desegregation	69,296,856	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0
4HM Teacher of the Year	74,460	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0
4HN Declining Enrollment	12,082,642	0	20,476,533	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0
565 Intervention Block Grants	137,000	0	227,000	0	227,000	0	227,000	0	137,000	0	227,000	0
566 Serious Offender	1,029,043	0	1,050,946	0	1,050,946	0	1,050,946	0	1,050,946	0	1,050,946	0
58N SLP Incentive Bonus	0	0	2,500,000	0	2,500,000	0	2,500,000	0	0	0	2,500,000	0
59N Baccalaureate Program	0	0	75,000	0	75,000	0	75,000	0	0	0	75,000	0
59V Coord School Health	0	0	3,000,000	0	3,000,000	0	3,000,000	0	0	0	3,000,000	0
59W School Facility Joint Use	0	0	1,000,000	0	1,000,000	0	1,000,000	0	0	0	1,000,000	0
59X Add Public School Employee Ins	0	0	15,000,000	0	15,000,000	0	15,000,000	0	0	0	15,000,000	0
59Y Smart Core Incentive	0	0	3,000,000	0	3,000,000	0	3,000,000	0	0	0	3,000,000	0
652 Better Chance Program	110,609,612	0	111,000,000	0	113,775,000	0	116,619,375	0	116,619,375	0	116,619,375	0

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
668 Special Education Services	4,142,967	0	4,145,285	0	4,145,285	0	4,145,285	0	4,145,285	0	4,145,285	0
669 Human Dev Ctr Education Aid	0	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0
670 Education Service Cooperatives	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0
688 APSCN	9,771,051	43	24,873,328	46	24,896,059	46	26,775,910	46	26,775,910	46	26,775,910	46
697 Early Childhood Special Educ	15,147,251	0	15,623,079	0	15,623,079	0	15,623,079	0	15,935,541	0	15,623,079	0
698 Distance Learning	6,283,000	0	6,500,000	0	6,500,000	0	6,500,000	0	6,500,000	0	6,500,000	0
699 Teacher Licensing/Mentoring	6,866,921	0	7,508,758	0	7,508,758	0	7,508,758	0	7,508,758	0	7,508,758	0
Total	2,508,833,828	48	2,581,141,361	51	2,660,090,469	51	2,675,833,176	51	2,700,583,964	51	2,675,833,176	51

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	66,783,242	2.6	54,913,877	2.1	13,358,766	0.5	13,358,766	0.5	13,358,766	0.5
Court Ordered Desegregation	4000180	69,270,969	2.7	69,814,372	2.7	69,814,372	2.6	69,814,372	2.6	69,814,372	2.6
DOE Public School Fund	4000195	1,857,415,212	72.4	1,820,548,593	70.2	1,900,360,825	71.5	1,966,982,442	72.5	1,900,360,825	71.5
E-Rate Credit	4000207	0	0.0	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4
Educational Adequacy Fund	4000210	397,761,621	15.5	439,761,621	16.9	439,761,621	16.5	439,761,621	16.2	439,761,621	16.5
Educational Excellence Fund	4000220	193,587,340	7.6	190,786,664	7.4	192,211,154	7.2	192,211,154	7.1	192,211,154	7.2
TANF Transfer	4000478	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	0	0.0	7,500,000	0.3
Trnfr frm DOE Pub School Fund	4000525	(33,425,833)	(1.3)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)
Transfer frm GR Allotment Rrsv	4000544	0	0.0	7,000,000	0.3	0	0.0	0	0.0	0	0.0
Trnfr to DOE Public School Fund	4000625	3,569,126	0.1	3,180,000	0.1	0	0.0	0	0.0	0	0.0
Transit Tax	4000700	1,286,028	0.1	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0
Unfunded Appropriation	4000715	0	0.0	0	0.0	34,769,443	1.3	30,819,375	1.1	34,769,443	1.3
Total Funds		2,563,747,705	100.0	2,594,500,127	100.0	2,658,771,181	100.0	2,713,942,730	100.0	2,658,771,181	100.0
Excess Appropriation/(Funding)		(54,913,877)		(13,358,766)		17,061,995		(13,358,766)		17,061,995	
Grand Total		2,508,833,828		2,581,141,361		2,675,833,176		2,700,583,964		2,675,833,176	

Budget and/or Actuals exceed Authorized in Smart Start/Smart Step, National School Lunch, Special Needs Isolated Funding, Alternative Learning, Teacher Retirement Matching and Declining Enrollment due to special language which provides for Appropriation Transfer Authority.

Actual exceeds Authorized in Content & Curriculum due to reduction in the FY10 Authorized amount by the 87th General Assembly.

Actual exceeds Authorized in 98% URT Actual Collection Adjustment due to supplemental appropriation provided in Act 618 of 2009.

Analysis of Budget Request

Appropriation: 2HY - Education Renewal Zones

Funding Sources: JAA - Department of Education Public School Fund

The Office of Educational Renewal Zones is responsible for developing guidelines for the approval of education renewal zone strategic plans and guidelines for the evaluation and reporting of education renewal zone activities. The purpose of an education renewal zone is to: identify and implement education and management strategies designed specifically to improve public school performance and student academic achievement, with special focus on the State's most academically distressed public schools; provide for collaboration among the State's smaller schools and districts in order to achieve some of the advantages of economies of scale in providing educational and related activities; maximize benefits and outcomes of public schooling by concentrating and coordinating the resources of Arkansas' higher education institutions, the expertise of the regional education service cooperatives, and the technical assistance of other service providers to improve public school performance and student academic achievement; and enable small, rural, and low-wealth schools to make the best use of the latest cost-effective distance learning technology to enhance curricula and professional development through two-way interactive learning environments.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 2HY - Education Renewal Zones

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	272,825	269,465	286,452	293,025	293,025	293,025
	#Positions	5	5	5	5	5	5
Personal Services Matching	5010003	70,418	82,359	87,632	89,057	89,057	89,057
Operating Expenses	5020002	50,068	91,800	91,800	91,800	91,800	91,800
Conference & Travel Expenses	5050009	9,664	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	128,078	306,900	306,900	306,900	306,900	306,900
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	1,271,766	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Capital Outlay	5120011	0	0	0	0	0	0
Total		1,802,819	2,063,524	2,085,784	2,093,782	2,093,782	2,093,782
Funding Sources							
DOE Public School Fund	4000195	1,802,819	2,063,524		2,093,782	2,093,782	2,093,782
Total Funding		1,802,819	2,063,524		2,093,782	2,093,782	2,093,782
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		1,802,819	2,063,524		2,093,782	2,093,782	2,093,782

The FY09 Actual exceeds FY10 Budgeted amount in Regular Salaries due to salary adjustments.

Analysis of Budget Request

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Arkansas Public School Computer Network (APSCN) - From a non-profit Agency begun in 1992, APSCN became a part of the Department of Education in 1998. APSCN's mission is to implement a statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the Department of Education to provide electronic access to administrative computing services and remote instructional services. Schools, district offices and Cooperatives use APSCN to process financial and student data.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	1,877,138	2,191,905	2,190,699	2,233,046	2,233,046	2,233,046
	#Positions	43	46	46	46	46	46
Personal Services Matching	5010003	586,783	685,826	709,763	718,947	718,947	718,947
Operating Expenses	5020002	1,493,363	21,488,347	21,488,347	23,316,667	23,316,667	23,316,667
Conference & Travel Expenses	5050009	2,615	7,250	7,250	7,250	7,250	7,250
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	5,541,564	0	0	0	0	0
Capital Outlay	5120011	0	200,000	200,000	200,000	200,000	200,000
Data Access Implementation	5900046	269,588	300,000	300,000	300,000	300,000	300,000
Total		9,771,051	24,873,328	24,896,059	26,775,910	26,775,910	26,775,910
Funding Sources							
DOE Public School Fund	4000195	9,771,051	18,173,328		16,340,027	19,875,910	16,340,027
E-Rate Credit	4000207	0	6,700,000		6,700,000	6,700,000	6,700,000
Unfunded Appropriation	4000715	0	0		3,735,883	200,000	3,735,883
Total Funding		9,771,051	24,873,328		26,775,910	26,775,910	26,775,910
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		9,771,051	24,873,328		26,775,910	26,775,910	26,775,910

FY10 Budget amount in Regular Salaries exceeds the Authorized amount due to salary adjustments.

Actual exceeds Budget/Authorized amounts in Data Processing due to reallocation of Data Processing to Operating Expenses to properly classify expenses.

Analysis of Budget Request

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

The Department of Education Public School Fund provides the primary State financial assistance to Arkansas' public elementary and secondary schools. For FY10, the major funding sources for the Department of Education Public School Fund are projected as: general revenue funding of approximately \$1.821 billion, the Educational Excellence Trust Fund will provide \$190.8 million, and the Educational Adequacy Fund will provide \$439.8 million.

The following discussion summarizes each program in the Department of Education Public School Fund:

Certified Speech-Language Pathologist Incentive Bonuses (58N) - Act 1187 of 2005 amended A.C.A. §6-17-413 by adding subsection (d) which provides for yearly incentive bonuses of \$5,000 to a certified speech-language pathologist who: (1) holds an Arkansas teaching license in speech-language pathology, (2) is a full-time employee of an Arkansas education service cooperative or public school district as a speech-language pathologist and (3) is not considered a purchase service contractor.

This appropriation was added to the Public School Fund by a member bill and actions of the 87th General Assembly.

Non-Traditional Licensure Grants (1PS) - This program supplements the cash funded Alternative Certification program which was developed by the Department of Education for certifying individuals, that have expertise and knowledge in a particular subject, but do not have the standard teaching certificate, to teach.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Intervention Block Grants (565) - This program provides grants to local school districts, schools and education cooperatives to provide services targeting parent involvement. The grants support the Smart Start and Smart Step Initiatives by providing the child's first teacher, the parent, with resources that will support literacy and mathematics achievement.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Technology Grants (119) - The Technology Grants appropriation is used to make technology grants to school districts for such programs as the Environmental and Spatial Technology (EAST) Initiative. The EAST program has received high praise from local school administrators and parents as well as national recognition. The EAST Initiative began in the 1996-97 school year at Greenbrier High School with 20 students. Today, the program has grown to over 10,000 students. Through their schools' EAST labs, students use technology and their training and knowledge to solve real-world problems facing their communities.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Arkansas Teacher Housing Development Foundation (2HT) - This appropriation provides an operating grant to the Arkansas Teacher Housing Development Foundation. The purpose of the foundation is to facilitate the development of affordable housing for high-performing teachers in high-priority school districts and to provide housing incentives to encourage high-performing teachers to relocate to high-priority districts.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Smart Core Incentive Funding Program (59Y) - Established in Act 1481 of 2009, this program, in an effort to address the problem of public high school students opting out of the Smart Core Curriculum will provide financial incentives to public high schools for encouraging students to complete the Smart Core curriculum.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and an adopted Governor's letter. The Governor's Letter established this line item appropriation in the Public School Fund with no additional general revenue for FY10.

Grants to School Districts (451) - These payments are made for educating students in North Arkansas who can't get to their assigned district because Bull Shoals Lake separates them from their district, which would require a round trip of more than 35 miles to attend their assigned school.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Better Chance Program (652) - This program funds innovative and developmentally appropriate early childhood programs for educationally deprived children ages 3-5. Act 1132 of 1997 transferred the Early Childhood Commission to the Department of Human Services with the Grants remaining with the Department of Education.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

International Baccalaureate Program (59N) - This appropriation provides for grants and aid to local school districts participating in the International Baccalaureate Program (IB). The International Baccalaureate (IB) Diploma Program is an internationally recognized rigorous pre-university curriculum that is studied over a two-year period, 11th and 12th grade years. Students have an opportunity to earn the IB Diploma in addition to the regular high school diploma. This can be accomplished by successfully completing internal and external assessments in six different IB subjects; writing an extended essay based on independent research that is mentored by a faculty member, completing 150 hours of creative, action, and service activities (CAS) and studying a critical thinking course called Theory of Knowledge. This educational program provides an opportunity for students to develop skills for becoming a productive, caring citizen in a global, technological society.

This appropriation was added to the Public School Fund by a member bill and actions of the 87th General Assembly.

Additional Public School Employee Health Insurance (59X) - In the event that the 98% URT used in the calculation of the State Foundation Funding Aid exceeds nine hundred twenty million seven hundred thirty one thousand eight hundred and nineteen dollars (\$920,731,819) the Department of Education is to pay fifteen million (\$15,000,000) of the total increase over the nine hundred twenty million seven hundred thirty one thousand eight hundred and nineteen dollars (\$920,731,819) to the Employee Benefits Division of the Department of Finance and Administration as additional health insurance contributions for eligible employees electing to participate in the public school employee's health insurance program administered by the State and Public School Life and Health Insurance Board.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and member amendments.

Economic Education (1XE) - The objective of this program is to integrate economics into the K-12 curriculum by training teachers and administrators in economic principles.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Distance Learning Operating Grants (2HX) - These grants provide funding for acquiring and or leasing equipment and telecommunications services, and operating expenses necessary for school districts to have two-way interactive television for distance learning education. The primary purpose is to provide distance learning resources to assist school districts in receiving advanced high school courses, advanced placement courses, enriched course content, or other academic courses not otherwise available in the school district.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Declining Enrollment (4HN) - Act 20 of the 1st Extraordinary Session of 2006 provides school districts with declining enrollment additional funding equal to the difference between the average of the two immediately preceding years' average daily membership and the average daily membership for the previous school year multiplied by \$5,620 or the special needs isolated funding under A.C.A. §6-20-604. A school district may receive both declining enrollment funding and special needs isolated funding only if sufficient funding is available.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

School Food - Legislative Audit (454) - This is a fund transfer up to \$75,000 each year to compensate Legislative Audit for auditing school food funds in the local school districts.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

School Food Services (447) - This program combined with the Surplus Commodities program provides the State match for the total school food program in local schools. This grant is paid to school districts based on the number of lunches served.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

School Facility Joint Use Support (59W) - As part of the 2009 Healthcare Initiative, this program is designed to encourage schools to allow their physical plants, both indoor and outdoor, to be used by the public and by community members as an accessible and safe environment for community and family physical activity.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and Governor's letters adopted. The Governor's Letter established this line item appropriation in the Public School Fund with general revenue funding authorized by Act 180 of 2009 to increase the tax on cigarettes and certain other tobacco products.

School Funding Contingency (2ZH) - The School Funding Contingency appropriation is an authorization of unfunded appropriation that is used to address unforeseen problems that arise during the course of the fiscal year. The Department of Education has special language allowing the transfer of this appropriation to address problem areas.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Smart Start/Smart Step Assessment (057) - The Smart Start program is a comprehensive initiative that focuses on improving the academic achievement of Kindergarten through fourth grade students in the areas of reading and mathematics. Since its inception in FY00, this program has been expanded to include Smart Step and Next Step which covers grades five through eight. A state network of literacy and mathematics specialists assist schools with professional development to maintain a highly qualified teaching staff. In addition, the program provides professional development opportunities to all K-12 educators through statewide conferences, regional workshops and satellite delivered meetings. K-12 schools are also provided a variety of resources including professional books and videos.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Serious Offender Program (566) - Serious Offender Units for juveniles are operated by the Department of Human Services, but the Department of Education pays the educational costs of those located in these units through a Memorandum of Understanding (MOU) with DHS. School districts are provided funds based on the number of Serious Offender participants in the district. The funds then flow to the provider in the district. There are currently Serious Offender Programs (SOP) located in Mansfield, Harrisburg, Lewisville, Palestine-Wheatley, and Dermott school districts.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and

Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

School Worker Defense (458) - This program provides for claims and legal fees for liability suits against school personnel.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

National Board of Professional Teaching Standards (438) - A.C.A. §6-17-413(a)(1)(A) calls for teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and an adopted Governor's letter. The Governor's Letter provided additional appropriation for this program with no increase in general revenues to address updated estimate needs provided by the Department of Education.

National School Lunch Student Funding (2HR) - Funding for national school lunch students shall be based on the number of students eligible for free or reduced-price lunch program under the National School Lunch Act (NSLA) identified on the Arkansas Public School Computer Network Cycle Two Report.

The current rates for the NLSA as listed in A.C.A. § 6-20-2305(b)(4)(A), are:

- School districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$1,488;
- For school districts in which at least 70% but less than 90% of the enrolled students are national school lunch students, funding shall be \$992; and
- For school districts in which less than 70% of the enrolled students are national school lunch students, funding shall be \$496.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and an adopted Governor's letter. The Governor's Letter provided additional appropriation for this program with no increase in general revenues to address updated estimate needs provided by the Department of Education.

Master Principal Bonus (2ZM) - Act 44 of the 2nd Extraordinary Session of 2003 provided for incentive bonuses for principals achieving Master Principal status through the Arkansas Leadership Academy. Section 3 of Act 44 allows for \$9,000 annually for five years while serving

as a full-time principal in a public school in Arkansas. Section 4 provides for \$25,000 annually while working as a full time principal in an Arkansas "low-performing" school.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Professional Development Funding (2HS) - This aid, through Section 21 of Act 229 of 2007, is a formula driven program that provides \$50 per the previous year ADM students to school districts for professional development activities. Professional development is used to provide activities and materials to improve the knowledge of teachers and administrators to ensure that all students demonstrate proficiency in the state academic standards.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and an adopted Governor's letter. The Governor's Letter provided additional appropriation for this program with no increase in general revenues to address updated estimate needs provided by the Department of Education.

Residential Centers/Juvenile Detention (394) - This program provides reimbursement to school districts for the educational costs associated with disabled and non-disabled students placed in approved residential psychiatric and drug and alcohol treatment facilities or juvenile detention centers.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and an adopted Governor's letter. The Governor's Letter provided additional appropriation for this program with no increase in general revenues to address updated estimate needs provided by the Department of Education.

Pygmalion Commission (425) - This grant to the Pygmalion Commission (A.C.A. §6-15-1801 et seq.) on Nontraditional Education is to develop alternative learning environments and provide changes in curriculum, instructional approaches, school climate, and organization to improve educational outcomes for at-risk students.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Public School Employee Insurance (446) - This program pays the state contribution for insurance premiums for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals, and the school operated by the Department of Correction, and \$61 per month for each eligible employee electing to participate in the public school employee

health insurance program.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Special Education - Catastrophic (091) - Provides for state funding to school districts for local occurrences when the costs of special education and related services required by an individual child are unduly expensive, extraordinary, or beyond the routine and normal costs associated with special education. Reimbursement from this program for an individual child can be sought only after eligible costs equal or exceed \$30,000 for the special education child. Medicaid and other third party funding are obtained prior to requesting state catastrophic funding.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Teacher Retirement Matching (437) - This is the employer matching for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals and the school operated by the Department of Correction.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Teacher Recruitment High-Priority District (2JC) - A.C.A. §6-17-811 requires the Department of Education to provide a system of incentives for teacher recruitment and retention in high priority districts. A "High-Priority District" is one that has 1,000 or fewer students in which 80% or more of public school students are eligible for the free or reduced-price lunch program under the National School Lunch Act and have a three-quarter ADM of 1,000 or fewer for the 2003-2004 school year. Beginning in the 2004-2005 school year, a teacher licensed by the state board who teaches in a school in a high-priority district shall receive, in addition to all other salary and benefits, bonus payments as specified by law.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Teacher of the Year (4HM) - Act 17 of the 1st Extraordinary Session of 2006 established a grant for the Arkansas Teacher of the Year award. The Act requires the Department of Education to develop a process for selecting the Arkansas Teacher of the Year and provides that the teacher shall be placed on administrative leave for the year following his or her selection to assist with improving teaching conditions in the State.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Technology Improvements (108) - These improvements are used to update the technology hardware and software available to Educational Service Cooperatives and local school districts. The funds are also used to make educational technology resources available through statewide projects such as APSCN and joint efforts with the state library system. The technology improvement grants and resources provided through this appropriation affect virtually every district in the state.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Youth Shelters (094) - The Department of Human Services (DHS) maintains contracts with community providers for the operation of 10 youth shelters with approximately 250 beds. This program partially reimburses school districts for the additional costs of providing educational services to students placed in these facilities by DHS.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Workers' Compensation (452) - Claims and administrative expenses are paid by a fund transfer to the Miscellaneous Revolving Fund based on the previous year's claims. This appropriation is for claims made before 1994-95 when districts were required by Act 862 of 1993 to provide their own workers' compensation coverage.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Traveling Teachers (34M) - Act 1027 of 2007 created the Traveling Teachers program to assist rural schools districts having 8,000 students or fewer in providing appropriately certified licensed teachers to teach required courses in grades 9-12. The traveling teacher will teach one (1) or more required courses in a critical shortage area, or one of the required 38 units pursuant to the Department Rules Governing the Standards for Accreditation.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

State Foundation Funding (2HP) - State Foundation Funding is the amount of state financial aid provided to each school district. Act 59 of the Second Extraordinary Session of 2003 changed the process by which aid is distributed to school districts. Act 1474 of 2009 amended A.C.A. §6-20-2305(a) to establish the Foundation Funding amount as \$5,905 in FY10 and \$6,023 in FY11 multiplied by the school district's average daily membership (ADM) for the previous school year. Additionally, included in the FY10 foundation amount of \$5,905 school districts received Enhanced Educational Funding of \$35 multiplied by the school district's ADM for the previous school year.

The amount paid as State Foundation Funding is computed as the difference between the Foundation Funding amount established by the General Assembly (\$5,905 for FY10) times the ADM of the previous school year and less the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus 100% of miscellaneous funds (average over a 5 year period) of the school district. Open-Enrollment Charter Schools are also funded from the Foundation Funding line item at the Foundation amount times the current year ADM of the school.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Special Needs Isolated (2ZS) - Act 1452 of 2005 created this program for certain isolated schools and certain school districts with a low student density. The program allows for these schools that meet the eligibility criteria set by the Department, to receive additional funding to provide for an adequate education for the students.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Special Education Services (668) - This program provides extended year summer programs for students with disabilities, provides special education services to foster children who are wards of the State placed in out-of-state residential facilities, and provides funds for the partial reimbursement of special education supervisors.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Student Growth Funding (332) - Student Growth Funding is a program that provides supplemental funding to school districts that have a growth in students over the previous school year. Pursuant to Act 272 of 2007, student growth funding is comprised of four calculations.

One quarter (1/4) of the per student foundation funding (\$5,789 times ¼ for fiscal year 2007-2008) is multiplied by any increase in the school district's: (1) first quarter current year Average Daily Membership (ADM) over the 3-quarter ADM of the previous school year; (2) second quarter current year ADM over the 3-quarter ADM of the previous school year; (3) third quarter current year ADM over the 3-quarter ADM of the previous school year; and (4) fourth quarter current year ADM over the 3-quarter ADM of the previous school year, excluding any increase resulting solely from consolidation or annexation with another district.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Teacher Licensing/Mentoring (699) - This program covers the Arkansas Induction program for new teachers and administrators. The Induction program provides Pathwise mentoring for support, retention, and professional growth of new educators. To date, there have been 200 mentor trainers certified statewide, and 12,000 mentors successfully trained in the Pathwise Observation mentoring model. Praxis III performance assessment is also a component of the Induction program. Praxis III is the teaching performance assessment that is conducted by a trained, site-based assessor for determining standard licensure decisions for new teachers. Currently there are 80 assessors trained for this purpose.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Surplus Commodities (450) - The Department of Human Services administers the Surplus Commodities program. School districts currently receive a large share of the commodities. Under an agreement with DHS, the Department of Education provides funding to supplement transportation costs resulting from delivery of the goods to the school districts.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and an adopted Governor's letter. The Governor's Letter provided additional appropriation for this program with no increase in general revenues to address updated estimate needs provided by the Department of Education.

Supplemental Millage Incentive Funding (2HU) - Act 2206 of 2005 repealed A.C.A. §6-20-2406 for supplemental millage funding, however A.C.A. §6-20-2503 (f)(2)(A) requires state financial assistance under this program to be paid out over a ten year period by reducing the amount received by a school district after Fiscal Year 2006 by one-tenth in each year of the ten year period. Additionally, the savings in this program during each fiscal year is to be transferred to the Educational Facilities Partnership Fund Account.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Consolidation Incentive (421) - These are additional funds provided to schools created as a result of consolidation of existing school districts. The incentive is unrestricted and may be used at the discretion of the local school district.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Bonded Debt Assistance (336) - A.C.A. §6-20-2503 created the Bonded Debt Assistance program to enable the Division of Public School Academic Facilities and Transportation to provide eligible school districts with financial assistance for the purpose of retiring outstanding bonded indebtedness in existence as of January 1, 2005. The Commission for Public School Academic Facilities and Transportation directs the Division to work with the Department of Education to determine the amount of financial assistance for each eligible school district. The Division is responsible for ascertaining the scheduled debt payment on a fiscal year basis from the principal and interest payment in effect and on file with the Department.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

At Risk (088) - The College Preparatory Enrichment Program (CPEP) is funded from the At Risk appropriation. The program provides remedial instruction during the summer for students entering the eleventh and twelfth grade whose scores on the American College Test (ACT) are below 19 in the areas of reading and/or mathematics. The students are provided 75 hours of instruction over a minimum of twenty days. At the conclusion of the program, students are given the opportunity to take the ACT and the cost is covered by the program. This is a special administration of the ACT for the students who have successfully completed CPEP. This program also utilizes the assessment programs such as Explore, a program designed for 8th and 9th grade students planning to take the ACT and PLAN, which is for 10th grade students, and the Preliminary SAT/ National Merit Scholarship Qualifying Tests.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and an adopted Governor's letter. The Governor's Letter provided additional appropriation for this program with no increase in general revenues to address updated estimate needs provided by the Department of Education.

Content Standards and Curriculum Frameworks Revision (1QV) - Act 1706 of 2003 grants appropriation for expenses associated with the development of a comprehensive plan to revise content standards and curriculum frameworks in the core academic areas of reading, writing, mathematics, science, history, geography, and civics.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Coordinated School Health (59V) - This program was part of the 2009 Healthcare Initiative and is designed to facilitate working relationships between schools and communities through collaborative partnerships to provide or improve existing student health services and garner existing local resources.

The Governor's Letter established this line item appropriation in the Public School Fund with general revenue funding authorized by Act 180 of 2009 to increase the tax on cigarettes and certain other tobacco products.

Cooperative Education Tech Centers (434) - Technology Coordinators in the Education Service Cooperatives assist local school districts by providing technology training, advising school districts in software/hardware purchases, and overseeing technology initiatives. This program provides grants to each of the State's 15 Education Service Cooperatives.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Content Standards Revision (2JA) - This appropriation is for the cost associated with the periodic review and revision of Academic Content Standards as required by A.C.A. §6-15-404(c). Academic Content Standards are a series of documents that specify what a student enrolled in an Arkansas Public School should know and be able to do. The Academic Content Standards also provide the foundation for the development of the State assessment system.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Advanced Placement Incentive (440) - This provides support to establish advanced placement courses that are easily accessible and will prepare students for admission to, and success in, a postsecondary educational environment. The major aspect to this incentive program, now that the State is paying for all student AP exams, is support for professional development for AP and Pre-AP teachers. This program also pays for the balance of student exams that extend over the State's payment of exam costs and this also pays for awards of up to \$50 to schools for each score of 3 or better on AP exams.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Academic Improvement Training (2HZ) - This appropriation is for the cost of providing statewide training to Local Education Agencies (LEA's) on the preparation and analysis of Academic Improvement Plans. An Academic Improvement Plan is a plan detailing supplemental or intervention and remedial instruction, or both, in deficient academic areas for any student who is not proficient on a portion or portions of the state mandated criterion-reference assessments.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

98% URT Actual Collection Adjustment (34N) - To insure that every public school district receives the full amount of Foundation Funding, the 86th General Assembly created Act 272 of 2007, amending A.C.A. §6-20-2305(a)(4)(A), which states by the end of each school year, for a school district whose net revenues are less than the sum of 98% of the uniform rate of tax (URT) multiplied by the property tax assessment of the school district, the Department of Education shall distribute to the school district the difference between the net revenues of the school district and the sum of 98% of the URT multiplied by the property assessment of the school district.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Alternative Learning (311) - A.C.A. §6-18-508 requires every school district to establish an alternative learning environment (ALE) for students who have shown an inability to function in a standard learning environment. It also requires the Department to establish an incentive program for districts whose ALE programs meet Department guidelines. ALE's must provide all of the educational programs available in other classrooms, and must provide additional services to meet the needs of this group of at-risk children. Additionally, A.C.A. § 6-20-2305(b)(2)(A)(i) establishes the ALE funding amount shall be \$4,063 multiplied by the number of identified ALE students enrolled during a school district's previous school year.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Assessment/End of Level Testing (459) - A.C.A. §6-15-404 requires standards based testing at the primary, intermediate, and middle levels, which currently is administered at grades 4, 6, and 8. It also requires end-of-course testing for Algebra, Geometry, and Literacy (grade 11).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Arkansas Easter Seals (445) - This program, begun in the 1960s, partially funds the cost of educational services provided by the Easter Seal Society to children ages 3 to 21 who have orthopedic and/or communicative disorders. This funding reduces the amount that local school districts have to pay for these educational services and also qualifies the facility as "state supported" so that federal funds are available to further reduce the cost to local school districts.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and

Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Alternative Pay (34K) - Act 847 of 2007 created the Alternative Pay program to establish rules for determining a salary amount that is part of the licensed or classified employee's total compensation for additional responsibilities, mastery of new knowledge and skills, advanced career opportunities, increase student achievement, attracting highly qualified teachers or professional development exceeding state minimums.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Court Ordered Desegregation (460) - This appropriation was established for costs stemming from the Pulaski County School Desegregation Settlement Agreement and the Camden Fairview Desegregation Settlement.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Home School Testing (150) - Each student enrolled in a home school program who is considered to be at grade level or no more than two (2) years beyond the normal age for the appropriate grade for which the State mandates norm-referenced tests for public school students shall be tested using a nationally recognized norm-referenced achievement test selected by the State Board of Education.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Gifted and Talented (457) - This program provides: (1) salary support for 15 Gifted and Talented supervisors in the Cooperatives; (2) funding for the Arkansas Governor's School; (3) Act 56 - Outstanding Gifted Program Awards (3 annually); and, (4) an annual contribution to the AGATE (Arkansans for Gifted and Talented Education Conference).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

General Facilities Funding (326) - A.C.A. §6-20-2503 (e)(1) et. seq. requires the Commission of Academic Facilities and Transportation to compute the amount of general facilities funding that each school district received or would have received under the Supplemental School District Funding Act of 2003 during FY2005, then the commission shall phase out state financial assistance under the general facilities funding over a 10 year period by reducing the amount received by a school district after FY2006 by one tenth (1/10) in each year of the ten year period with the saving distributed through the Educational Facilities Partnership Fund Account.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Human Development Center Education Aid (669) - This program provides funding for educational services to the children in the State's Human Development Centers.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Leadership Academy - Master Principal (2ZK) - The Arkansas Leadership Academy is responsible for administering the Master School Principal program. The program provides training programs and opportunities to expand the knowledge base and leadership skills of public school principals, as well as teachers, superintendents and other administrators, and school board members.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Isolated Funding (331) - Because of location or geographic barriers, some districts are not able to share resources with other districts or may have unusual transportation needs. These districts under 350 Average Daily Membership (ADM) are termed "isolated" and receive additional funding. Act 65 of the Second Extraordinary Session of 2003 established 56 "isolated" school districts and set a per student dollar amount to be paid to each district for the 2003-04 school year. Beginning in the 2004-05 school year, and each year thereafter, isolated funding will be provided to each district in an amount equal to the prior year three-quarter average daily membership of the isolated school area multiplied by the per student isolated funding amount set for the 2003-04 school year.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Intensive School Support (2JB) - A.C.A. §6-15-2004 et seq. requires public schools to determine in part each students progress from one grade to another based upon proficiency in reading writing and mathematics; District school board policies facilitate such proficiency; and each student and his or her parent be informed of the students academic progress. A.C.A. §6-15-2008 requires the Department of Education to provide technical assistance as needed to aid school districts in administering this subchapter. The Department of Education shall report to the House Interim Committee on Education and the Senate Interim Committee on Education, at least semi-annually, the districts requesting assistance, the date of the requests, the dates and actions taken; and the results of the action taken or assistance provided.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Distance Learning (698) - The purpose of this program is to provide for the establishment, organization, and administration of a distance learning program designed to improve course offerings available to students throughout the State. The program will demonstrate the efficiency of using distance learning to enhance elementary and secondary education and prepare students for greater success in a postsecondary educational environment.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Department of Correction (380) - A.C.A. §12-29-301 et seq. established the Department of Correction School District and establishes a formula to determine the funding level and states that the cost of running the Department of Correction School District shall be borne by the Department of Correction and the Department of Education.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Criminal Background Checks (444) - This program provides \$50,000 each year to pay the costs of both state and federal criminal background checks for the first renewal of non-expired licenses for certified personnel. The checks cost \$22 for the State Police check and \$19.25 for the FBI.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Distressed School District Support (136) - The Arkansas Academic Distress Program was legislated by Act 915 of 1995. The purpose of this Act is to improve the capacity of local school districts whose students are not achieving at academically desired levels by school through targeted assistance coordinated by the Department of Education.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

English Language Learners (082) - English Language Learners (formerly Limited English Proficiency, amended by Act 59 of the Second Extraordinary Session of 2003) serves students identified as not being proficient in the English language. This program helps enable school districts to provide specially-trained staff, instructional materials and training for teachers with these qualified students. The Agency also holds summer training academies for teachers desiring additional training in teaching and assisting these students. A.C.A. §6-20-2305(3)(A) states that for the 2007-2008 school year English language learners funding shall be \$293 for each identified English language learner.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Education Service Cooperatives (670) - The 15 educational cooperatives around the State facilitate the sharing of resources and services between local school districts.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Early Childhood Special Education (697) - This program provides special education services through local education agencies for 11,500 three to five year old preschool children with disabilities. Funds are also provided to Education Service Cooperatives for behavioral intervention services to all community preschool programs as well as to coordinate required transition activities for children ages 0 - 2 that will remain in special education as 3 - 5 preschoolers. Also included in this program are the funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and an adopted Governor's letter. The Governor's Letter provided additional appropriation for this program with no increase in general revenues to address updated estimate needs provided by the Department of Education.

Appropriation Summary

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
SLP Incentive Bonus	5100004	0	2,500,000	2,500,000	2,500,000	0	2,500,000
Non-Traditional Licensure	5100004	25,825	50,000	50,000	50,000	50,000	50,000
Intervention Block Grants	5100004	137,000	227,000	227,000	227,000	137,000	227,000
Tech Grants	5100004	3,602,195	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678
Teacher Housing Development	5100004	0	100,000	100,000	100,000	100,000	100,000
Smart Core Incentive	5100004	0	3,000,000	3,000,000	3,000,000	0	3,000,000
Grants to School Districts	5100004	50,000	67,856	67,856	67,856	50,000	67,856
Better Chance Program	5100004	110,609,612	111,000,000	113,775,000	116,619,375	116,619,375	116,619,375
Baccalaureate Program	5100004	0	75,000	75,000	75,000	0	75,000
Add Public School Employee Ins	5100004	0	15,000,000	15,000,000	15,000,000	0	15,000,000
Economic Education	5100004	350,000	350,000	350,000	350,000	350,000	350,000
Distance Learning Operations	5100004	5,723,910	10,331,400	10,331,400	10,331,400	10,331,400	10,331,400
Declining Enrollment	5100004	12,082,642	20,476,533	13,963,389	13,963,389	13,963,389	13,963,389
School Food-Legislative Audit	5900046	75,000	75,000	75,000	75,000	100,000	75,000
School Food Services	5900046	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
School Facility Joint Use	5900046	0	1,000,000	1,000,000	1,000,000	0	1,000,000
School Funding Contingency	5900046	0	0	25,000,000	25,000,000	25,000,000	25,000,000
Smart Start/Smart Step	5900046	10,502,118	10,457,160	10,457,160	10,666,303	10,666,303	10,666,303
Serious Offender	5900046	1,029,043	1,050,946	1,050,946	1,050,946	1,050,946	1,050,946
School Worker Defense	5900046	153,186	390,000	390,000	390,000	390,000	390,000
Ntl Bd Prof Teaching Standards	5900046	6,090,743	7,475,840	7,475,840	7,475,840	9,106,160	7,475,840
National School Lunch	5900046	157,767,290	161,866,532	161,071,480	161,071,480	165,098,267	161,071,480
Master Principal Bonus	5900046	72,000	90,000	90,000	90,000	90,000	90,000
Prof Development Fund	5900046	19,283,992	23,076,951	23,279,850	23,279,850	23,380,750	23,279,850
Residential Ctrs/Juv Detention	5900046	13,515,718	15,188,254	15,188,254	15,188,254	15,016,533	15,188,254
Pygmalion Commission	5900046	40,000	40,000	40,000	40,000	40,000	40,000
Public School Employee Ins	5900046	36,326,768	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600
Special Ed-Catastrophic	5900046	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Teacher Retirement Matching	5900046	7,044,735	6,655,000	6,655,000	6,655,000	7,337,138	6,655,000
Teacher Recruitment	5900046	1,609,388	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Teacher of the Year	5900046	74,460	125,000	125,000	125,000	125,000	125,000

Appropriation Summary

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Tech Improvements	5900046	945,567	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Youth Shelters	5900046	165,000	165,000	165,000	165,000	165,000	165,000
Workers' Compensation	5900046	0	450,000	450,000	450,000	450,000	450,000
Traveling Teachers	5900046	11,550	500,000	500,000	500,000	500,000	500,000
State Foundation Funding	5900046	1,831,305,419	1,782,297,537	1,833,770,949	1,843,181,242	1,887,533,111	1,843,181,242
Special Needs Isolated Funding	5900046	4,620,969	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Special Education Services	5900046	4,142,967	4,145,285	4,145,285	4,145,285	4,145,285	4,145,285
Student Growth	5900046	25,016,916	48,337,856	54,851,000	54,851,000	54,851,000	54,851,000
Teacher Licensing/Mentoring	5900046	6,866,921	7,508,758	7,508,758	7,508,758	7,508,758	7,508,758
Surplus Commodities	5900046	0	780,000	1,027,858	1,027,858	1,127,858	1,027,858
Supplemental Millage	5900046	6,979,763	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Consolidation Incentive	5900046	0	5,210,100	5,210,100	5,210,100	5,210,100	5,210,100
Bonded Debt Assistance	5900046	19,772,439	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384
At Risk	5900046	4,175,893	5,118,030	5,118,030	5,188,530	1,688,530	5,188,530
Content & Curriculum	5900046	68,367	50,000	50,000	50,000	0	50,000
Coord School Health	5900046	0	3,000,000	3,000,000	3,000,000	0	3,000,000
Coop Education Tech Centers	5900046	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Content Standards	5900046	158,862	161,000	161,000	161,000	161,000	161,000
Advanced Placement Incentive	5900046	822,905	825,000	825,000	825,000	825,000	825,000
Academic Improvement Training	5900046	500,000	500,000	500,000	500,000	500,000	500,000
98% URT Actual Collection Adj	5900046	28,937,808	25,367,101	25,367,101	26,508,621	26,508,621	26,508,621
Alternative Learning	5900046	20,169,790	19,968,837	19,968,837	19,968,837	19,968,837	19,968,837
Assessment/End Course Testing	5900046	15,473,394	23,887,747	23,887,747	23,887,747	23,887,747	23,887,747
AR Easter Seals	5900046	193,113	193,113	193,113	193,113	193,113	193,113
Alternative Pay	5900046	807,907	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Court Ordered Desegregation	5900046	69,296,856	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372
Home School Test	5900046	250,000	250,000	250,000	250,000	250,000	250,000
Gifted & Talented	5900046	1,422,875	1,451,354	1,451,354	1,480,381	1,480,381	1,480,381
General Facilities Funding	5900046	5,662,473	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
Human Dev Ctr Education Aid	5900046	0	526,150	526,150	526,150	526,150	526,150
Leadership Acdmy-Mstr Principal	5900046	500,000	500,000	500,000	500,000	500,000	500,000

Appropriation Summary

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Isolated Funding	5900046	7,156,657	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000
Intensive School Support	5900046	0	320,000	320,000	320,000	320,000	320,000
Distance Learning	5900046	6,283,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Dept of Correction	5900046	5,147,675	5,447,675	5,447,675	5,597,675	5,597,675	5,597,675
Criminal Background Checks	5900046	1,804	50,000	50,000	50,000	50,000	50,000
Distressed School District Support	5900046	8,779	450,000	450,000	450,000	450,000	450,000
English Language Learners	5900046	9,102,143	10,231,111	10,231,111	10,231,111	12,157,000	10,231,111
Education Service Cooperatives	5900046	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270
Early Childhood Special Educ	5900046	15,147,251	15,623,079	15,623,079	15,623,079	15,935,541	15,623,079
Total		2,497,259,958	2,554,204,509	2,633,108,626	2,646,963,484	2,671,714,272	2,646,963,484
Funding Sources							
Fund Balance	4000005	66,783,242	54,913,877		13,358,766	13,358,766	13,358,766
Court Ordered Desegregation	4000180	69,270,969	69,814,372		69,814,372	69,814,372	69,814,372
DOE Public School Fund	4000195	1,845,841,342	1,800,311,741		1,881,927,016	1,945,012,750	1,881,927,016
E-Rate Credit	4000207	0	4,500,000		4,500,000	4,500,000	4,500,000
Educational Adequacy Fund	4000210	397,761,621	439,761,621		439,761,621	439,761,621	439,761,621
Educational Excellence Fund	4000220	193,587,340	190,786,664		192,211,154	192,211,154	192,211,154
TANF Transfer	4000478	7,500,000	7,500,000		7,500,000	0	7,500,000
Trnfr frm DOE Pub School Fund	4000525	(33,425,833)	(11,115,000)		(11,115,000)	(11,115,000)	(11,115,000)
Transfer frm GR Allotment Rsv	4000544	0	7,000,000		0	0	0
Trnfr to DOE Public School Fund	4000625	3,569,126	3,180,000		0	0	0
Transit Tax	4000700	1,286,028	910,000		910,000	910,000	910,000
Unfunded Appropriation	4000715	0	0		31,033,560	30,619,375	31,033,560
Total Funding		2,552,173,835	2,567,563,275		2,629,901,489	2,685,073,038	2,629,901,489
Excess Appropriation/(Funding)		(54,913,877)	(13,358,766)		17,061,995	(13,358,766)	17,061,995
Grand Total		2,497,259,958	2,554,204,509		2,646,963,484	2,671,714,272	2,646,963,484

Budget and/or Actuals exceed Authorized in Smart Start/Smart Step, National School Lunch, Special Needs Isolated Funding, Alternative Learning, Teacher Retirement Matching and Declining Enrollment due to special language which provides for Appropriation Transfer Authority.

Actual exceeds Authorized in Content & Curriculum due to reduction in the FY10 Authorized amount by the 87th General Assembly.

Actual exceeds Authorized in 98% URT Actual Collection Adjustment due to supplemental appropriation provided in Act 618 of 2009.

ARKANSAS DEPARTMENT OF HEALTH

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HEALTH
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Internal controls related to the Agency's Common Customer database (System), which was used to receipt licenses, permits and fees totaling \$13,632,063 were inadequate. The System improperly allows customer names to be changed on receipts that can be reprinted providing an opportunity to reissue previous receipts, but not record the revenue. In addition, the System is not designed to provide end of day receipts by user, and since multiple clerks often share cash drawers, determining the employee responsible if a cash drawer did not balance to recorded receipts would be difficult.

Cash receipts collected and recorded by the 94 local health units of the Agency totaled \$2,302,869. Tests of transactions, personnel interviews and site observations conducted during evaluation of eight local units revealed the following inadequate controls over cash and cash receipts:

- The responsibilities for the collection and deposit of receipts were not adequately segregated due to a limited number of personnel.
- Clerks were allowed to issue credit memos for patient invoices and void receipts without documented supervisor approval.
- The composition of receipts (cash or check) was not reconciled to bank account deposit composition.
- Local health unit death certificate applications entered into the System were not reconciled to the number of deaths recorded in

Recommendations

Improve System controls by preventing changes to issued receipts, redesigning end of day reports to include user activity and reconciling each cash drawer daily to recorded receipts.

Strengthen internal controls and procedures related to cash receipting processes at local health units.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HEALTH
FOR THE YEAR ENDED JUNE 30, 2008

Findings

- the Agency's vital records database.
- Death certificates provided to veterans at no charge were not recorded in the System.

A comparison of the number of deaths recorded in the Agency's vital records database to death certificate applications recorded in the System at Jefferson County Health Unit (JCHU) indicated 436 applications, with estimated fees of \$21,800, were not recorded in the System during the period July 1, 2005 through June 30, 2008. Analysis of death certificate transactions and interviews with JCHU personnel did not provide a reason for the discrepancy. In addition, the Agency was unable to determine the employee(s) responsible for unrecorded fees due to the following internal control deficiencies:

- Access to these fees and receipts was not restricted.
- Employees did not log out of the System when computers were unattended.
- Employees did not secure passwords for System entry.
- System user logs indicated vital record transactions were entered by JCHU personnel scheduled to be off from work.

A cash count conducted at the Pulaski County Health Unit (PCHU), located in North Little Rock (City), indicated not all cash and checks were presented as requested. After cash on hand could not be balanced to recorded receipts, an employee provided additional funds to resolve the difference. The cash count also revealed the following internal control deficiencies:

- Personal funds of an employee were comingled with PCHU funds to provide change for patients/customers because an authorized

Recommendations

Periodically reconcile death certificate applications entered into the System at the local unit level to the number of deaths recorded in the Agency's vital records database. Internal controls should also be strengthened relating to computer use.

Establish an authorized change fund for the PCHU and record and deposit all fees collected. Fees collected for the City should be remitted using the Agency established controls and procedures for the disbursement process.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF HEALTH
 FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

change fund was not established.

- Fees collected for the City relating to health cards issued by the PCHU were not recorded in the System and could not be readily reconciled to available records. Furthermore, these fees were not deposited in Agency bank accounts, but were remitted directly to the City.
- Undeposited receipts were \$57 more than recorded receipts and this difference could not be explained.

The Agency did not maintain a master record of manual receipt books, including receipt ranges, issued to local health units, vital records and various other collection sections for use when the System could not be accessed. In addition, a procedure did not exist to verify entry of individual manual receipts in the System. Establishing procedures to account for manual receipt books as well as individual receipts creates an audit trail for the System receipting process. A master record of manual receipt books would also assist management in identifying the use of unauthorized manual receipt books.

Strengthen internal controls related to manual receipt books.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS DEPARTMENT OF HEALTH –
 REVIEW OF SELECTED TRAVEL EXPENSE REIMBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

The Agency determined that two engineers within the Center for Local Public Health - Environmental Health Branch Engineering

Exercise proper fiscal oversight and ensure documentation supporting expenses reported on TR-1 forms is legitimate and reasonable. The

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF HEALTH –
REVIEW OF SELECTED TRAVEL EXPENSE REIMBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Section, Craig Burger and Mark McIntosh, submitted falsified travel expense documentation. The Agency terminated these two employees on August 20, 2008. As shown in Exhibit I on page 3, Agency employees received improper travel expense reimbursements totaling \$42,673. In addition, travel expense reimbursements of \$9,101 remain questioned as to authenticity.

Numerous internal control weaknesses contributed to improper travel expense reimbursements being made and not detected timely. This review revealed the following internal control deficiencies:

- Management of the Section did not exercise proper fiscal oversight responsibility;
- Supervisors did not adequately examine supporting documentation for travel expense reimbursements prior to approving TR-1 forms;
- Timesheets were not compared to TR-1 forms;
- Section personnel were allowed to accrue compensatory time "off the books";
- Vehicle sign in/out sheets were not maintained accurately nor compared to employee trip logs; and

State travel regulations and Agency travel policies were not complied with nor followed consistently.

Recommendations

Agency should also continue supervisory training regarding TR-1 forms review and approval. Specifically, Agency personnel approving the TR-1 forms should scrutinize hotel receipts for obvious errors. TR-1 forms should also be compared to the employees' timesheets for reasonableness.

Comply with state and Agency travel regulations on a consistent basis which would include maintaining vehicle sign in/out sheets accurately. The Agency should also confer with OPM regarding the accrual of compensatory time for certain employee classifications and follow OPM directives.

Implement monitoring procedures to ensure controls are being followed and not overridden.

Pursue repayment from Mr. Burger and Mr. McIntosh for improper travel expense reimbursements and consult the applicable federal oversight agency to determine appropriate action relating to the misuse of federal grant funds.

This report has been forwarded to the Sixth Judicial District Prosecuting Attorney and ASP. As of report date, ASP has an ongoing investigation related to improper travel expense reimbursements to Mr. Burger and Mr. McIntosh.

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
106 Emergency Medical Services & Trauma	0	0	9,728	0	9,728	0	9,728	0	9,728	0	9,728	0
167 Information Technology Initiatives	257,651	0	869,922	0	1,196,640	0	1,196,640	0	1,196,640	0	1,196,640	0
34C Rural Health Facilities	187,350	0	187,000	0	1,551,558	0	1,551,558	0	1,551,558	0	1,551,558	0
34D Emergency Medical Services	38,817	0	42,000	0	42,000	0	42,000	0	42,000	0	42,000	0
34E Rural Physician Incentives	100,000	0	40,000	0	990,000	0	990,000	0	990,000	0	990,000	0
34P Health Operations Paying	234,987,280	2,983	260,206,662	2,926	409,789,944	3,128	413,893,789	3,128	312,078,730	3,230	413,893,789	3,128
38C Grants to Service Providers	6,693,324	0	18,574,198	0	63,295,984	0	63,295,984	0	20,995,984	0	63,295,984	0
38D Nuclear Planning Grants	250,000	0	340,000	0	375,000	0	375,000	0	375,000	0	375,000	0
58H Birth Certificate Expenses	0	0	0	0	30,000	0	30,000	0	0	0	30,000	0
59T Trauma System	0	0	19,650,911	18	25,000,000	18	25,040,440	18	0	0	25,040,440	18
604 Tobacco Prevention & Cessation Programs	13,547,711	35	21,714,426	38	22,590,119	47	23,542,774	47	21,042,774	47	23,542,774	47
803 Health Building & Local Health Grant Trust	447,829	0	1,318,000	0	1,318,000	0	1,318,000	0	1,318,000	0	1,318,000	0
B72 WIC Food Instruments - Cash	68,683,134	0	80,593,628	0	112,274,497	0	120,774,497	0	90,774,497	0	120,774,497	0
B74 Breast Cancer - Cash	0	0	15,353	0	50,000	0	50,000	0	50,000	0	50,000	0
NOT REQUESTED FOR THE BIENNIUM												
56R Trauma System - Cash	171,574	0	0	0	0	0	0	0	0	0	0	0
Total	325,364,670	3,018	403,561,828	2,982	638,513,470	3,193	652,110,410	3,193	450,424,911	3,277	652,110,410	3,193

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	16,171,700	4.7	17,046,625	4.1	10,446,427	1.6	10,358,338	2.5	10,446,427	1.6
General Revenue	4000010	53,367,172	15.6	89,585,008	21.6	104,485,743	15.9	71,565,105	17.1	104,485,743	15.9
Federal Revenue	4000020	114,620,938	33.5	148,433,418	35.8	357,503,330	54.5	154,153,061	36.9	357,503,330	54.5
Special Revenue	4000030	2,567,864	0.7	3,475,802	0.8	17,490,905	2.7	15,270,284	3.7	17,490,905	2.7
Special Revenue Restricted	4000031	19,062,601	5.6	16,970,369	4.1	16,230,137	2.5	16,230,137	3.9	16,230,137	2.5
Cash Fund	4000045	200,115	0.1	9,000	0.0	92,500	0.0	50,000	0.0	92,500	0.0
Gen Rev Allot Reserve	4000262	1,000,000	0.3	0	0.0	0	0.0	0	0.0	0	0.0
General Improvement	4000265	0	0.0	0	0.0	0	0.0	1,825,000	0.4	0	0.0
Interest	4000300	13,248	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Manufacturer Rebate	4000341	25,677,136	7.5	25,084,320	6.1	32,682,918	5.0	32,682,918	7.8	32,682,918	5.0
Refunds	4000415	20,656	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Third Party Reimbursement	4000490	82,945,598	24.2	90,040,328	21.7	87,399,681	13.3	87,399,681	20.9	87,399,681	13.3
Tobacco Settlement	4000495	16,213,150	4.7	17,380,000	4.2	22,222,201	3.4	20,627,135	4.9	22,222,201	3.4
Transfer to Medicaid Match	4000660	(535,306)	(0.2)	(593,753)	(0.1)	(452,328)	(0.1)	(452,328)	(0.1)	(452,328)	(0.1)

Funding Sources		%		%		%		%		%	
Transfer to Operations	4000670	(67,500)	0.0	(500,000)	(0.1)	(500,000)	(0.1)	(500,000)	(0.1)	(500,000)	(0.1)
Unfunded Appropriation	4000715	0	0.0	0	0.0	30,000	0.0	0	0.0	30,000	0.0
Various Program Support	4000730	11,153,923	3.3	7,109,724	1.7	8,675,959	1.3	8,675,959	2.1	8,675,959	1.3
Total Funds		342,411,295	100.0	414,040,841	100.0	656,307,473	100.0	417,885,290	100.0	656,307,473	100.0
Excess Appropriation/(Funding)		(17,046,625)		(10,479,013)		(4,197,063)		32,539,621		(4,197,063)	
Grand Total		325,364,670		403,561,828		652,110,410		450,424,911		652,110,410	

Actual funding of \$1,000,000 transferred from the General Revenue Allotment Reserve Fund as authorized by supplemental appropriation Act 387 of 2009 Section 3, FC 34P.

Fund transfer of \$67,500 to Operations by authority of A.C.A. 20-7-127 FC 803.

Actual exceeds Budgeted due to anticipated reduction for program in FY10 for FC 34C & 34E.

Variance in fund balances are due to the addition of FC 59T (Trauma System) by Governor's Letter/Legislative Amendment and FY09 fund balance for FC 56R (Trauma System-Cash) not requested for the 2011 fiscal year.

Analysis of Budget Request

Appropriation: 106 - Emergency Medical Services & Trauma

Funding Sources: MES - EMS Enhancement Revolving Fund

The Department of Health's Emergency Medical Services (EMS) and Trauma appropriation provides grants and funding for the following, as delineated in A.C.A. 19-5-1078:

- Training and equipment for staff proficiency and improvement in EMS services and testing support
- Instituting and maintaining a trauma registry
- Inspecting, licensing, and registering EMS vehicles

Funding for this appropriation consists of revenues as may be provided by law and that are held in a revolving fund (A.C.A. 19-5-1078 MES - EMS Enhancement Revolving Fund).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 106 - Emergency Medical Services & Trauma

Funding Sources: MES - EMS Enhancement Revolving Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Emerg Medical Svcs/Trauma Sys Exp 5900046	0	9,728	9,728	9,728	9,728	9,728
Total	0	9,728	9,728	9,728	9,728	9,728
Funding Sources						
Various Program Support 4000730	0	9,728		0	0	0
Total Funding	0	9,728		0	0	0
Excess Appropriation/(Funding)	0	0		9,728	9,728	9,728
Grand Total	0	9,728		9,728	9,728	9,728

Analysis of Budget Request

Appropriation: 167 - Information Technology Initiatives

Funding Sources: SHT - Health Department Technology Fund

The Department of Health's Information Technology Initiatives appropriation provides for the purchase of computer hardware and software, the conversion cost of scanning data into the computer system, and related activities as described in A.C.A. 19-6-485.

Funding for this appropriation consists of Special Revenue fees generated from temporary vital statistics applications and certificates (A.C.A. 19-6-485 SHT - Health Department Technology Fund).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 167 - Information Technology Initiatives

Funding Sources: SHT - Health Department Technology Fund

Appropriation	2008-2009 Actual	2009-2010 Budget	2009-2010 Authorized	2010-2011		
				Legislative Recommendation	Agency Request	Executive Recommendation
Information Technology Initiative 5900046	257,651	869,922	1,196,640	1,196,640	1,196,640	1,196,640
Total	257,651	869,922	1,196,640	1,196,640	1,196,640	1,196,640
Funding Sources						
Fund Balance 4000005	1,181,691	924,040		54,118	54,118	54,118
Total Funding	1,181,691	924,040		54,118	54,118	54,118
Excess Appropriation/(Funding)	(924,040)	(54,118)		1,142,522	1,142,522	1,142,522
Grand Total	257,651	869,922		1,196,640	1,196,640	1,196,640

Analysis of Budget Request

Appropriation: 34C - Rural Health Facilities

Funding Sources: MRH - Rural Health Services Revolving Fund

The Department of Health's Rural Health Facilities appropriation, in accordance with A.C.A. 20-12-401 et seq., provides matching funds for applicants on a fifty/fifty basis for assisting the stabilization of necessary medical services provided by county, local, commercial or nonprofit organizations. If the applicant completes a community health needs assessment, the applicant shall be eligible to match funds on a 25/75 basis. The state portion shall at no time exceed two hundred thousand dollars (\$200,000) per county, local, commercial, or nonprofit operation.

Funding for this appropriation consists of General Improvement Fund transfers or other funds made available by the General Assembly and held in a revolving fund (A.C.A. 19-5-1039 MRH - Rural Health Services Revolving Fund).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 34C - Rural Health Facilities

Funding Sources: MRH - Rural Health Services Revolving Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	187,350	187,000	1,551,558	1,551,558	1,551,558	1,551,558
Total	187,350	187,000	1,551,558	1,551,558	1,551,558	1,551,558
Funding Sources						
Fund Balance 4000005	593,375	426,681		239,681	239,681	239,681
General Improvement 4000265	0	0		0	970,000	0
Refunds 4000415	20,656	0		0	0	0
Total Funding	614,031	426,681		239,681	1,209,681	239,681
Excess Appropriation/(Funding)	(426,681)	(239,681)		1,311,877	341,877	1,311,877
Grand Total	187,350	187,000		1,551,558	1,551,558	1,551,558

Actual exceeds Budgeted due to anticipated reduction for program in FY10.

Analysis of Budget Request

Appropriation: 34D - Emergency Medical Services

Funding Sources: MEM - Emergency Medical Services Revolving Fund

The Department of Health's Emergency Medical Services appropriation will provide for certification processing and expenses of onsite examinations for Emergency Medical Technicians (EMTs), maintenance of certification software, educational programs, maintenance of EMT-Instructor certification for agency personnel, and other purposes consistent with A.C.A. 20-13-101 et seq.

Funding for this appropriation consists of certification and renewal fees held in the MEM - Emergency Medical Services Revolving Fund.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 34D - Emergency Medical Services

Funding Sources: MEM - Emergency Medical Services Revolving Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	38,817	42,000	42,000	42,000	42,000	42,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		38,817	42,000	42,000	42,000	42,000	42,000
Funding Sources							
Various Program Support	4000730	38,817	42,000		42,000	42,000	42,000
Total Funding		38,817	42,000		42,000	42,000	42,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		38,817	42,000		42,000	42,000	42,000

Analysis of Budget Request

Appropriation: 34E - Rural Physician Incentives

Funding Sources: MRI - Rural Physician Incentives Revolving Fund

The Department of Health's Rural Physician Incentives program, A.C.A. 20-12-501 et seq., provides grants as financial assistance to encourage physicians to locate and remain in the practice of primary care medicine in communities of the State with populations of not more than fifteen thousand (15,000) persons. The physicians must locate for a minimum of four (4) years and carry on a full-time practice of family medicine in a priority medically underserved area as defined by the Department of Health.

Funding for this appropriation consists of General Improvement Fund transfers or other funds made available by the General Assembly, and held in a revolving fund (A.C.A. 19-5-1209 MRI - Rural Physician Incentive Revolving Fund).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 34E - Rural Physician Incentives

Funding Sources: MRI - Rural Physician Incentives Revolving Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	100,000	40,000	990,000	990,000	990,000	990,000
Total	100,000	40,000	990,000	990,000	990,000	990,000
Funding Sources						
Fund Balance 4000005	217,516	117,516		77,516	77,516	77,516
General Improvement 4000265	0	0		0	855,000	0
Total Funding	217,516	117,516		77,516	932,516	77,516
Excess Appropriation/(Funding)	(117,516)	(77,516)		912,484	57,484	912,484
Grand Total	100,000	40,000		990,000	990,000	990,000

Actual exceeds Budgeted due to anticipated reduction for program in FY10.

Analysis of Budget Request

Appropriation: 34P - Health Operations Paying

Funding Sources: PHD - Administration Paying

The Department of Health is comprised of the Centers for Health Protection, Health Advancement, Local Public Health, and Public Health Practice, the Office of Minority Health and Health Disparities, the Arkansas Public Health Laboratory and Health Administration. The Department has 2 central office locations and 94 Local Health Units located throughout the State. This organizational structure enables the Department to provide public health policy and assessment, as well as preventive and regulatory services for the State's citizens.

This appropriation provides for the operations of the Department of Health. Duties include the operation of the Breast and Cervical Cancer Control programs; the collection, analysis, and communication of data regarding health events, disease incidence, the health care system, and health status indicators; the protection of the public's health by ensuring safe food and drinking water and maintaining the quality of health facilities and services through monitoring, laboratory testing, and evaluation; educating the public concerning healthy behavior and providing accessible personal health services; and providing in-home services to individuals.

Funding for this appropriation consists of general revenue (BAA - Public Health Fund), federal funding, special revenues, Third Party Reimbursement, Tobacco Settlement Funding and other funding. Federal revenues include Immunization and Vaccines for Children, Ryan White Care Act Title II, Public Health Preparedness and Response/BIO, Bioterrorism Hospital Preparedness Program, Epidemiology and Laboratory Capacity for Infectious Diseases, Title X Family Planning Services Program, National Cancer Prevention and Control Program, Chronic Disease Prevention and Health Promotion Programs, Maternal and Child Health, and Women Infants and Children (WIC). Special revenues include the Cigarette Tax; licensing fees for Radiology, Plumbing, Pharmacy, HVAC, Health Facilities and Water works; Milk Inspection and Marine Sanitation Fees; and Nuclear Planning and Response Funds. Third Party Reimbursement funding includes Medicaid and Insurance funding. Other Funding, as indicated as Various Program Support, includes fees related to Vital Records, Immunization, Rabies, Swimming Pools, etc.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter adopted to provide for possible increases in federal funding allocations, address the Healthcare Initiative components, implement the American Recovery and Reinvestment Act of 2009, and provide appropriation for the Treatment of Compulsive Gambling Disorder as mandated in Act 605 of 2009.

Appropriation Summary

Appropriation: 34P - Health Operations Paying

Funding Sources: PHD - Administration Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	110,574,788	119,470,888	136,529,458	139,103,475	132,641,229	139,103,475
	#Positions	2,983	2,926	3,128	3,128	3,230	3,128
Extra Help	5010001	911,444	1,273,604	1,546,737	1,546,737	1,283,992	1,546,737
	#Extra Help	114	225	233	233	233	233
Personal Services Matching	5010003	32,954,252	36,726,043	43,271,461	43,764,780	41,835,938	43,764,780
Overtime	5010006	129,733	225,400	225,400	225,400	150,400	225,400
Supplemental Emerg Positions	5010007	330,689	0	0	0	0	0
Extra Salaries	5010008	0	0	0	0	0	0
Operating Expenses	5020002	54,687,687	61,333,928	81,950,047	82,005,556	65,189,313	82,005,556
Conference & Travel Expenses	5050009	505,503	797,332	1,557,189	1,558,189	1,387,781	1,558,189
Professional Fees	5060010	33,310,952	39,756,579	84,468,039	84,468,039	40,302,039	84,468,039
Data Processing	5090012	0	0	0	0	0	0
Refunds/Reimbursements	5110014	4,253	11,613	11,613	11,613	11,613	11,613
Claims	5110015	24,308	0	0	0	0	0
Capital Outlay	5120011	1,126,979	611,275	20,230,000	21,210,000	1,076,425	21,210,000
Debt Service	5120019	426,692	0	0	0	0	0
Contingency Appropriation	5900046	0	0	0	0	28,200,000	0
ARRA 2009	5900052	0	0	40,000,000	40,000,000	0	40,000,000
Total		234,987,280	260,206,662	409,789,944	413,893,789	312,078,730	413,893,789
Funding Sources							
General Revenue	4000010	53,120,450	59,756,008		60,705,743	70,110,105	60,705,743
Federal Revenue	4000020	67,252,422	84,455,412		225,002,152	84,626,883	225,002,152
Special Revenue	4000030	1,649,933	2,535,802		16,438,330	14,217,709	16,438,330
Special Revenue Restricted	4000031	19,062,601	16,970,369		16,230,137	16,230,137	16,230,137
Cash Fund	4000045	0	0		42,500	0	42,500
Gen Rev Allot Reserve	4000262	1,000,000	0		0	0	0
Third Party Reimbursement	4000490	82,945,598	90,040,328		87,399,681	87,399,681	87,399,681
Transfer to Medicaid Match	4000660	(535,306)	(593,753)		(452,328)	(452,328)	(452,328)
Various Program Support	4000730	10,491,582	7,042,496		8,527,574	8,527,574	8,527,574

Appropriation Summary

Appropriation: 34P - Health Operations Paying

Funding Sources: PHD - Administration Paying

Total Funding	234,987,280	260,206,662		413,893,789	280,659,761	413,893,789
Excess Appropriation/(Funding)	0	0		0	31,418,969	0
Grand Total	234,987,280	260,206,662		413,893,789	312,078,730	413,893,789

Actual exceeds Budget and Authorized due to Act 557 of 2009 Section 13 providing for claims appropriation, elimination of the debt services line item, and reduction of capital outlay levels requested for FY10. The agency received supplemental positions during FY09. Actual funding of \$1,000,000 transferred from the General Revenue Allotment Reserve Fund as authorized by supplemental appropriation Act 387 of 2009 Section 3.

Analysis of Budget Request

Appropriation: 38C - Grants to Service Providers

Funding Sources: PHG - Grants Paying

This appropriation is used to administer programs such as Supplemental Nutrition Programs for Women, Infants, and Children, Maternal and Child Health Services Block Grants, Centers for Disease Control and Prevention Investigations and Technical Assistance, Family Planning Services, the Chemical Stockpile Emergency Preparedness Program, Health Care Access for the Uninsured, Injury Prevention and Control, Tuberculosis Control, and Public Water Systems Supervision and Training.

This appropriation is funded from general revenue (BAA - Public Health Fund) and federal revenues including Immunization and Vaccines for Children, Ryan White Care Act Title II, Public Health Preparedness and Response/BIO, Bioterrorism Hospital Preparedness Program, Epidemiology and Laboratory Capacity for Infectious Diseases, Title X Family Planning Services Program, National Cancer Prevention and Control Program, Chronic Disease Prevention and Health Promotion Programs, Maternal and Child Health, and Women Infants and Children (WIC). Other funding, as indicated as Various Program Support, includes fees related to Family Planning Reimbursements and TB Contracts.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter adopted to provide for possible increases in federal funding allocations, address Healthcare Initiative components, and implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 38C - Grants to Service Providers

Funding Sources: PHG - Grants Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	6,693,324	18,574,198	43,295,984	43,295,984	12,995,984	43,295,984
Contingency Appropriation	5900046	0	0	0	0	8,000,000	0
ARRA 2009	5900052	0	0	20,000,000	20,000,000	0	20,000,000
Total		6,693,324	18,574,198	63,295,984	63,295,984	20,995,984	63,295,984
Funding Sources							
General Revenue	4000010	246,722	10,090,000		18,780,000	1,455,000	18,780,000
Federal Revenue	4000020	5,823,078	8,468,698		44,409,599	11,434,599	44,409,599
Various Program Support	4000730	623,524	15,500		106,385	106,385	106,385
Total Funding		6,693,324	18,574,198		63,295,984	12,995,984	63,295,984
Excess Appropriation/(Funding)		0	0		0	8,000,000	0
Grand Total		6,693,324	18,574,198		63,295,984	20,995,984	63,295,984

Analysis of Budget Request

Appropriation: 38D - Nuclear Planning Grants

Funding Sources: SNP - Arkansas Nuclear Planning and Response Fund

The grants for Nuclear Planning appropriation provides grants to the Arkansas Department of Emergency Management for local governments located in close proximity to nuclear-powered electricity generating facilities in the State. These grants are used to maintain nuclear disaster response procedures and precautions as a part of the Division of Health's Nuclear Planning and Response Program, A.C.A. 20-21-401 et seq., which provides for the following:

- Continuous radiation surveillance
- Training and education of residents in the affected areas
- Protective measures/procedures/plans and such other actions to be taken in the event of a radiation incident or accident

Funding for this appropriation consists of Special Revenue (A.C.A. 19-6-435 SNP - Arkansas Nuclear Planning and Response Fund), including assessments against utilities operating nuclear generating facilities within the State.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 38D - Nuclear Planning Grants

Funding Sources: SNP - Arkansas Nuclear Planning and Response Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	250,000	340,000	375,000	375,000	375,000	375,000
Total	250,000	340,000	375,000	375,000	375,000	375,000
Funding Sources						
Special Revenue 4000030	250,000	340,000		375,000	375,000	375,000
Total Funding	250,000	340,000		375,000	375,000	375,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	250,000	340,000		375,000	375,000	375,000

Analysis of Budget Request

Appropriation: 58H - Birth Certificate Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund Account

The Department of Health's Birth Certificate Expenses appropriation was introduced in legislation as a new program for FY2010 by Act 447 of 2009. This appropriation was designed to provide for administrative costs associated with providing birth certificates to individuals applying for assistance thru a state agency or a private non-profit organization, including but not limited to domestic violence and homeless shelters.

This appropriation was not funded in FY2010 and the program has not been implemented. The funding was made payable from the Miscellaneous Agencies Fund Account.

The Legislative Recommendation and Executive Recommendation reflect the appropriation bill as enacted.

Appropriation Summary

Appropriation: 58H - Birth Certificate Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund Account

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Birth Certificate Expenses 5900046	0	0	30,000	30,000	0	30,000
Total	0	0	30,000	30,000	0	30,000
Funding Sources						
Unfunded Appropriation 4000715	0	0		30,000	0	30,000
Total Funding	0	0		30,000	0	30,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	0		30,000	0	30,000

Analysis of Budget Request

Appropriation: 59T - Trauma System

Funding Sources: BAA - Public Health Fund

A.C.A. 20-13-801 as amended by Act 1386 of 2009 directs the Arkansas Department of Health to develop and implement a statewide comprehensive trauma care system, provide guidelines for the care of trauma victims and ensure available resources are fully integrated. This appropriation provides the the agency with the necessary administrative support.

Funding for this appropriation consists of funds deposited into the Public Health Fund A.C.A. 20-13-804. At this time 100% of the funding is general revenue.

The Legislative Recommendation and Executive Recommendation reflect the Governor's Letter adopted to provide the agency the necessary administrative support to implement a statewide Trauma System.

Appropriation Summary

Appropriation: 59T - Trauma System

Funding Sources: BAA - Public Health Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	0	966,738	1,041,034	1,064,978	0	1,064,978
	#Positions	0	18	18	18	0	18
Personal Services Matching	5010003	0	268,628	282,421	298,917	0	298,917
Operating Expenses	5020002	0	355,545	355,545	355,545	0	355,545
Conference & Travel Expenses	5050009	0	50,000	50,000	50,000	0	50,000
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	36,000	36,000	36,000	0	36,000
Trauma System Expenses	5900046	0	17,974,000	18,235,000	18,235,000	0	18,235,000
Emergency Medical Svc. Development	5900047	0	0	5,000,000	5,000,000	0	5,000,000
Total		0	19,650,911	25,000,000	25,040,440	0	25,040,440
Funding Sources							
Fund Balance	4000005	0	0		88,089	0	88,089
General Revenue	4000010	0	19,739,000		25,000,000	0	25,000,000
Total Funding		0	19,739,000		25,088,089	0	25,088,089
Excess Appropriation/(Funding)		0	(88,089)		(47,649)	0	(47,649)
Grand Total		0	19,650,911		25,040,440	0	25,040,440

Act 1386 of 2009 Sec 28 allows for the carry forward of any unspent funds remaining in the Public Health Fund at the end of the fiscal year for the Trauma System to be used for the same purposes in the next fiscal year.

Analysis of Budget Request

Appropriation: 604 - Tobacco Prevention & Cessation Programs

Funding Sources: TSD - Tobacco Prevention & Cessation Program Account

The Tobacco Prevention and Cessation Program, created by Initiated Act 1 of 2000 (A.C.A. 19-12-101 et seq.), develops, integrates, and monitors tobacco prevention and cessation programs and provides administrative oversight and management of those programs. Program components approved by the Board of Health include community prevention youth programs, school education and prevention programs, enforcement of tobacco control laws, tobacco cessation programs, tobacco related disease prevention programs, public awareness and health promotion campaign, as well as grants and contracts for monitoring and evaluation. This appropriation is funded from Tobacco Settlement proceeds (TSD - Tobacco Prevention and Cessation Program Account).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals, and Governor's Letters adopted to create the Juvenile Drug Court Treatment and Drug Court Substance Abuse Treatment programs.

Appropriation Summary

Appropriation: 604 - Tobacco Prevention & Cessation Programs

Funding Sources: TSD - Tobacco Prevention & Cessation Program Account

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	1,560,402	1,960,321	2,221,461	2,269,792	2,269,792	2,269,792
	#Positions	35	38	47	47	47	47
Extra Help	5010001	14,583	75,000	75,000	75,000	75,000	75,000
	#Extra Help	2	2	2	2	2	2
Personal Services Matching	5010003	415,133	553,048	664,117	673,398	673,398	673,398
Operating Expenses	5020002	251,573	440,000	440,000	450,120	450,120	450,120
Conference & Travel Expenses	5050009	21,925	45,000	45,000	46,035	46,035	46,035
Professional Fees	5060010	1,026,701	1,796,516	2,300,000	2,341,400	2,341,400	2,341,400
Data Processing	5090012	0	0	0	0	0	0
Refunds/Investments/Transfers	5110020	500,000	0	0	0	0	0
Capital Outlay	5120011	14,775	0	0	0	0	0
Tobacco Prev & Cessation Exp	5900046	8,966,285	14,150,793	14,150,793	14,493,281	14,493,281	14,493,281
Exp Nutrition & Physical Activity Program	5900047	776,334	693,748	693,748	693,748	693,748	693,748
Juvenile Drug Court Treatment Programs	5900048	0	500,000	500,000	1,000,000	0	1,000,000
Drug Court Substance Abuse Treatment Program	5900049	0	1,500,000	1,500,000	1,500,000	0	1,500,000
Total		13,547,711	21,714,426	22,590,119	23,542,774	21,042,774	23,542,774

Funding Sources							
Fund Balance	4000005	9,081,178	11,746,617		6,912,191	6,912,191	6,912,191
Tobacco Settlement	4000495	16,213,150	17,380,000		22,222,201	20,627,135	22,222,201
Transfer to Operations	4000670	0	(500,000)		(500,000)	(500,000)	(500,000)
Total Funding		25,294,328	28,626,617		28,634,392	27,039,326	28,634,392
Excess Appropriation/(Funding)		(11,746,617)	(6,912,191)		(5,091,618)	(5,996,552)	(5,091,618)
Grand Total		13,547,711	21,714,426		23,542,774	21,042,774	23,542,774

Actual for Refunds/Investment/Transfers exceeds Budget and Authorized due to Act 1384 of 2009 Sec 8 providing for the \$500,000 transfer to the Breast Cancer Control Fund without the use of appropriation. Actual for Capital Outlay exceeds Budget and Authorized due to a transfer from DFA to purchase a motor vehicle per Act 103 of 2009. Actual for the Nutrition & Physical Activity Program exceeds Budget and Authorized due to carry forward of appropriation provided for in Act 1282 of 2007 Sec. 4.

Analysis of Budget Request

Appropriation: 803 - Health Building & Local Health Grant Trust

Funding Sources: THL - Health Bldg and Local Grant Trust

The Department of Health's Health Building and Local Grant Trust appropriation is used for expansion, renovation, construction, or improvement to the State Health Building and for grants for construction, renovation, or other expansion of approved local health unit facilities in the State as prescribed by A.C.A. 20-7-201 et seq.

Funding for this appropriation consists of visit fees to local health units that are held in a trust fund (A.C.A. 19-5-962 THL - Health Building and Local Grant Trust fund).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 803 - Health Building & Local Health Grant Trust

Funding Sources: THL - Health Bldg and Local Grant Trust

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	447,829	1,318,000	1,318,000	1,318,000	1,318,000	1,318,000
Total	447,829	1,318,000	1,318,000	1,318,000	1,318,000	1,318,000
Funding Sources						
Fund Balance 4000005	2,491,102	2,643,704		1,925,704	1,925,704	1,925,704
Special Revenue 4000030	667,931	600,000		677,575	677,575	677,575
Transfer to Operations 4000670	(67,500)	0		0	0	0
Total Funding	3,091,533	3,243,704		2,603,279	2,603,279	2,603,279
Excess Appropriation/(Funding)	(2,643,704)	(1,925,704)		(1,285,279)	(1,285,279)	(1,285,279)
Grand Total	447,829	1,318,000		1,318,000	1,318,000	1,318,000

Transfer of \$67,500 by authority of A.C.A. 20-7-127.

Analysis of Budget Request

Appropriation: B72 - WIC Food Instruments - Cash

Funding Sources: 163 - Cash Funds

The Department of Health's Women Infants and Children (WIC) Food Instruments appropriation provides for the issuance of vouchers to at-risk persons to improve the nutrition of eligible pregnant, breastfeeding and postpartum women to provide for infants and young children during periods of critical growth. The food instruments are redeemable for specific foods at local grocery stores. The program also provides nutrition education and referral to other services.

Funding for this appropriation consists of funds from the United States Department of Agriculture that are held in a Cash fund to provide electronic benefits transfers to vendors and reimbursements from contracted formula companies.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals, and a Governor's Letter adopted to provide for possible increases in current federal funding allocations and to implement the American Recovery and Reinvestment Act of 2009. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: B72 - WIC Food Instruments - Cash

Funding Sources: 163 - Cash Funds

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
WIC Food Instruments	5900040	68,683,134	80,593,628	92,274,497	100,774,497	90,774,497	100,774,497
ARRA 2009	5900052	0	0	20,000,000	20,000,000	0	20,000,000
Total		68,683,134	80,593,628	112,274,497	120,774,497	90,774,497	120,774,497
Funding Sources							
Fund Balance	4000005	2,600,485	1,149,013		1,149,013	1,149,013	1,149,013
Federal Revenue	4000020	41,545,438	55,509,308		88,091,579	58,091,579	88,091,579
Interest	4000300	9,088	0		0	0	0
Manufacturer Rebate	4000341	25,677,136	25,084,320		32,682,918	32,682,918	32,682,918
Total Funding		69,832,147	81,742,641		121,923,510	91,923,510	121,923,510
Excess Appropriation/(Funding)		(1,149,013)	(1,149,013)		(1,149,013)	(1,149,013)	(1,149,013)
Grand Total		68,683,134	80,593,628		120,774,497	90,774,497	120,774,497

Analysis of Budget Request

Appropriation: B74 - Breast Cancer - Cash

Funding Sources: 163 - Cash Funds

The Department of Health's Breast Cancer Cash appropriation provides assistance to the Breast Care program, which focuses on women at least 40 years of age who are uninsured or underinsured and have rarely or never been screened for breast or cervical cancer. This program provides free mammograms, breast exams, Pap tests, and follow-up cancer treatment if needed.

Funding for this appropriation includes Cash Funds consisting of donations.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: B74 - Breast Cancer - Cash

Funding Sources: 163 - Cash Funds

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
ADH Breast Cancer 5900046	0	15,353	50,000	50,000	50,000	50,000
Total	0	15,353	50,000	50,000	50,000	50,000
Funding Sources						
Fund Balance 4000005	6,353	6,468		115	115	115
Cash Fund 4000045	115	9,000		50,000	50,000	50,000
Total Funding	6,468	15,468		50,115	50,115	50,115
Excess Appropriation/(Funding)	(6,468)	(115)		(115)	(115)	(115)
Grand Total	0	15,353		50,000	50,000	50,000

Appropriation Summary

Appropriation: 56R - Trauma System - Cash

Funding Sources: NDH - Trauma System Cash in Treasury

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	56,574	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	115,000	0	0	0	0	0
	5060012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		171,574	0	0	0	0	0
Funding Sources							
Fund Balance	4000005	0	32,586		0	0	0
Cash Fund	4000045	200,000	0		0	0	0
Interest	4000300	4,160	0		0	0	0
Total Funding		204,160	32,586		0	0	0
Excess Appropriation/(Funding)		(32,586)	(32,586)		0	0	0
Grand Total		171,574	0		0	0	0

NOT REQUESTED FOR THE 2011 FISCAL YEAR.

Department Appropriation Summary - All DHS Divisions

Appropriation	Historical Data						Agency Request and Recommendations					
	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
147 Special Olympics	179,666	0	173,494	0	179,666	0	179,666	0	179,666	0	179,666	0
193 State Operations	18,502,049	0	18,771,060	0	19,509,415	0	19,509,415	0	19,509,415	0	19,509,415	0
196 Community Mental Health Centers	8,783,643	0	8,780,603	0	8,780,603	0	8,780,603	0	8,780,603	0	8,780,603	0
1DE Various Building Construction	2,770,866	0	7,685,200	0	8,185,200	0	8,185,200	0	8,185,200	0	8,185,200	0
1DK Cty-Shelter Plus Care Program	1,584,013	0	1,768,466	0	1,768,466	0	1,819,974	0	1,819,974	0	1,819,974	0
1EN Community Alcohol Safety	2,876,950	1	3,552,445	2	3,552,796	2	3,554,907	2	3,554,907	2	3,554,907	2
1ET Alcohol & Drug Abuse Prevention	19,754,309	0	21,394,499	0	21,824,072	0	21,824,072	0	21,324,072	0	21,824,072	0
2MN Mental Health Block Grant	6,282,218	0	6,068,799	0	6,068,799	0	6,068,799	0	6,068,799	0	6,068,799	0
2QZ Community Based Sanctions	2,377,968	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0
2RA Juvenile Account Incentive Block Grant	626,342	0	1,039,278	0	2,188,456	0	2,188,456	0	2,188,456	0	2,188,456	0
2RB Community Services	10,936,307	0	12,014,477	0	20,750,113	0	21,083,708	0	21,083,708	0	21,083,708	0
2RC Federal Child & Youth Service Grants	4,908,093	0	5,463,289	0	6,260,348	0	6,260,348	0	6,260,348	0	6,260,348	0
2YH Residential Services	27,744,281	0	26,257,848	0	33,381,132	0	35,402,401	0	35,402,401	0	35,402,401	0
320 Child Care Development-Discretionary	13,661,023	0	35,763,798	0	39,139,072	0	39,139,072	0	29,769,372	0	39,139,072	0
35M Ms. Senior Pageant	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0
35Y Child Abuse/Neglect Program	200,000	0	0	0	1,244,382	0	1,244,382	0	1,244,382	0	1,244,382	0
36E DMS-Alcohol Drug Prevention Waiver	0	0	0	0	0	0	0	0	30,000,000	0	0	0
396 Cty-Aid To Aged, Blind, Disabled	0	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0
397 Children's Medical Services	1,727,146	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0
408 Children's Medical Services-Federal	908,565	0	1,377,338	0	1,377,338	0	1,377,338	0	1,377,338	0	1,377,338	0
409 Cty-Weatherization Program	5,240,817	0	33,804,713	0	18,775,000	0	18,775,000	0	4,000,000	0	18,775,000	0
410 Cty-Emergency Food Program	663,066	0	717,364	0	897,826	0	897,826	0	672,377	0	897,826	0
411 Cty-Low Income Energy Assistance Prgm	21,022,784	0	25,533,486	0	14,487,743	0	15,487,743	0	15,487,743	0	15,487,743	0
412 Cty-Refugee Resettlement Program	4,536	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
414 Consolidated Cost	646,711	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0
418 Meals on Wheels	3,133,351	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0
426 Cty-Homeless Assistance Grant	1,154,061	0	5,345,000	0	5,851,246	0	5,851,246	0	1,851,246	0	5,851,246	0
4KS Nursing Home Quality	1,398,163	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
58G ARRA of 2009	4,067,967	0	110,889,861	0	179,680,169	0	179,680,169	0	0	0	179,680,169	0
59H Hunger Coalition	0	0	980,000	0	1,000,000	0	1,000,000	0	0	0	1,000,000	0
59J Autism Treat/Coord	0	0	1,467,000	0	1,500,000	0	1,500,000	0	0	0	1,500,000	0
642 DHS Medicaid Expansion Program	834,781	20	2,700,262	60	2,742,327	61	2,758,121	61	2,758,121	61	2,758,121	61
642 DHS Medicaid Expansion Program	74,247	2	112,851	2	122,793	2	125,069	2	125,069	2	125,069	2

Department Appropriation Summary - All DHS Divisions

Appropriation		Historical Data						Agency Request and Recommendations					
		2008-2009		2009-2010		2009-2010		2010-2011					
		Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
648	Medicaid Exp-Prescription Drugs	2,637,318	0	2,558,824	0	6,541,937	0	12,845,491	0	27,471,014	0	12,845,491	0
648	Medicaid Exp-Hospital & Medical Services	25,686,225	0	43,345,899	0	74,479,346	0	131,164,332	0	211,238,137	0	131,164,332	0
653	DDS-State Operations	4,340,000	0	13,920,818	0	13,930,669	0	13,930,669	0	7,109,431	0	13,930,669	0
655	Acute Mental Health Services-Per Capita	5,750,000	0	5,750,000	0	5,750,000	0	5,750,000	0	5,750,000	0	5,750,000	0
657	Community Programs	19,175	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
658	Grants to Community Providers	15,671,104	0	15,856,800	0	15,909,753	0	15,909,753	0	15,909,753	0	15,909,753	0
876	Nursing Home Closure Costs	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
878	Long Term Care Facility Receivership	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
882	State Residential Treatment	1,055,142	0	1,330,000	0	1,330,000	0	1,330,000	0	2,380,000	0	1,330,000	0
883	Foster Care	18,051,446	0	17,296,516	0	17,296,516	0	17,617,628	0	18,191,846	0	17,617,628	0
890	Food Program	43,311,594	0	44,291,250	0	44,291,250	0	46,791,250	0	46,791,250	0	46,791,250	0
896	Director's Office	1,242,591	13	1,323,880	9	1,409,388	13	1,691,005	13	1,691,005	13	1,691,005	13
896	Office of Chief Counsel	9,807,591	166	11,110,994	168	11,642,154	175	11,590,824	175	11,793,168	177	11,590,824	175
896	Division of Aging & Adult Services	12,483,553	194	13,681,485	192	15,410,748	203	15,643,857	203	15,643,857	203	15,643,857	203
896	Division of Children & Family Services	61,794,517	1,052	71,247,623	1,035	76,085,683	1,194	81,986,431	1,194	91,669,520	1,284	81,986,431	1,194
896	Division of Child Care/Early Childhood	14,486,490	171	20,479,063	171	17,366,119	171	17,529,476	171	16,679,476	171	17,529,476	171
896	Division of Behavioral Health Services	81,648,941	1,121	85,624,565	1,016	99,607,817	1,165	100,787,161	1,165	101,813,649	1,167	100,787,161	1,165
896	Division of Medical Services	20,043,793	288	23,752,145	315	25,176,916	326	25,541,661	326	25,979,826	334	25,541,661	326
896	Division of County Operations	103,766,926	1,878	122,734,730	1,807	135,204,335	1,882	136,352,424	1,882	129,191,398	1,882	136,352,424	1,882
896	Division of Administrative Services	28,332,173	331	30,898,928	349	32,055,805	359	32,381,578	359	32,381,578	359	32,381,578	359
896	Division of Developmental Disabilities Svcs	115,554,894	2,534	134,639,514	2,547	154,811,825	2,726	157,062,814	2,726	148,334,170	2,747	157,062,814	2,726
896	Division of Services for the Blind	4,095,169	71	6,195,745	75	5,804,318	75	5,866,311	75	5,035,029	75	5,866,311	75
896	Division of Volunteerism	1,350,379	22	1,383,836	24	1,528,446	24	1,553,456	24	1,553,456	24	1,553,456	24
896	Division of Youth Services	6,722,676	89	7,558,220	88	11,743,984	161	11,722,062	161	11,466,710	159	11,722,062	161
897	ARKIDS B Program	93,988,934	0	115,367,432	0	183,780,218	0	204,023,484	0	157,738,482	0	204,023,484	0
897	Hospital & Medical Services	2,528,335,607	0	3,049,682,395	0	3,967,483,675	0	4,192,018,983	0	3,224,177,831	0	4,192,018,983	0
897	Prescription Drugs	342,176,866	0	396,961,874	0	539,540,442	0	575,144,026	0	475,423,172	0	575,144,026	0
897	Private Nursing Home Care	540,512,636	0	574,031,810	0	727,583,615	0	752,732,888	0	618,038,129	0	752,732,888	0
897	TANF Block Grant	18,614,960	0	21,230,000	0	29,640,650	0	33,640,650	0	33,640,650	0	33,640,650	0
898	Child & Family Life Inst	0	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
898	Child Care Grant/Aids	22,650,911	0	23,025,677	0	28,125,422	0	28,125,422	0	29,588,845	0	28,125,422	0
898	Community Based Care	0	0	0	0	90,000	0	90,000	0	90,000	0	90,000	0
898	Community Svcs. Block Grant	8,501,710	0	22,095,784	0	20,020,518	0	20,020,518	0	10,920,321	0	20,020,518	0

Department Appropriation Summary - All DHS Divisions

		Historical Data				Agency Request and Recommendations							
Appropriation		2008-2009		2009-2010		2009-2010		2010-2011					
		Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
898	Delta Service Corps Grants	2,189,191	0	3,364,380	0	3,094,077	0	3,094,077	0	2,564,077	0	3,094,077	0
898	Infant Infirmary	19,819,778	0	21,374,092	0	32,351,877	0	33,152,691	0	22,931,565	0	33,152,691	0
898	Nursing Home Care Alternatives	5,509,815	0	5,671,199	0	6,656,003	0	6,656,003	0	6,656,003	0	6,656,003	0
898	Nutrition Program	8,190,092	0	10,894,818	0	12,310,616	0	12,310,616	0	11,343,402	0	12,310,616	0
898	Older Worker Program Grants	1,052,665	0	1,052,665	0	1,132,005	0	1,132,005	0	1,132,005	0	1,132,005	0
898	Project Grants	10,006,456	0	10,705,550	0	14,392,359	0	14,392,359	0	13,960,559	0	14,392,359	0
898	Public Nursing Home Care	157,565,543	0	177,556,728	0	261,943,944	0	270,815,554	0	193,145,084	0	270,815,554	0
898	Purchase of Services	2,687,603	0	3,394,828	0	2,770,628	0	2,770,628	0	2,573,558	0	2,770,628	0
898	Retired & Sr Volunteer Program	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
898	Social Svcs Blk Grant-Fed	0	0	139,733	0	139,733	0	139,733	0	139,733	0	139,733	0
898	Sr Citizen Centers	4,600,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
898	TANF/Foster Care	38,467,899	0	40,942,725	0	41,706,254	0	42,294,294	0	45,859,147	0	42,294,294	0
929	Child Care-Treasury Paying	0	0	180,158	0	200,000	0	200,000	0	200,000	0	200,000	0
930	Cty-Commodity Distrib & Salvage Container	3,196	0	297,916	0	297,916	0	274,086	0	274,086	0	274,086	0
935	Volunteerism - Cash in Treasury	1,334	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
937	Canteen - Cash in Treasury	138,516	0	174,048	0	174,048	0	174,048	0	174,048	0	174,048	0
938	Patient Benefits-Cash in Treasury	42,216	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
978	Senior Olympics	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0
982	Inter-Divisional Programs	71,935	0	105,439	0	109,190	0	109,190	0	109,190	0	109,190	0
C99	Client Specific Emergency Services-Cash	0	0	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0
Total		4,545,208,483	7,954	5,502,629,996	7,860	7,057,925,940	8,539	7,458,791,732	8,539	6,018,136,136	8,660	7,458,791,732	8,539

Funding Sources			%		%		%		%		%		
Fund Balance	4000005	7,014,968	0.2	7,958,125	0.1			272,925	0.0	272,925	0.0	272,925	0.0
General Revenue	4000010	1,018,169,612	22.4	999,283,120	18.2			1,247,760,259	21.3	1,306,050,131	23.5	1,247,760,259	21.3
Federal Revenue	4000020	3,066,495,824	67.3	3,999,138,883	72.7			3,989,285,556	68.0	3,719,644,222	67.0	3,989,335,556	68.0
Special Revenue	4000030	115,638	0.0	304,000	0.0			50,000	0.0	50,000	0.0	50,000	0.0
Cash Fund	4000045	185,262	0.0	859,122	0.0			855,134	0.0	855,134	0.0	855,134	0.0
Trust Fund	4000050	2,024,505	0.0	2,589,278	0.0			51,938,456	0.9	51,938,456	0.9	51,938,456	0.9
Cigarette Tax	4000140	3,133,351	0.1	3,500,000	0.1			3,500,000	0.1	3,500,000	0.1	3,500,000	0.1
Drug Rebates	4000200	33,063,179	0.7	21,237,341	0.4			31,937,947	0.5	27,160,000	0.5	31,937,947	0.5
Miscellaneous Transfers	4000355	115,000	0.0	115,000	0.0			115,000	0.0	115,000	0.0	115,000	0.0
Quality Assurance Fee	4000395	58,395,007	1.3	63,059,408	1.1			62,947,653	1.1	62,947,653	1.1	62,947,653	1.1

Funding Sources			%		%		%		%		%
Reallocation of Resources	4000410	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Refunds	4000415	1,277,248	0.0	3,400,000	0.1	1,875,000	0.0	1,875,000	0.0	1,875,000	0.0
Reimbursement	4000425	7,781,990	0.2	65,209,787	1.2	73,122,062	1.2	8,012,275	0.1	73,122,062	1.2
Robert Woods Johnson Grant	4000440	93,183	0.0	0	0.0	101,940	0.0	101,940	0.0	101,940	0.0
Tobacco Settlement	4000495	9,548,785	0.2	12,108,342	0.2	62,306,037	1.1	62,307,036	1.1	62,306,037	1.1
Transfer From DWS	4000527	1,000,000	0.0	500,000	0.0	0	0.0	0	0.0	0	0.0
Transfer to Ar Pub Defender	4000603	(140,000)	0.0	(240,000)	0.0	(240,000)	0.0	(240,000)	0.0	(240,000)	0.0
Transfer to DFA Disbursing	4000610	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0
Transfer to Medicaid Match	4000660	(11,862,604)	(0.3)	(12,479,558)	(0.2)	(12,818,457)	(0.2)	(22,094,901)	(0.4)	(12,818,457)	(0.2)
Transfer to State Police	4000675	(1,371,772)	0.0	(1,398,772)	0.0	(1,371,772)	0.0	(1,371,772)	0.0	(1,371,772)	0.0
Various Program Support	4000730	358,527,432	7.9	338,158,845	6.1	357,221,355	6.1	334,617,136	6.0	357,171,355	6.1
Total Funds		4,553,166,608	100.0	5,502,902,921	100.0	5,868,459,095	100.0	5,555,340,235	100.0	5,868,459,095	100.0
Excess Appropriation/(Funding)		(7,958,125)		(272,925)		1,590,332,637		462,795,901		1,590,332,637	
Grand Total		4,545,208,483		5,502,629,996		7,458,791,732		6,018,136,136		7,458,791,732	

DHS - DIRECTOR'S OFFICE/OFFICE OF CHIEF COUNSEL

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

The Office of Financial Management had the following internal control deficiencies related to bank accounts at June 30, 2008:

- Review of signature cards revealed that 29 accounts had no signature cards on file, 13 signature cards had not been updated since June 30, 2004 and four signature cards included individuals no longer employed with the Agency; and
- Reconciliations performed by the Agency identified 27 outstanding checks that were more than 180 days old and 107 other reconciling items up to over 12 months old totaling \$10,804.

The ability to properly safeguard and account for these assets has been jeopardized as a result of inadequate controls.

Review of Agency receipting and deposit procedures revealed that Central Receipting, Division of Behavioral Health Services (DBHS) - Arkansas State Hospital and Division of Child Care and Early Childhood Education (DCCECE) had inadequate management oversight and internal controls of cash receipts which contributed to the following deficiencies:

Recommendations

Review and follow the required reconciliation procedures as set out in the DHS Administrative Procedures Manual.

Review and follow the required receipting procedures as set out in the DHS Administrative Procedures Manual, Chapter 201.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

- 88 checks totaling \$711,198 were not deposited as required but were returned to either the vendor or the remitting division by Central Receipting;
- Receipts are not being issued in sequential order at the Arkansas State Hospital; and
- The Child Nutrition Program within the Division of Child Care and Early Childhood Education is not receipting items of income when received.

Strengthening of internal controls and adequate management oversight of cash receipts would ensure proper accountability of these funds.

Strengthen internal controls and management oversight of capital assets to ensure proper accountability of these items.

Review of capital assets revealed that the Office of Financial Management had inadequate management oversight and internal controls over capital assets which contributed to the following deficiencies:

- 26 capital equipment items valued at \$31,926 out of a sample of 241 capital equipment items valued at \$631,805 could not be located for observation;
- At June 30, 2008, 52 items totaling \$160,739 had been sent to Marketing and Redistribution or otherwise disposed of but had not been removed from Agency records;

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

- The Agency is not tagging all capital assets adequately to ensure proper identification. Numerous instances were noted where complete data related to the asset was not entered into AASIS when the asset was received, making it difficult to identify and verify the existence of these assets;
- Two items totaling \$9,228 were incorrectly recorded as equipment; and
- Six items totaling \$7,865 did not have adequate documentation for disposal.

The Risk Management Division of Arkansas Health Center (AHC) initiated, in March 2009, an investigation relating to "gift" purchases made by an employee who resigned February 24, 2009. AHC auditors identified a DVD set (\$64) and gift cards (\$575) purchased on behalf of clients not forwarded to the individuals indicated on purchase forms. AHC reimbursed client funds when the investigation started and the former employee reimbursed AHC \$640 on May 7, 2009. This matter has been forwarded to the Criminal Investigation Division of the Arkansas State Police.

Exercise proper fiscal oversight and strengthen internal controls to ensure proper accountability of these funds.

DIVISION OF LEGISLATIVE AUDIT
INVESTIGATIVE REPORT OF :
ALEXANDER HUMAN DEVELOPMENT CENTER -
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

This report is issued pursuant to a request by the Director of Audits of Department of Human Services (Agency) and Arkansas State Police to conduct a review of cash fund accounts maintained for residents at the Alexander Human Development Center (AHDC).

Agency personnel expressed concern regarding AHDC Resident Personal Funds bank account (Resident Account) because the account had been overdrawn. During the period December 2006 through 2007, \$21,500 was transferred to the Resident Account from two other Agency bank accounts. In January 2008, a Resident Personal Funds certificate of deposit of \$40,000 was also cashed and deposited to the Resident Account.

While conducting an internal review, Agency auditors discovered resident cash account balances were inaccurate and noted a lack of financial records and supporting documentation for Resident Account withdrawals. Most resident accounts financial information on the computer hard drive was also missing.

Resident subsidiary ledger balances at June 30, 2008 totaled \$78,222 which exceeded reconciled Resident Account bank balances and petty cash by \$25,051, as illustrated in Exhibit I on page 5. Further, if adjustments of \$13,718 proposed by Agency auditors were posted, resident subsidiary ledger balances would total \$91,940 resulting in the Resident Account being due a total of \$38,769, as shown in Exhibit I.

Recommendations

The Agency exercise proper fiscal oversight, segregate cash transaction duties to the extent possible, and ensure proper accounting records are prepared, reconciled, and retained. Specifically, the Agency should:

- Consult with legal counsel to resolve the Resident Account deficit balance;
- Determine a petty cash amount sufficient to support residents' needs and ensure the petty cash fund is maintained on an imprest system;
- Delegate someone independent of cash transaction duties to reconcile the Resident Account to resident subsidiary ledgers;
- Require signatures of applicable staff for cash transfers to establish custodial responsibility;
- Periodically confirm resident subsidiary ledger balances with parent/guardian;
- Discontinue practice of posting/allowing negative balances in resident subsidiary ledgers; and
- Establish procedures to ensure/monitor AHDC compliance with Agency's policies and procedures.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ALEXANDER HUMAN DEVELOPMENT CENTER -
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

This report has been forwarded to the Sixth Judicial District Prosecuting Attorney and Arkansas State Police (ASP). As of report date, ASP has an ongoing investigation to determine if criminal charges are warranted relating to AHDC cash deficits.

Internal Control Weaknesses

This review revealed the following internal control deficiencies:

- Management did not exercise proper fiscal oversight responsibility;
- Segregation of duties relating to the accounting process was not adequate;
- Resident income was not always posted to subsidiary ledgers;
- Supporting documentation for expenditures relating to the Resident Account was not retained;
- Resident Account subsidiary ledgers were not timely nor accurately posted;
- Reconciliation of the resident subsidiary ledgers to the Resident Account was not performed; and
- Petty cash fund was not maintained on an imprest basis.

Recommendations

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Recommendations					
	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
896 Director's Office	1,242,591	13	1,323,880	9	1,409,388	13	1,691,005	13	1,691,005	13	1,691,005	13
896 Office of Chief Counsel	9,807,591	166	11,110,994	168	11,642,154	175	11,590,824	175	11,793,168	177	11,590,824	175
Total	11,050,182	179	12,434,874	177	13,051,542	188	13,281,829	188	13,484,173	190	13,281,829	188

Funding Sources		%		%		%		%		%	
General Revenue 4000010	3,931,515	35.6	4,035,043	32.4		4,460,329	35.2	6,411,768	47.7	4,460,329	35.2
Federal Revenue 4000020	4,460,043	40.4	6,006,709	48.3		5,168,382	40.8	5,298,898	39.4	5,168,382	40.8
Reallocation of Resources 4000410	19,289	0.2	0	0.0		0	0.0	0	0.0	0	0.0
Various Program Support 4000730	2,639,335	23.9	2,393,122	19.2		3,053,882	24.1	1,743,836	13.0	3,053,882	24.1
Total Funds	11,050,182	100.0	12,434,874	100.0		12,682,593	100.0	13,454,502	100.0	12,682,593	100.0
Excess Appropriation/(Funding)	0		0			599,236		29,671		599,236	
Grand Total	11,050,182		12,434,874			13,281,829		13,484,173		13,281,829	

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

Arkansas Code Annotated §25-10-106 delegated administrative authority for the entire Department of Human Services to the Office of the Director. According to Arkansas Code Annotated §25-10-102, the Department operates under an integrated service delivery system provided by eleven divisions, in addition to the Director's Office that includes the Office of Chief Counsel. Both the Director and Chief Counsel operate from the same appropriation but are given separate paying funds. The DHS Director is responsible for establishing Departmental policy to carry out executive directives, federal and state legislative mandates and coordination of services across Division lines when individuals and families are provided services by multiple programs. Arkansas Code Annotated §20-76-201 delineates the powers and duties of the Department of Human Services.

The Arkansas Department of Human Services (DHS) is the largest state agency with more than 7,300 employees working in all 75 counties. Every county has at least one local office where citizens can apply for any of the services the department offers. Some counties, depending on their size, have more than one office. DHS employees come into direct contact with thousands of people daily and offer the "safety net" Arkansas families turn to when they are facing difficult times. DHS takes care of Arkansans of all ages ranging from infants to senior citizens.

DHS staff oversees the regulation of nursing home and childcare facilities. DHS is also responsible for finding adoptive families for foster children, protecting abused and neglected children, funding the home-delivery of meals for the elderly and operating the juvenile justice system. DHS oversees services to blind Arkansans and helps develop volunteer programs, which have a profound impact at the community level. The department also protects elderly Arkansans from abuse and neglect and operates human development centers across the state, which serves the developmentally disabled. DHS also provides mental health services through its system of community mental health care centers.

The Mission of the Department is "Together we improve the quality of life of all Arkansans by protecting the vulnerable, fostering independence, and promoting better health."

The Office of Chief Counsel consists of various sections which provide extensive legal, investigative, audit and hearing services to the Department of Human Services' (DHS) Divisions. The sections and their areas of responsibility within OCC are as follows:

- Appeals and Hearing - provides administrative hearing for the appeal of adverse agency actions. Appeals may concern child maltreatment, TEA, Medicaid, food stamps, intentional program violations, estate recovery, and a variety of other areas.

- County Legal Operations - provides statewide legal representation to the Department of Human Services in the areas of child welfare and adult protective services.
- Employee Relations/Equal Opportunity - processes employee grievances and conducts mediations and fact-finding conferences related to employee grievances and complaints. This office also ensures compliance with federal and state civil rights/anti-discrimination laws, regulations, executive orders, etc., and investigates client complaints of rude and discourteous treatment.
- General Counsel - represents the Department, in administrative matters and state and federal litigation related to Medicaid, Long Term Care, guardianship, employee garnishments and recovery of money owed DHS from a variety of sources. Litigation involving collection issues are in such areas as food stamp overpayments, AFDC overpayments, grants, fees for services at mental health and developmental disabilities institutions, and Estate Recovery.
- Management Assistance - is the DHS primary point of contact for Freedom of Information Act requests, monitors agency promulgation of rules, provides fiscal planning and monitoring, logistics support, and conducts special projects.
- Audit - conducts performance, compliance and some financial related audits, and consults on operational and program issues. It coordinates the development of audit requirements and guidelines and monitors program resolution.
- Fraud Investigation - responsible for investigating and referring for prosecution allegations of recipient fraud or Intentional Program Violation in the public assistance programs administered by the Department of Human Services. These include Transitional Employment Assistance, Food Stamps, Medicaid, Child Care, and Special Nutrition.

The Director's Office/Office of Chief Counsel is funded from a mix of sources that include general revenue (DAS - Department of Human Services Administration Fund Account), federal, and other funds. Federal and other funding is determined by the Department cost allocation plan. Other funding which is indicated as various program support can also include sources such as federal awards, fees, third party reimbursements and maximization of federal claiming. These other funds are considered to be non-federal and technically can be expended for any program or service within the Department.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	7,733,341	8,550,149	8,873,167	9,055,708	9,158,066	9,055,708
	#Positions	179	177	188	188	190	188
Extra Help	5010001	16,450	200,348	200,348	200,348	200,348	200,348
	#Extra Help	3	10	10	10	10	10
Personal Services Matching	5010003	2,179,042	2,472,030	2,686,143	2,721,889	2,751,875	2,721,889
Operating Expenses	5020002	1,061,029	1,156,575	1,236,112	1,248,112	1,248,112	1,248,112
Conference & Travel Expenses	5050009	23,617	32,472	32,472	32,472	102,472	32,472
Professional Fees	5060010	32	11,000	11,000	11,000	11,000	11,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	27,261	0	0	0	0	0
Data Processing Services	5900044	9,410	12,300	12,300	12,300	12,300	12,300
Total		11,050,182	12,434,874	13,051,542	13,281,829	13,484,173	13,281,829
Funding Sources							
General Revenue	4000010	3,931,515	4,035,043		4,460,329	6,411,768	4,460,329
Federal Revenue	4000020	4,460,043	6,006,709		5,168,382	5,298,898	5,168,382
Reallocation of Resources	4000410	19,289	0		0	0	0
Various Program Support	4000730	2,639,335	2,393,122		3,053,882	1,743,836	3,053,882
Total Funding		11,050,182	12,434,874		12,682,593	13,454,502	12,682,593
Excess Appropriation/(Funding)		0	0		599,236	29,671	599,236
Grand Total		11,050,182	12,434,874		13,281,829	13,484,173	13,281,829

Actual Capital Outlay exceeds Authorized Appropriation due to appropriation received from DFA for Motor Vehicle Purchases.
The FY09 funding includes General Revenue fund transfers from various DHS Divisions by Authority of Reallocation of Resources.

DHS - ADMINISTRATIVE SERVICES

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1DE Various Building Construction	2,770,866	0	7,685,200	0	8,185,200	0	8,185,200	0	8,185,200	0	8,185,200	0
414 Consolidated Cost	646,711	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0
58G ARRA of 2009	4,067,967	0	110,889,861	0	179,680,169	0	179,680,169	0	0	0	179,680,169	0
896 Division of Administrative Services	28,332,173	331	30,898,928	349	32,055,805	359	32,381,578	359	32,381,578	359	32,381,578	359
898 Social Srvs Blk Grant-Fed	0	0	139,733	0	139,733	0	139,733	0	139,733	0	139,733	0
C99 Client Specific Emergency Services-Cash	0	0	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0
Total	35,817,717	331	150,555,222	349	221,002,407	359	221,328,180	359	41,648,011	359	221,328,180	359

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	7,014,968	16.0	7,958,125	5.3	272,925	0.2	272,925	0.7	272,925	0.2
General Revenue	4000010	11,009,469	25.1	10,918,283	7.2	11,582,953	7.6	11,607,953	28.4	11,582,953	7.6
Federal Revenue	4000020	11,298,065	25.8	60,038,327	39.8	56,427,377	37.2	10,678,403	26.1	56,427,377	37.2
Cash Fund	4000045	0	0.0	120,000	0.1	120,000	0.1	120,000	0.3	120,000	0.1
Reallocation of Resources	4000410	(6,907)	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reimbursement	4000425	7,781,990	17.8	65,109,787	43.2	73,022,062	48.1	7,912,275	19.3	73,022,062	48.1
Various Program Support	4000730	6,678,257	15.3	6,683,625	4.4	10,314,214	6.8	10,322,663	25.2	10,314,214	6.8
Total Funds		43,775,842	100.0	150,828,147	100.0	151,739,531	100.0	40,914,219	100.0	151,739,531	100.0
Excess Appropriation/(Funding)		(7,958,125)		(272,925)		69,588,649		733,792		69,588,649	
Grand Total		35,817,717		150,555,222		221,328,180		41,648,011		221,328,180	

Analysis of Budget Request

Appropriation: 1DE - Various Building Construction

Funding Sources: DHR - Human Services Renovation Fund

The Various Building Construction appropriation is for the purpose of construction, acquisition, renovation, maintenance, repair and equipping facilities of the Department of Human Services and for paying disallowances cited by the federal government. Facilities are those operated by the Divisions of Developmental Disabilities-Human Development Centers; Behavioral Health-Arkansas State Hospital and Arkansas Health Center; and Youth Services-Youth Services Centers and Wilderness Camps.

Funding for this appropriation is from the Human Services Renovation Fund and is derived from three sources. Federal reimbursement received by the Department. General revenue transferred from these three (3) Divisions with an annual maximum of five million dollars. Other funds may be utilized as determined to be available. At the request of the Director of the Department of Human Services and upon certification of the availability of such funds, the Chief Fiscal Officer of the State shall initiate the necessary transfer documents to reflect the transfer on the books of record of the Treasurer of State, the Auditor of State, the Chief Fiscal Officer of the State and the Department. Arkansas Code Annotated §19-5-1020 was amended by Act 1537 of 1999 to require that transfers into the Renovation Fund must be submitted to and receive approval from the Chief Fiscal Officer of the State, the Governor and the Legislative Council prior to the effective date of the transfer. This appropriation is centralized within the DHS Director's purview in order that the needs of the Department can be prioritized, however, maintained by the Division of Administrative Services. Expenditures for this appropriation are contingent upon available funding provided from within the Department.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 1DE - Various Building Construction

Funding Sources: DHR - Human Services Renovation Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Construction	5090005	2,770,866	7,685,200	8,185,200	8,185,200	8,185,200	8,185,200
Total		2,770,866	7,685,200	8,185,200	8,185,200	8,185,200	8,185,200
Funding Sources							
Fund Balance	4000005	7,014,968	7,958,125		272,925	272,925	272,925
Reimbursement	4000425	3,714,023	0		7,912,275	7,912,275	7,912,275
Total Funding		10,728,991	7,958,125		8,185,200	8,185,200	8,185,200
Excess Appropriation/(Funding)		(7,958,125)	(272,925)		0	0	0
Grand Total		2,770,866	7,685,200		8,185,200	8,185,200	8,185,200

Reimbursements are from Other funds that may be utilized as determined to be available.

Analysis of Budget Request

Appropriation: 414 - Consolidated Cost

Funding Sources: MCC - Consolidated Cost Revolving Fund

The Division of Administrative Services is responsible for the centralized purchasing of postage, forms printing, and warehouse storage for the Department. Purchases are made through this appropriation with funding transferred from the respective Divisions to the Consolidated Cost Revolving Fund.

Funding for this appropriation indicated as various program support is revenue transferred based on cost allocation derived from the program code to which funds are assigned and can be a mix of funding sources such as general revenue, federal revenue, other revenue and/or a combination of each.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 414 - Consolidated Cost

Funding Sources: MCC - Consolidated Cost Revolving Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	646,711	821,500	821,500	821,500	821,500	821,500
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		646,711	821,500	821,500	821,500	821,500	821,500
Funding Sources							
Various Program Support	4000730	646,711	821,500		821,500	821,500	821,500
Total Funding		646,711	821,500		821,500	821,500	821,500
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		646,711	821,500		821,500	821,500	821,500

Revenue transferred based on Cost Allocation derived from the program code to which funds are assigned and can be a mix of funding sources such as General Revenue, Federal Revenue, Other Revenue and/or a combination of each.

Analysis of Budget Request

Appropriation: 58G - ARRA of 2009

Funding Sources: PWP - Administration Paying

The American Recovery and Reinvestment Act of 2009 appropriation was established in the 87th Legislative Session to allow expenditures for capital improvements, information technologies and one-time costs of the Department of Human Services. This appropriation is centralized within the DHS Director's purview in order that the needs of the Department can be prioritized, however, maintained by the Division of Administrative Services. Expenditures for this appropriation are contingent upon available funding provided from the American Recovery and Reinvestment Act of 2009.

The Legislative Recommendation and Executive Recommendation reflect the Governor's Letter adopted to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 58G - ARRA of 2009

Funding Sources: PWP - Administration Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
ARRA 2009	5900052	4,067,967	110,889,861	179,680,169	179,680,169	0	179,680,169
Total		4,067,967	110,889,861	179,680,169	179,680,169	0	179,680,169
Funding Sources							
Federal Revenue	4000020	0	45,780,074		45,780,074	0	45,780,074
Reimbursement	4000425	4,067,967	65,109,787		65,109,787	0	65,109,787
Total Funding		4,067,967	110,889,861		110,889,861	0	110,889,861
Excess Appropriation/(Funding)		0	0		68,790,308	0	68,790,308
Grand Total		4,067,967	110,889,861		179,680,169	0	179,680,169

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

The Division of Administrative Services was created by the combining of the Division of Management Services and the Division of Finance in the spring of 1994. The DHS Director merged the two Divisions for the purpose of streamlining administrative functions, reducing the administrative costs, aligning associated functions operating independently and strengthening internal controls. This configuration has provided the program divisions a central point of contact regarding administrative issues. The goal of the merger was to improved communications, cooperation and coordination between administrative functions and decrease positions in the Division.

The Division of Administrative Services has two (2) distinct areas of designation: Finance and Administration and Office Systems and Technology from which support services are provided to the other DHS Division staff, consumers and providers.

Office of Finance and Administration

Responsibilities include employee recruitment, applicant testing, classification and compensation, personnel file maintenance and personnel policy development and interpretation. Staff development is provided through this office and offers professional and personal growth and development courses available to all employees. Financial support services encompasses grant development, purchase of services, maintenance and monitoring of contracts and grant obligated funds, management of state owned/leased property, construction and maintenance, payroll, accounts payable, accounts receivable, budget/banking, cost accounting/research and statistics, reporting and forecasting.

Office of Systems and Technology

Technical services, program applications, support services and administrative services related to information/data systems is provided through staff and a contractual arrangement.

Funding for this appropriation includes general revenues (DAS - Department of Human Services Administration Fund Account), federal and other funds. The federal funds are derived from support services allocated through cost allocation and social service block grant federal funds. Other funding which is indicated as various program support is derived through cost allocation and can also include M&R proceeds.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	11,338,307	13,339,620	13,651,100	13,924,098	13,924,098	13,924,098
	#Positions	331	349	359	359	359	359
Extra Help	5010001	60,453	64,480	64,480	64,480	64,480	64,480
	#Extra Help	14	20	20	20	20	20
Personal Services Matching	5010003	3,423,836	4,083,809	4,477,006	4,529,781	4,529,781	4,529,781
Overtime	5010006	0	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	2,455,660	2,789,827	2,789,827	2,789,827	2,789,827	2,789,827
Conference & Travel Expenses	5050009	19,813	20,000	20,000	20,000	20,000	20,000
Professional Fees	5060010	9,050,747	8,767,981	9,075,792	9,075,792	9,075,792	9,075,792
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	42,398	0	0	0	0	0
Data Processing Services	5900044	1,940,959	1,823,211	1,967,600	1,967,600	1,967,600	1,967,600
Total		28,332,173	30,898,928	32,055,805	32,381,578	32,381,578	32,381,578
Funding Sources							
General Revenue	4000010	11,009,469	10,918,283		11,582,953	11,607,953	11,582,953
Federal Revenue	4000020	11,298,065	14,118,520		10,507,570	10,538,670	10,507,570
Reallocation of Resources	4000410	(6,907)	0		0	0	0
Various Program Support	4000730	6,031,546	5,862,125		9,492,714	9,501,163	9,492,714
Total Funding		28,332,173	30,898,928		31,583,237	31,647,786	31,583,237
Excess Appropriation/(Funding)		0	0		798,341	733,792	798,341
Grand Total		28,332,173	30,898,928		32,381,578	32,381,578	32,381,578

Actual Capital Outlay exceeds Authorized Appropriation due to appropriation received from DFA for Motor Vehicle Purchases.

The FY09 funding includes a General Revenue fund transfer to the DHS-Office of Chief Counsel by Authority of Reallocation of Resources.

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The Division of Administrative Services administers the social services block grant (SSBG). The Office of Community Services, Administration for Children and Families, U. S. Department of Health and Human Services is responsible for the administration of the grant program at the federal level with grants made directly to the State. Grant amounts are determined by a statutory formula based on individual state population. Up to 10 percent of block grant funds are allowed to be transferred to other block grant programs for support of health services, health promotion and disease prevention campaigns, and low-income home energy assistance.

Under the provisions of the block grant, each state has the authority to determine the most appropriate social services for the state's citizens. Included are services such as assistance to individuals and families to become more independent relative to financial support and personal care, family maintenance and avoidance of institutional care. These services are rendered through contracts with community programs across the state to provide services to people with developmental disabilities, mental illness, the elderly, and children. The agency has elected to allocate the majority of the SSBG funds to various divisions within the Department and other departments in state government - Workforce Education, Rehabilitation Services and Spinal Cord Commission thus eliminating the need for the majority of this appropriation. Each of the DHS divisions and other departments certify the funds in the respective division/department and budget for utilization of these funds.

Funding for this appropriation is 100% federal funds and is provided under Title XX of the Social Security Act (Omnibus Budget Reconciliation Act of 1981 as amended, P.L. 97-35; Jobs Training Bill, P.L. 98-8; P.L. 98-473; Medicaid and Medicare Patient and Program Act of 1987; Omnibus Budget Reconciliation Act of 1987, P.L. 100-203; Family Support Act of 1988, P.L. 100-485; Omnibus Budget Reconciliation Act of 1993, P.L. 103-66; 42 U.S.C. 1397 et seq.).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	0	139,733	139,733	139,733	139,733	139,733
Total	0	139,733	139,733	139,733	139,733	139,733
Funding Sources						
Federal Revenue 4000020	0	139,733		139,733	139,733	139,733
Total Funding	0	139,733		139,733	139,733	139,733
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	139,733		139,733	139,733	139,733

Analysis of Budget Request

Appropriation: C99 - Client Specific Emergency Services–Cash

Funding Sources: 120 - Client Specific Emergency Services-Cash

This appropriation is a contingency for immediate, short term and specific client emergencies such as shelter, food or transportation. Federal social services block grant funds would be utilized should payments be necessary. There were no expenditures made under this appropriation in FY2009 and \$120,000 is budgeted in FY2010. Expenditure of appropriation is contingent upon available funding.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: C99 - Client Specific Emergency Services–Cash

Funding Sources: 120 - Client Specific Emergency Services-Cash

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Purchase of Services 5900043	0	120,000	120,000	120,000	120,000	120,000
Total	0	120,000	120,000	120,000	120,000	120,000
Funding Sources						
Cash Fund 4000045	0	120,000		120,000	120,000	120,000
Total Funding	0	120,000		120,000	120,000	120,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	120,000		120,000	120,000	120,000

DHS - VOLUNTEERISM

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Recommendations					
	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
896 Division of Volunteerism	1,350,379	22	1,383,836	24	1,528,446	24	1,553,456	24	1,553,456	24	1,553,456	24
898 Delta Service Corps Grants	2,189,191	0	3,364,380	0	3,094,077	0	3,094,077	0	2,564,077	0	3,094,077	0
935 Volunteerism – Cash in Treasury	1,334	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
Total	3,540,904	22	4,760,216	24	4,634,523	24	4,659,533	24	4,129,533	24	4,659,533	24

Funding Sources		%		%		%		%		%	
General Revenue	4000010	402,439	11.4	446,904	9.4	480,115	11.8	522,315	12.7	480,115	11.8
Federal Revenue	4000020	2,829,257	79.9	3,998,905	84.0	3,256,510	79.8	3,256,510	79.0	3,256,510	79.8
Cash Fund	4000045	1,334	0.0	12,000	0.3	12,000	0.3	12,000	0.3	12,000	0.3
Reallocation of Resources	4000410	15,676	0.4	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	292,198	8.3	302,407	6.4	333,308	8.2	333,308	8.1	333,308	8.2
Total Funds		3,540,904	100.0	4,760,216	100.0	4,081,933	100.0	4,124,133	100.0	4,081,933	100.0
Excess Appropriation/(Funding)		0		0		577,600		5,400		577,600	
Grand Total		3,540,904		4,760,216		4,659,533		4,129,533		4,659,533	

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

The Arkansas Office of Volunteerism was created in 1974 by order of the Governor to implement and administer a statewide immunization program. In 1977, the Office was established by Act 865 to assess and recognize the needs of communities throughout Arkansas and recruit, train, and coordinate volunteers and volunteer organizations in meeting those needs, assist in special projects to meet community needs and provide greater public awareness and recognition of volunteer efforts. In 1983, the Office of Volunteer Services transferred from the Office of the Governor to the Department of Human Services. Act 186 of 1989 officially made the agency a Division of DHS. The mission of the Division of Volunteerism (DOV) is to promote and support national service and volunteering in Arkansas. This is accomplished through various programs and community service activities.

Each year, the Division of Volunteerism publishes the study of "THE ECONOMIC IMPACT OF ARKANSAS VOLUNTEERS". The results of the most recent study are as follows: Eight hundred and seventy-seven (877) volunteer organizations reported a total of 19,062,664 hours for an estimated total dollar value of \$414,678,410. Had the State of Arkansas paid for the time involved to provide the services donated by volunteers, an additional \$8,264,642,854 in personal income would have been required to generate that sum in general revenues.

Arkansas' Promise program supports efforts for youth to give back to their communities through the placement of 12 AmeriCorps Promise Fellows in various communities. Promise Fellows activities for the program year 2007-2008 are listed below. Numbers for 2005-2006 are significantly higher because of a three month overlap in program years.

Youth Projects	202
Youth Participants	3,521
Youth Volunteer Hours	7,660
Adult Volunteer Hours	5,516

The Agency is funded through general revenues (DAS - Department of Human Services Administration Fund Account). Federal funding is comprised of funding based on the Department's cost allocation plan as well as federal funding granted from the Department of Health and Human Services-Corporation for National and Community Service. Other revenues which are indicated as various program support also consists of funding distributed based on the Department's cost allocation plan.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and

Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter adopted to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	815,080	903,339	891,419	912,377	912,377	912,377
	#Positions	22	24	24	24	24	24
Personal Services Matching	5010003	254,215	287,433	294,908	298,960	298,960	298,960
Overtime	5010006	0	1,000	1,000	1,000	1,000	1,000
Operating Expenses	5020002	245,834	157,249	295,719	295,719	295,719	295,719
Conference & Travel Expenses	5050009	20,348	14,155	22,000	22,000	22,000	22,000
Professional Fees	5060010	12,000	10,500	15,000	15,000	15,000	15,000
Data Processing	5090012	0	0	0	0	0	0
Delta Service Corps Grants	5100004	2,189,191	2,564,077	2,564,077	2,564,077	2,564,077	2,564,077
Capital Outlay	5120011	0	0	0	0	0	0
Data Processing Services	5900044	2,902	8,400	8,400	8,400	8,400	8,400
Delta Service Corps Grants-ARRA 2009	5900052	0	800,303	530,000	530,000	0	530,000
ARRA 2009	5900052	0	1,760	0	0	0	0
Total		3,539,570	4,748,216	4,622,523	4,647,533	4,117,533	4,647,533

Funding Sources							
General Revenue	4000010	402,439	446,904		480,115	522,315	480,115
Federal Revenue	4000020	2,829,257	3,998,905		3,256,510	3,256,510	3,256,510
Reallocation of Resources	4000410	15,676	0		0	0	0
Various Program Support	4000730	292,198	302,407		333,308	333,308	333,308
Total Funding		3,539,570	4,748,216		4,069,933	4,112,133	4,069,933
Excess Appropriation/(Funding)		0	0		577,600	5,400	577,600
Grand Total		3,539,570	4,748,216		4,647,533	4,117,533	4,647,533

The FY10 Budgeted amount in Regular Salaries exceeds the authorized amount due to salary adjustments for the 2010 fiscal year.

The FY10 ARRA Budgeted amounts exceed Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.

The FY09 funding includes a General Revenue fund transfer from the DHS-Division of County Operations by Authority of Reallocation of Resources.

Analysis of Budget Request

Appropriation: 935 - Volunteerism – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

This appropriation provides the Division of Volunteerism authority for expenditure of fees and donations relating to various volunteer efforts established around the State. The funds are for volunteer recognition, volunteer management training and special volunteer event expenses. These funds are honoraria from speaking engagements, donations, and volunteer management conference/workshop/seminar registration fees. Expenditure of appropriation is contingent upon available funding.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 935 - Volunteerism – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	1,334	7,703	7,703	7,703	7,703	7,703
Conference & Travel Expenses	5050009	0	2,865	2,865	2,865	2,865	2,865
Professional Fees	5060010	0	1,432	1,432	1,432	1,432	1,432
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		1,334	12,000	12,000	12,000	12,000	12,000
Funding Sources							
Cash Fund	4000045	1,334	12,000		12,000	12,000	12,000
Total Funding		1,334	12,000		12,000	12,000	12,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		1,334	12,000		12,000	12,000	12,000

DHS - AGING & ADULT SERVICES

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
35M Ms. Senior Pageant	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0
418 Meals on Wheels	3,133,351	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0
896 Division of Aging & Adult Services	12,483,553	194	13,681,485	192	15,410,748	203	15,643,857	203	15,643,857	203	15,643,857	203
898 Community Based Care	0	0	0	0	90,000	0	90,000	0	90,000	0	90,000	0
898 Nursing Home Care Alternatives	5,509,815	0	5,671,199	0	6,656,003	0	6,656,003	0	6,656,003	0	6,656,003	0
898 Nutrition Program	8,190,092	0	10,894,818	0	12,310,616	0	12,310,616	0	11,343,402	0	12,310,616	0
898 Older Worker Program Grants	1,052,665	0	1,052,665	0	1,132,005	0	1,132,005	0	1,132,005	0	1,132,005	0
898 Project Grants	10,006,456	0	10,705,550	0	14,392,359	0	14,392,359	0	13,960,559	0	14,392,359	0
898 Retired & Sr Volunteer Program	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
898 Sr Citizen Centers	4,600,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
978 Senior Olympics	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0
Total	45,140,932	194	50,670,717	192	58,656,731	203	58,889,840	203	57,490,826	203	58,889,840	203

Funding Sources		%		%		%		%		%
General Revenue 4000010	16,502,734	36.6	17,127,005	33.8	17,703,793	33.3	18,268,373	34.9	17,703,793	33.3
Federal Revenue 4000020	25,540,677	56.6	30,044,918	59.3	32,187,072	60.6	30,878,058	58.9	32,237,072	60.7
Special Revenue 4000030	72,904	0.2	50,000	0.1	0	0.0	0	0.0	0	0.0
Cigarette Tax 4000140	3,133,351	6.9	3,500,000	6.9	3,500,000	6.6	3,500,000	6.7	3,500,000	6.6
Reallocation of Resources 4000410	(170,724)	(0.4)	0	0.0	0	0.0	0	0.0	0	0.0
Robert Woods Johnson Grant 4000440	93,183	0.2	0	0.0	101,940	0.2	101,940	0.2	101,940	0.2
Transfer to Medicaid Match 4000660	(409,545)	(0.9)	(70,646)	(0.1)	(409,545)	(0.8)	(409,545)	(0.8)	(409,545)	(0.8)
Various Program Support 4000730	378,352	0.8	19,440	0.0	62,000	0.1	62,000	0.1	12,000	0.0
Total Funds	45,140,932	100.0	50,670,717	100.0	53,145,260	100.0	52,400,826	100.0	53,145,260	100.0
Excess Appropriation/(Funding)	0		0		5,744,580		5,090,000		5,744,580	
Grand Total	45,140,932		50,670,717		58,889,840		57,490,826		58,889,840	

Analysis of Budget Request

Appropriation: 35M - Ms. Senior Pageant

Funding Sources: DHP - Aging and Adult Services Fund Account

The Ms. Senior Pageant appropriation was established by Act 1278 of 2007 sec. 6. This appropriation allows the Division of Aging and Adult Services to provide additional funding to the Ms. Senior Pageant. This funding is used to reach out to every county in Arkansas in an attempt to make it a statewide event.

Funding for this appropriation consists of 100% general revenue funding (DHP - Aging and Adult Services Fund Account).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 35M - Ms. Senior Pageant

Funding Sources: DHP - Aging and Adult Services Fund Account

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Ms. Senior Pageant Expenses 5900046	20,000	20,000	20,000	20,000	20,000	20,000
Total	20,000	20,000	20,000	20,000	20,000	20,000
Funding Sources						
General Revenue 4000010	20,000	20,000		20,000	20,000	20,000
Total Funding	20,000	20,000		20,000	20,000	20,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	20,000	20,000		20,000	20,000	20,000

Analysis of Budget Request

Appropriation: 418 - Meals on Wheels

Funding Sources: DHP - Aging and Adult Services Fund Account

The Meals on Wheels appropriation is utilized to provide home delivered meals to clients who are homebound and unable to prepare nutritionally adequate meals, and live in an area where the meal can be delivered. These home delivered meals comply with the Dietary Guidelines for Americans and contain 1/3 of the Recommended Dietary Allowance (RDA) of nutrients (2/3 RDA provided if in the same day a second meal is served, and 100% if 3 meals in a day.) Clients must be age 60+ (or spouse or disabled dependent of person age 60+). This service is available through the Area Agencies on Aging (AAAs).

Funding for this appropriation consists of an allotment of an additional one-cent per pack tax levied on cigarettes as authorized by A.C.A. § 26-57-802 (Act 1211 of 1991).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 418 - Meals on Wheels

Funding Sources: DHP - Aging and Adult Services Fund Account

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Transportation Services 5900046	3,133,351	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total	3,133,351	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Funding Sources						
Cigarette Tax 4000140	3,133,351	3,500,000		3,500,000	3,500,000	3,500,000
Total Funding	3,133,351	3,500,000		3,500,000	3,500,000	3,500,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	3,133,351	3,500,000		3,500,000	3,500,000	3,500,000

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

This appropriation provides for the operations of the Division of Aging and Adult Services (DAAS) of the Department of Human Services. This Division promotes the health, safety, and independence of older Arkansans and adults with physical disabilities by providing programs and services including in-home care, adult day service, case management, education, support groups, health and wellness activities, employment services, and information and referral. Services are provided primarily through a network of eight Area Agencies on Aging (AAAs), over 100 community providers, and over 200 senior citizen centers.

The funding for this appropriation is comprised of general revenue (DHP - Aging and Adult Services Fund Account), federal revenue and other funding. Federal revenue includes Medicaid-Elder Choices, Medicaid-Independent Choices, Title III, Title V, Title VII, Adult Protective Service, Systems Information Grant, Medicaid Infrastructure Grant, Medicaid Disabilities Waiver, Long Term Support with affordable housing, Your Choice Grant, Medicaid Fraud Protection and Patrol, an Alzheimer Demonstration Grant and a Social Service Block Grant. Other Funding consists of a grant from the Robert Woods Johnson Foundation, as well as various program support including State Income Tax Check Off funding, miscellaneous non-federal grants, registry check fees, and miscellaneous collections. The FY09 funding includes a general revenue fund transfer to the DHS-County Operations by authority of Reallocation of Resources language.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual and a Governor's Letter adopted to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	8,259,446	8,727,453	9,004,656	9,200,447	9,200,447	9,200,447
	#Positions	194	192	203	203	203	203
Extra Help	5010001	51,975	70,434	140,868	140,868	140,868	140,868
	#Extra Help	7	18	18	18	18	18
Personal Services Matching	5010003	2,372,603	2,619,262	2,784,188	2,821,506	2,821,506	2,821,506
Operating Expenses	5020002	1,643,930	2,082,620	2,823,321	2,823,321	2,823,321	2,823,321
Conference & Travel Expenses	5050009	94,690	110,100	110,100	110,100	110,100	110,100
Professional Fees	5060010	60,909	71,616	547,615	547,615	547,615	547,615
Data Processing	5090012	0	0	0	0	0	0
Project Grants	5100004	10,006,456	10,273,750	13,960,559	13,960,559	13,960,559	13,960,559
Retired & Sr Volunteer Prgm	5100004	75,000	75,000	75,000	75,000	75,000	75,000
Sr Citizen Centers	5100004	4,600,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Older Wkrs Prgm Grant	5100004	1,052,665	1,052,665	1,132,005	1,132,005	1,132,005	1,132,005
Community Based Care	5100004	0	0	90,000	90,000	90,000	90,000
Nursing Hm Care Alternatives	5100004	5,509,815	5,671,199	6,656,003	6,656,003	6,656,003	6,656,003
Nutrition Programs	5100004	8,190,092	9,927,604	11,343,402	11,343,402	11,343,402	11,343,402
Capital Outlay	5120011	0	0	0	0	0	0
Project Grants-ARRA of 2009	5900052	0	431,800	431,800	431,800	0	431,800
Nutrition Prgms-ARRA of 2009	5900052	0	967,214	967,214	967,214	0	967,214
Total		41,917,581	47,080,717	55,066,731	55,299,840	53,900,826	55,299,840
Funding Sources							
General Revenue	4000010	16,412,734	17,037,005		17,613,793	18,178,373	17,613,793
Federal Revenue	4000020	25,540,677	30,044,918		32,187,072	30,878,058	32,237,072
Special Revenue	4000030	72,904	50,000		0	0	0
Reallocation of Resources	4000410	(170,724)	0		0	0	0
Robert Woods Johnson Grant	4000440	93,183	0		101,940	101,940	101,940
Transfer to Medicaid Match	4000660	(409,545)	(70,646)		(409,545)	(409,545)	(409,545)
Various Program Support	4000730	378,352	19,440		62,000	62,000	12,000
Total Funding		41,917,581	47,080,717		49,555,260	48,810,826	49,555,260
Excess Appropriation/(Funding)		0	0		5,744,580	5,090,000	5,744,580
Grand Total		41,917,581	47,080,717		55,299,840	53,900,826	55,299,840

Analysis of Budget Request

Appropriation: 978 - Senior Olympics

Funding Sources: DHP - Aging and Adult Services Fund Account

This appropriation was first authorized in 1995 to provide funding for the Arkansas Senior Olympics. Funds are paid on a two-to-one matching basis to the Senior Arkansas Sports Organization, a non-profit organization that organizes the Arkansas Senior Olympic games. The purpose of the Senior Olympics program is to promote healthy lifestyles for seniors through education, fitness and sports participation.

Arkansas Senior Olympic Games are structured in accordance with rules established by the National Senior Games Association (NSGA). There are ten (10) age divisions that apply to both men and women for individual and doubles events, and seven (7) age divisions for team events. Events scheduled can include: Archery, Badminton, Basketball, Bowling, Cycling, Golf, Horseshoes, Race Walk, Racquetball, Road Race, Shooting, Shuffleboard, Swimming, Table Tennis, Tennis, Track and Field events and Weightlifting/Bench Press. Other recreational events are also available, including Stationary Cycling, Card and Board Games, Basketball Shoot, Eight Ball Pool, Pickle Ball, etc.

Funding for this appropriation consists of 100% general revenue (DHP - Aging and Adult Services Fund Account).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 978 - Senior Olympics

Funding Sources: DHP - Aging and Adult Services Fund Account

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	70,000	70,000	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000	70,000	70,000
Funding Sources						
General Revenue 4000010	70,000	70,000		70,000	70,000	70,000
Total Funding	70,000	70,000		70,000	70,000	70,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	70,000	70,000		70,000	70,000	70,000

DHS - CHILDREN & FAMILY SERVICES

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
35Y Child Abuse/Neglect Program	200,000	0	0	0	1,244,382	0	1,244,382	0	1,244,382	0	1,244,382	0
882 State Residential Treatment	1,055,142	0	1,330,000	0	1,330,000	0	1,330,000	0	2,380,000	0	1,330,000	0
883 Foster Care	18,051,446	0	17,296,516	0	17,296,516	0	17,617,628	0	18,191,846	0	17,617,628	0
896 Division of Children & Family Services	61,794,517	1,052	71,247,623	1,035	76,085,683	1,194	81,986,431	1,194	91,669,520	1,284	81,986,431	1,194
898 TANF/Foster Care	38,467,899	0	40,942,725	0	41,706,254	0	42,294,294	0	45,859,147	0	42,294,294	0
Total	119,569,004	1,052	130,816,864	1,035	137,662,835	1,194	144,472,735	1,194	159,344,895	1,284	144,472,735	1,194

Funding Sources		%		%		%		%		%	
General Revenue	4000010	45,008,948	37.6	48,759,859	37.3	54,333,837	37.9	71,063,490	47.6	54,333,837	37.9
Federal Revenue	4000020	61,700,705	51.6	69,648,216	53.2	75,980,522	53.0	76,372,868	51.2	75,980,522	53.0
Refunds	4000415	1,277,248	1.1	3,400,000	2.6	1,875,000	1.3	1,875,000	1.3	1,875,000	1.3
Transfer to State Police	4000675	(1,371,772)	(1.1)	(1,398,772)	(1.1)	(1,371,772)	(1.0)	(1,371,772)	(0.9)	(1,371,772)	(1.0)
Various Program Support	4000730	12,953,875	10.8	10,407,561	8.0	12,410,766	8.7	1,226,591	0.8	12,410,766	8.7
Total Funds		119,569,004	100.0	130,816,864	100.0	143,228,353	100.0	149,166,177	100.0	143,228,353	100.0
Excess Appropriation/(Funding)		0		0		1,244,382		10,178,718		1,244,382	
Grand Total		119,569,004		130,816,864		144,472,735		159,344,895		144,472,735	

Analysis of Budget Request

Appropriation: 35Y - Child Abuse/Neglect Program

Funding Sources: DCF - Children and Family Services Fund

The Child Abuse and Neglect Program appropriation was created by Act 1278 of 2007. The appropriation is used for expenses associated with child abuse and neglect programs, including but not limited to, grants to State agencies, child advocacy centers, child safety centers, and other eligible entities. Funding for this appropriation is 100% general revenue (DCF - Children and Family Services Fund Account).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 35Y - Child Abuse/Neglect Program

Funding Sources: DCF - Children and Family Services Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Child Abuse & Neglect Programs 5900046	200,000	0	1,244,382	1,244,382	1,244,382	1,244,382
Total	200,000	0	1,244,382	1,244,382	1,244,382	1,244,382
Funding Sources						
General Revenue 4000010	200,000	0		0	1,244,382	0
Total Funding	200,000	0		0	1,244,382	0
Excess Appropriation/(Funding)	0	0		1,244,382	0	1,244,382
Grand Total	200,000	0		1,244,382	1,244,382	1,244,382

General Revenue was not provided by the 87th General Assembly.

Analysis of Budget Request

Appropriation: 882 - State Residential Treatment

Funding Sources: DCF - Children and Family Services Fund

This appropriation provides residential treatment services to children in need of placement and treatment. These services are purchased through private provider contracts and Medicaid Eligible service providers. The services are targeted for children who have been diagnosed as having serious emotional and/or behavioral problems and are in need of placement and treatment. Funding for this appropriation is 100% general revenue (DCF - Children and Family Services Fund Account).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter.

Appropriation Summary

Appropriation: 882 - State Residential Treatment

Funding Sources: DCF - Children and Family Services Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	1,055,142	1,330,000	1,330,000	1,330,000	2,380,000	1,330,000
Total	1,055,142	1,330,000	1,330,000	1,330,000	2,380,000	1,330,000
Funding Sources						
General Revenue 4000010	1,055,142	1,330,000		1,330,000	2,380,000	1,330,000
Total Funding	1,055,142	1,330,000		1,330,000	2,380,000	1,330,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	1,055,142	1,330,000		1,330,000	2,380,000	1,330,000

Analysis of Budget Request

Appropriation: 883 - Foster Care

Funding Sources: DCF - Children and Family Services Fund Account

The Division of Children and Family Services (DCFS) provides selective placement for children in the custody of the Department of Human Services in approved foster homes or licensed facilities for a planned period of time when separation from a birth parent or legal guardian necessitates such separation. Foster Care is an integral part of the service delivery system of the Division of Children and Family Services.

Funding for this appropriation consists of general revenue (DCF-Children and Family Services Fund Account) and refunds that consist of board reimbursements for spent general revenue.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter.

Appropriation Summary

Appropriation: 883 - Foster Care

Funding Sources: DCF - Children and Family Services Fund Account

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	18,051,446	17,296,516	17,296,516	17,617,628	18,191,846	17,617,628
Total		18,051,446	17,296,516	17,296,516	17,617,628	18,191,846	17,617,628
Funding Sources							
General Revenue	4000010	16,774,198	13,896,516		15,742,628	16,316,846	15,742,628
Refunds	4000415	1,277,248	3,400,000		1,875,000	1,875,000	1,875,000
Total Funding		18,051,446	17,296,516		17,617,628	18,191,846	17,617,628
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		18,051,446	17,296,516		17,617,628	18,191,846	17,617,628

Actual exceeds Budgeted and Authorized Appropriation by authority of Reallocation of Resources.

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: DHS - Admin Paying Account

This appropriation provides administrative support for the Division of Children and Family Services (DCFS). This Division is responsible for the protection of children, the continuation of the family-centered approach to service delivery to help strengthen and maintain natural families when possible, the expansion of programs such as therapeutic services, foster care prevention, management information systems and quality assurance and monitoring.

DCFS provides family supports to keep children at home, assist families when the families temporarily can't provide the necessary care for their children and help eliminate child maltreatment. DCFS attempts to keep families together and only separates children from their families as a last alternative. Specific services provided by the Division are: Support Services, Foster Care, Adoption Services and Protective Services.

The Division has been operating under a Child Welfare Reform Federal Consent Decree until December, 2001. The original lawsuit (commonly known as "Angela R") was filed in 1991, alleging gross abuse and neglect of children of this State and the State's failure to protect those children. The consent decree was approved in 1994 and extended in 1999 and again in October 2001. In December 2001, the decree ended when the plaintiffs to the original lawsuit did not challenge DCFS compliance with the federal consent decree.

Funding for this appropriation includes general revenue (DCF-Children and Family Services Fund Account), federal revenues and other funds. The federal funds are derived from Title IV-E, Title IV-B, TANF, Child Abuse Prevention Treatment Act (CAPTA), Social Service Block Grant, Emergency Assessment funding, Safe and Stable Families Act funding. Other funding which is indicated as various program support are derived from many sources including federal awards, fees, third party reimbursements and maximization of federal claiming. These other funds are considered to be non-federal and technically can be expended for any program or service within the Department.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter adopted to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: DHS - Admin Paying Account

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	32,484,526	36,478,911	39,527,340	41,857,464	44,486,780	41,857,464
	#Positions	1,052	1,035	1,194	1,194	1,284	1,194
Extra Help	5010001	235,682	175,000	175,000	175,000	175,000	175,000
	#Extra Help	26	65	65	65	65	65
Personal Services Matching	5010003	10,350,554	12,057,322	13,490,692	14,196,153	15,153,658	14,196,153
Overtime	5010006	4,807	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	7,666,858	9,669,742	10,026,003	12,024,266	14,218,395	12,024,266
Conference & Travel Expenses	5050009	57,456	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	10,913,625	11,846,888	11,846,888	12,713,788	17,250,687	12,713,788
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	66,230	0	0	0	350,000	0
ARRA 2009	5900052	14,779	984,760	984,760	984,760	0	984,760
Total		61,794,517	71,247,623	76,085,683	81,986,431	91,669,520	81,986,431
Funding Sources							
General Revenue	4000010	15,855,472	21,967,414		23,158,082	36,321,121	23,158,082
Federal Revenue	4000020	34,356,942	40,411,420		47,789,355	48,314,862	47,789,355
Transfer to State Police	4000675	(1,371,772)	(1,398,772)		(1,371,772)	(1,371,772)	(1,371,772)
Various Program Support	4000730	12,953,875	10,267,561		12,410,766	1,226,591	12,410,766
Total Funding		61,794,517	71,247,623		81,986,431	84,490,802	81,986,431
Excess Appropriation/(Funding)		0	0		0	7,178,718	0
Grand Total		61,794,517	71,247,623		81,986,431	91,669,520	81,986,431

FY09 Actual Expenditures in Extra Help and Capital Outlay exceed FY10 Authorized due to FY09 Authorized levels being decreased.

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The Foster Care Program is used to assist with the costs of foster care maintenance for eligible children; administrative costs to manage the program; and training for staff and foster parents. The primary purpose of this program is to fund proper care for children who need placement outside their homes. This appropriation is also used to assist States in paying maintenance costs for adopted children with special needs, such as children who are older or who have disabilities. The primary purpose of this program is to advance the permanency of hard to place children in adoptive homes and avoid inappropriate and excessive numbers of foster care placements.

This appropriation also provides for Independent Living services for foster children age 16 and older. This service is intended to provide a transition to independent living by providing encouragement and assistance in obtaining a high school diploma or vocational skill training, as well as training in daily living skills.

Funding for this appropriation includes general revenue (DCF - Children and Family Services Fund Account), federal revenues and other funds. Federal revenues include Title IV-E Adoption Subsidies and Foster Care funding, Title IV-B Family Preservation Funding and an Adoption Opportunities Federal Grant. Other funding which is indicated as various program support is derived from Board reimbursements. These other funds are considered to be non-federal and technically can be expended for any program or service within the Department.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter adopted to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	37,958,202	38,940,407	39,703,936	40,291,976	45,859,147	40,291,976
TANF/Foster Care-ARRA 2009	5900052	509,697	2,002,318	2,002,318	2,002,318	0	2,002,318
Total		38,467,899	40,942,725	41,706,254	42,294,294	45,859,147	42,294,294
Funding Sources							
General Revenue	4000010	11,124,136	11,565,929		14,103,127	14,801,141	14,103,127
Federal Revenue	4000020	27,343,763	29,236,796		28,191,167	28,058,006	28,191,167
Various Program Support	4000730	0	140,000		0	0	0
Total Funding		38,467,899	40,942,725		42,294,294	42,859,147	42,294,294
Excess Appropriation/(Funding)		0	0		0	3,000,000	0
Grand Total		38,467,899	40,942,725		42,294,294	45,859,147	42,294,294

DHS - CHILD CARE/EARLY CHILDHOOD EDUCATION

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Department Appropriation Summary

		Historical Data						Agency Request and Recommendations					
Appropriation		2008-2009		2009-2010		2009-2010		2010-2011					
		Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
320	Child Care Development-Discretionary	13,661,023	0	35,763,798	0	39,139,072	0	39,139,072	0	29,769,372	0	39,139,072	0
890	Food Program	43,311,594	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	14,486,490	171	20,479,063	171	17,366,119	171	17,529,476	171	16,679,476	171	17,529,476	171
898	Child Care Grant/Aids	22,650,911	0	23,025,677	0	28,125,422	0	28,125,422	0	29,588,845	0	28,125,422	0
929	Child Care-Treasury Paying	0	0	180,158	0	200,000	0	200,000	0	200,000	0	200,000	0
Total		94,110,018	171	123,739,946	171	129,121,863	171	131,785,220	171	123,028,943	171	131,785,220	171

Funding Sources			%		%		%		%		%	
General Revenue	4000010	6,755,828	7.2	6,819,895	5.5		6,845,995	5.4	8,309,418	7.1	6,845,995	5.4
Federal Revenue	4000020	85,309,243	90.6	114,556,137	92.6		117,495,370	92.5	106,830,944	90.7	117,495,370	92.5
Special Revenue	4000030	23,559	0.0	204,000	0.2		0	0.0	0	0.0	0	0.0
Cash Fund	4000045	0	0.0	180,158	0.1		200,000	0.2	200,000	0.2	200,000	0.2
Various Program Support	4000730	2,021,388	2.1	1,979,756	1.6		2,468,581	1.9	2,488,581	2.1	2,468,581	1.9
Total Funds		94,110,018	100.0	123,739,946	100.0		127,009,946	100.0	117,828,943	100.0	127,009,946	100.0
Excess Appropriation/(Funding)		0		0			4,775,274		5,200,000		4,775,274	
Grand Total		94,110,018		123,739,946			131,785,220		123,028,943		131,785,220	

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 Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter adopted to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 320 - Child Care Development-Discretionary

Funding Sources: FWF - DHS Federal

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	13,094,170	18,366,598	18,469,372	18,469,372	29,769,372	18,469,372
Child Care Dev-Discretionary - ARRA 2009	5900052	566,853	17,397,200	20,669,700	20,669,700	0	20,669,700
Total		13,661,023	35,763,798	39,139,072	39,139,072	29,769,372	39,139,072
Funding Sources							
Federal Revenue	4000020	13,661,023	35,763,798		35,763,798	25,969,372	35,763,798
Total Funding		13,661,023	35,763,798		35,763,798	25,969,372	35,763,798
Excess Appropriation/(Funding)		0	0		3,375,274	3,800,000	3,375,274
Grand Total		13,661,023	35,763,798		39,139,072	29,769,372	39,139,072

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 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 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 Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 890 - Food Program

Funding Sources: FWF - DHS Federal

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	43,311,594	44,291,250	44,291,250	46,791,250	46,791,250	46,791,250
Total	43,311,594	44,291,250	44,291,250	46,791,250	46,791,250	46,791,250
Funding Sources						
Federal Revenue 4000020	43,311,594	44,291,250		46,791,250	46,791,250	46,791,250
Total Funding	43,311,594	44,291,250		46,791,250	46,791,250	46,791,250
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	43,311,594	44,291,250		46,791,250	46,791,250	46,791,250

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 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.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter adopted to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	5,705,269	6,179,696	6,179,696	6,316,591	6,316,591	6,316,591
	#Positions	171	171	171	171	171	171
Extra Help	5010001	84,245	153,795	153,795	153,795	153,795	153,795
	#Extra Help	8	13	13	13	13	13
Personal Services Matching	5010003	1,757,851	1,986,782	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
Operating Expenses	5020002	2,824,304	3,090,888	3,156,804	3,156,804	3,156,804	3,156,804
Conference & Travel Expenses	5050009	37,725	50,000	50,000	50,000	50,000	50,000
Professional Fees	5060010	4,077,096	4,870,402	4,870,402	4,870,402	4,890,402	4,870,402
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
ARRA 2009	5900052	0	4,142,500	870,000	870,000	0	870,000
Total		14,486,490	20,479,063	17,366,119	17,529,476	16,679,476	17,529,476
Funding Sources							
General Revenue	4000010	527,233	554,897		580,997	580,997	580,997
Federal Revenue	4000020	11,937,869	17,944,410		14,479,898	13,609,898	14,479,898
Various Program Support	4000730	2,021,388	1,979,756		2,468,581	2,488,581	2,468,581
Total Funding		14,486,490	20,479,063		17,529,476	16,679,476	17,529,476
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		14,486,490	20,479,063		17,529,476	16,679,476	17,529,476

Budget exceeds Authorized Appropriation in ARRA 2009 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 Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	22,650,911	23,025,677	28,125,422	28,125,422	29,588,845	28,125,422
Total		22,650,911	23,025,677	28,125,422	28,125,422	29,588,845	28,125,422
Funding Sources							
General Revenue	4000010	6,228,595	6,264,998		6,264,998	7,728,421	6,264,998
Federal Revenue	4000020	16,398,757	16,556,679		20,460,424	20,460,424	20,460,424
Special Revenue	4000030	23,559	204,000		0	0	0
Total Funding		22,650,911	23,025,677		26,725,422	28,188,845	26,725,422
Excess Appropriation/(Funding)		0	0		1,400,000	1,400,000	1,400,000
Grand Total		22,650,911	23,025,677		28,125,422	29,588,845	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 Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 929 - Child Care-Treasury Paying

Funding Sources: NHS - Cash in Treasury

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Loan Guarantee/Grants 5900046	0	180,158	200,000	200,000	200,000	200,000
Total	0	180,158	200,000	200,000	200,000	200,000
Funding Sources						
Cash Fund 4000045	0	180,158		200,000	200,000	200,000
Total Funding	0	180,158		200,000	200,000	200,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	180,158		200,000	200,000	200,000

DHS - BEHAVIORAL HEALTH SERVICES

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
193 State Operations	18,502,049	0	18,771,060	0	19,509,415	0	19,509,415	0	19,509,415	0	19,509,415	0
196 Community Mental Health Centers	8,783,643	0	8,780,603	0	8,780,603	0	8,780,603	0	8,780,603	0	8,780,603	0
1EN Community Alcohol Safety	2,876,950	1	3,552,445	2	3,552,796	2	3,554,907	2	3,554,907	2	3,554,907	2
1ET Alcohol & Drug Abuse Prevention	19,754,309	0	21,394,499	0	21,824,072	0	21,824,072	0	21,324,072	0	21,824,072	0
2MN Mental Health Block Grant	6,282,218	0	6,068,799	0	6,068,799	0	6,068,799	0	6,068,799	0	6,068,799	0
655 Acute Mental Health Services-Per Capita	5,750,000	0	5,750,000	0	5,750,000	0	5,750,000	0	5,750,000	0	5,750,000	0
896 Division of Behavioral Health Services	81,648,941	1,121	85,624,565	1,016	99,607,817	1,165	100,787,161	1,165	101,813,649	1,167	100,787,161	1,165
937 Canteen - Cash in Treasury	138,516	0	174,048	0	174,048	0	174,048	0	174,048	0	174,048	0
938 Patient Benefits-Cash in Treasury	42,216	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
Total	143,778,842	1,123	150,191,019	1,018	165,342,550	1,167	166,524,005	1,167	167,050,493	1,169	166,524,005	1,167

Funding Sources		%		%		%		%		%	
General Revenue 4000010	70,750,842	49.2	74,477,648	49.6		77,034,352	49.7	85,002,449	53.8	77,034,352	49.7
Federal Revenue 4000020	26,292,056	18.3	25,574,048	17.0		26,357,086	17.0	26,357,086	16.7	26,357,086	17.0
Cash Fund 4000045	180,732	0.1	249,048	0.2		249,048	0.2	249,048	0.2	249,048	0.2
Transfer to Medicaid Match 4000660	0	0.0	0	0.0		0	0.0	(5,000,000)	(3.2)	0	0.0
Various Program Support 4000730	46,555,212	32.4	49,890,275	33.2		51,283,334	33.1	51,283,334	32.5	51,283,334	33.1
Total Funds	143,778,842	100.0	150,191,019	100.0		154,923,820	100.0	157,891,917	100.0	154,923,820	100.0
Excess Appropriation/(Funding)	0		0			11,600,185		9,158,576		11,600,185	
Grand Total	143,778,842		150,191,019			166,524,005		167,050,493		166,524,005	

Analysis of Budget Request

Appropriation: 196 - Community Mental Health Centers

Funding Sources: DBA - Mental Health Services Fund Account

This appropriation for State Assistance to Community Mental Health Centers provides the per capita funding of core services at the private non-profit Community Mental Health Centers (CMHCs). Special Language contained the Section 16 of Act 1231 of 2007 sets the apportionment of funds on the basis of three dollars and six cents (\$3.06) per capita. Section 13 provides an Allocation Restrictions for the maximum allocation of funds per CMHC. Section 14 provides a methodology for changing the Allocation Restrictions maximum allocation in the event that unforeseen circumstances occur. Section 15 in this Act established that every Mental Health Center eligible to receive any of the funds appropriated, as a condition of receiving any such funds, be subject to an annual audit of the overall operations of the CMHCs by the Division of Legislative Audit and submit a budget and go through the budget procedures process in the same manner as State Departments and Agencies. Section 17 sets the conditions for receiving funds under this appropriation to only locally-operated Centers and Clinics licensed or certified by the Division of Behavioral Health Services and 1) meet the minimum standards of performance in the delivery of Mental Health Services as defined; 2) supply statistical data to DHS-Division of Behavioral Health Services; 3) establish and maintain a sound financial management system in accordance with guidelines as set forth by DHS-Division of Behavioral Health Services; 4) establish and maintain community support programs as defined; 5) and the Board of Directors of each Center or Clinic shall adopt and submit an annual plan for the delivery of community support services as defined.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 196 - Community Mental Health Centers

Funding Sources: DBA - Mental Health Services Fund Account

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	8,783,643	8,780,603	8,780,603	8,780,603	8,780,603	8,780,603
Total	8,783,643	8,780,603	8,780,603	8,780,603	8,780,603	8,780,603
Funding Sources						
General Revenue 4000010	8,783,643	8,780,603		8,780,603	8,780,603	8,780,603
Total Funding	8,783,643	8,780,603		8,780,603	8,780,603	8,780,603
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	8,783,643	8,780,603		8,780,603	8,780,603	8,780,603

Actual exceeds Budgeted and Authorized Appropriation by authority of Reallocation of Resources.

Analysis of Budget Request

Appropriation: 1EN - Community Alcohol Safety

Funding Sources: MHS - Highway Safety Special Fund

Act 1219 of 1999 transferred the Community Alcohol Safety Program from the State Highway and Transportation Department to the Arkansas Department of Health effective July 1, 1999. Act 1717 of 2003 transferred this appropriation from the Department of Health by a Type 1 transfer as provided for in Arkansas Code Annotated §25-2-104 to the Department of Human Services, Division of Behavioral Health Services.

The Community Alcohol Safety program addresses offenders arrested for DWI. Individuals arrested are evaluated by the Alcohol Safety Education Program (ASEP). The ASEP consists of 13 different sub-grantees throughout the State that provide counselors, conduct pre-sentence investigation, and provide information to the public related to DWI issues.

Other funding which is indicated as various program support can include sources such as fees, court costs and fines for DWI cases. Funding associated with this appropriation is allowed to be counted against the Maintenance of Effort requirement for the Substance Abuse Prevention and Treatment (SAPT) Federal Block Grant that is payable out of the Alcohol and Drug Abuse Prevention appropriation.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 1EN - Community Alcohol Safety

Funding Sources: MHS - Highway Safety Special Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	60,591	77,628	77,628	79,397	79,397	79,397
	#Positions	1	2	2	2	2	2
Personal Services Matching	5010003	20,112	24,855	25,206	25,548	25,548	25,548
Operating Expenses	5020002	22,918	45,195	45,195	45,195	45,195	45,195
Conference & Travel Expenses	5050009	6,817	8,298	8,298	8,298	8,298	8,298
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	2,766,512	3,396,469	3,396,469	3,396,469	3,396,469	3,396,469
Capital Outlay	5120011	0	0	0	0	0	0
Total		2,876,950	3,552,445	3,552,796	3,554,907	3,554,907	3,554,907
Funding Sources							
Various Program Support	4000730	2,876,950	3,552,445		3,554,907	3,554,907	3,554,907
Total Funding		2,876,950	3,552,445		3,554,907	3,554,907	3,554,907
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		2,876,950	3,552,445		3,554,907	3,554,907	3,554,907

Analysis of Budget Request

Appropriation: 1ET - Alcohol & Drug Abuse Prevention

Funding Sources: MDA - Drug Abuse Prevention and Treatment Fund

Act 1717 of 2003 transferred this appropriation from the Department of Health by a Type 1 transfer as provided for in Arkansas Code Annotated §25-2-104 to the Department of Human Services, Division of Behavioral Health Services. This program provides funding for alcohol and drug services which include detoxification, residential treatment, outpatient treatment, methadone maintenance treatment and Special Women's Services.

Funding for this appropriation is derived from a mix of sources that includes general revenue (DBA - Mental Health Services Fund Account), federal and other. Federal revenue is comprised of Substance Abuse Prevention and Treatment Block Grant, Social Service Block Grant, U. S. Department of Education, and State Incentive Grant. Other funding which is indicated as various program support can include sources such as Administration of Justice funds, City of Little Rock funds, Robert Wood Johnson funds, court costs and fees.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter providing an additional \$500,000 in appropriation only for grant payments to juvenile drug courts.

Appropriation Summary

Appropriation: 1ET - Alcohol & Drug Abuse Prevention

Funding Sources: MDA - Drug Abuse Prevention and Treatment Fund

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	19,754,309	21,394,499	21,824,072	21,824,072	21,324,072	21,824,072
Total		19,754,309	21,394,499	21,824,072	21,824,072	21,324,072	21,824,072
Funding Sources							
General Revenue	4000010	2,467,000	2,056,633		2,056,633	7,056,633	2,056,633
Federal Revenue	4000020	16,149,679	17,847,781		17,847,781	17,847,781	17,847,781
Transfer to Medicaid Match	4000660	0	0		0	(5,000,000)	0
Various Program Support	4000730	1,137,630	1,490,085		1,419,658	1,419,658	1,419,658
Total Funding		19,754,309	21,394,499		21,324,072	21,324,072	21,324,072
Excess Appropriation/(Funding)		0	0		500,000	0	500,000
Grand Total		19,754,309	21,394,499		21,824,072	21,324,072	21,824,072

Analysis of Budget Request

Appropriation: 2MN - Mental Health Block Grant

Funding Sources: FWF - DHS Federal

This appropriation provides authority for the Mental Health Block Grant, the Mental Health Homeless Grant, Child Mental Health Incentive - ACTION grant and other miscellaneous federal grants. Grants/Aids are used primarily for support of the private non-profit Community Mental Health Centers.

Funding for this appropriation is comprised 100% from federal sources.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 2MN - Mental Health Block Grant

Funding Sources: FWF - DHS Federal

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	6,282,218	6,068,799	6,068,799	6,068,799	6,068,799	6,068,799
Total	6,282,218	6,068,799	6,068,799	6,068,799	6,068,799	6,068,799
Funding Sources						
Federal Revenue 4000020	6,282,218	6,068,799		6,068,799	6,068,799	6,068,799
Total Funding	6,282,218	6,068,799		6,068,799	6,068,799	6,068,799
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	6,282,218	6,068,799		6,068,799	6,068,799	6,068,799

Actual exceeds Budgeted and Authorized Appropriation by authority of Reallocation of Resources.

Analysis of Budget Request

Appropriation: 655 - Acute Mental Health Services–Per Capita

Funding Sources: DBA - Mental Health Services Fund Account

This appropriation provides a per capita funding amount for private non-profit Community Mental Health Centers (CMHCs) as first established in Act 1589 of 2001. The amount of available funds for this appropriation shall be determined by the Director of the Department of Human Services and apportioned on a per capita basis up to a maximum of \$3.48 per capita each fiscal year as set out in section 26 of Act 1231 of 2007. Section 27 requires the Division of Behavioral Health Services to develop an evaluation and monitoring program to ensure all expenditures are made consistent with the intent of this appropriation and sets, as a condition of receiving funds, requirements for quarterly reporting from the CMHCs. Section 28 of this Act describes the Legislative findings and intent of this appropriation.

This appropriation is a 100% general revenue payable appropriation (DBA - Mental Health Services Fund Account). Fiscal Year 2005 was the first year this appropriation received funding.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 655 - Acute Mental Health Services--Per Capita

Funding Sources: DBA - Mental Health Services Fund Account

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000
Total	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000
Funding Sources						
General Revenue 4000010	5,750,000	5,750,000		5,750,000	5,750,000	5,750,000
Total Funding	5,750,000	5,750,000		5,750,000	5,750,000	5,750,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	5,750,000	5,750,000		5,750,000	5,750,000	5,750,000

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

Reorganization of the Department of Human Services in 1985 by Act 348, created the Division of Mental Health Services (DMHS) and included responsibility for Arkansas State Hospital and two State operated Community Mental Health Centers (CMHC) located in Little Rock and Jonesboro as well as the Arkansas Health Center (formally known as the Benton Services Center). Since the reorganization, the initiatives within DMHS have focused on development of an integrated, client-centered community-based public mental health system that prioritizes adults with serious and persistent mental illness and children and adolescents with serious emotional disturbance. The responsibility, accountability and authority for the provision of services are placed at the community level, since most individuals serviced by the public mental health system reside in the community rather than institutions. Included in these initiatives was conversion of the two state-operated CMHCs to provide private non-profit statuses, the Little Rock CMHC on July 1 of 1993 and then the Jonesboro CMHC on July 1 of 1997.

Act 1717 of 2003 created the Division of Behavioral Health Services (DBHS), which placed under its responsibility all current programs of DMHS and, in addition, under Arkansas Code Annotated §25-2-104 transferred to DBHS by Type 1 transfer the Bureau of Alcohol and Drug Abuse Prevention from the Department of Health.

The Division of Behavioral Health Services is organized into four functional components. Those components are Central Administration, Arkansas State Hospital, Arkansas Health Center, and Alcohol and Drug Abuse Prevention.

The Division of Behavioral Health Services is responsible for ensuring the provision of mental health services throughout the State of Arkansas. Community-based services are provided statewide through contractual arrangements with fifteen private, non-profit community mental health centers (CMHCs), their affiliates, and three mental health clinics. There are 15 catchment areas in which the CMHCs have service sites in 69 of the 75 counties. Services are provided from 135 sites throughout the State of Arkansas.

The Division of Behavioral Health Services is responsible for the oversight and operation of the Arkansas State Hospital (ASH), a psychiatric inpatient treatment facility for those with mental or emotional disorders. The Arkansas State Hospital includes a 90-bed acute inpatient unit, a 60-bed forensic unit, a 16-bed adolescent unit, and a 16-bed adolescent sex offenders unit.

The Division also operates the Arkansas Health Center (AHC), a 320-bed long-term care psychiatric nursing facility which serves the needs of elderly Arkansans with disabilities who require specialized services and programs not generally available through community nursing homes. The program emphasizes the provision of services to special needs groups and individuals with cognitive dysfunctions. Services are available

to all residents of Arkansas, provided individuals meet admission criteria.

Funding for this appropriation includes general revenue (DBA - Mental Health Services Fund Account), federal and other revenues. Federal revenue includes sources such as mental health block grant, data infrastructure grant, dually diagnosed grant, substance abuse prevention and treatment (SAPT) block grant. Other revenue which is indicated as various program support can also include sources such as Medicaid and Medicare reimbursements, refunds, patient collections and rent.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	35,199,498	35,894,502	41,872,487	42,759,314	42,818,153	42,759,314
	#Positions	1,121	1,016	1,165	1,165	1,167	1,165
Extra Help	5010001	2,186,611	2,668,889	2,668,889	2,668,889	2,668,889	2,668,889
	#Extra Help	119	336	336	336	336	336
Personal Services Matching	5010003	11,253,167	12,215,517	14,627,517	14,820,034	14,841,608	14,820,034
Overtime	5010006	2,813,870	2,086,342	2,086,342	2,186,342	2,186,342	2,186,342
Operating Expenses	5020002	22,803,351	23,589,731	28,483,894	28,483,894	29,194,134	28,483,894
Conference & Travel Expenses	5050009	113,426	209,227	209,227	209,227	215,704	209,227
Professional Fees	5060010	7,196,411	8,873,413	9,159,461	9,159,461	9,241,061	9,159,461
Data Processing	5090012	0	0	0	0	0	0
Grants/Patient Services	5100004	15,848,813	16,117,824	16,856,179	16,856,179	16,856,179	16,856,179
Capital Outlay	5120011	82,607	86,944	500,000	500,000	647,758	500,000
Mental Hlth Center Transfer	5900046	2,653,236	2,653,236	2,653,236	2,653,236	2,653,236	2,653,236
Total		100,150,990	104,395,625	119,117,232	120,296,576	121,323,064	120,296,576
Funding Sources							
General Revenue	4000010	53,750,199	57,890,412		60,447,116	63,415,213	60,447,116
Federal Revenue	4000020	3,860,159	1,657,468		2,440,506	2,440,506	2,440,506
Various Program Support	4000730	42,540,632	44,847,745		46,308,769	46,308,769	46,308,769
Total Funding		100,150,990	104,395,625		109,196,391	112,164,488	109,196,391
Excess Appropriation/(Funding)		0	0		11,100,185	9,158,576	11,100,185
Grand Total		100,150,990	104,395,625		120,296,576	121,323,064	120,296,576

Actual exceeds Budgeted and Authorized Appropriation by authority of Reallocation of Resources.

Analysis of Budget Request

Appropriation: 937 - Canteen – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

This cash funded appropriation is for the operation of the canteen located at the Arkansas State Hospital. The canteen is stocked with food items and beverages, with the purchases made by visitors providing the funding for this appropriation.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 937 - Canteen – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	138,516	174,048	174,048	174,048	174,048	174,048
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		138,516	174,048	174,048	174,048	174,048	174,048
Funding Sources							
Cash Fund	4000045	138,516	174,048		174,048	174,048	174,048
Total Funding		138,516	174,048		174,048	174,048	174,048
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		138,516	174,048		174,048	174,048	174,048

Analysis of Budget Request

Appropriation: 938 - Patient Benefits–Cash in Treasury

Funding Sources: NHS - Cash in Treasury

The Patient Benefits appropriation provides funds on a cash basis to meet patient needs such as recreational activities and personal items. Cash funds are derived from proceeds from parking meters, interest and private donations.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 938 - Patient Benefits–Cash in Treasury

Funding Sources: NHS - Cash in Treasury

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Patient Benefit Fund 5900046	42,216	75,000	75,000	75,000	75,000	75,000
Total	42,216	75,000	75,000	75,000	75,000	75,000
Funding Sources						
Cash Fund 4000045	42,216	75,000		75,000	75,000	75,000
Total Funding	42,216	75,000		75,000	75,000	75,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	42,216	75,000		75,000	75,000	75,000

DHS - MEDICAL SERVICES

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
36E DMS-Alcohol Drug Prevention Waiver	0	0	0	0	0	0	0	0	30,000,000	0	0	0
4KS Nursing Home Quality	1,398,163	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
642 DHS Medicaid Expansion Program	74,247	2	112,851	2	122,793	2	125,069	2	125,069	2	125,069	2
648 Medicaid Exp-Prescription Drugs	2,637,318	0	2,558,824	0	6,541,937	0	12,845,491	0	27,471,014	0	12,845,491	0
648 Medicaid Exp-Hospital & Medical Services	25,686,225	0	43,345,899	0	74,479,346	0	131,164,332	0	211,238,137	0	131,164,332	0
876 Nursing Home Closure Costs	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
878 Long Term Care Facility Receivership	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
896 Division of Medical Services	20,043,793	288	23,752,145	315	25,176,916	326	25,541,661	326	25,979,826	334	25,541,661	326
897 ARKIDS B Program	93,988,934	0	115,367,432	0	183,780,218	0	204,023,484	0	157,738,482	0	204,023,484	0
897 Hospital & Medical Services	2,528,335,607	0	3,049,682,395	0	3,967,483,675	0	4,192,018,983	0	3,224,177,831	0	4,192,018,983	0
897 Prescription Drugs	342,176,866	0	396,961,874	0	539,540,442	0	575,144,026	0	475,423,172	0	575,144,026	0
897 Private Nursing Home Care	540,512,636	0	574,031,810	0	727,583,615	0	752,732,888	0	618,038,129	0	752,732,888	0
898 Child & Family Life Inst	0	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
898 Infant Infirmary	19,819,778	0	21,374,092	0	32,351,877	0	33,152,691	0	22,931,565	0	33,152,691	0
898 Public Nursing Home Care	157,565,543	0	177,556,728	0	261,943,944	0	270,815,554	0	193,145,084	0	270,815,554	0
Total	3,732,239,110	290	4,408,494,050	317	5,822,754,763	328	6,201,314,179	328	4,990,018,309	336	6,201,314,179	328

Funding Sources		%		%		%		%		%	
General Revenue	4000010	715,088,663	19.2	677,893,947	15.4	909,915,773	19.2	919,195,601	20.0	909,915,773	19.2
Federal Revenue	4000020	2,715,212,333	72.8	3,472,831,044	78.8	3,462,642,852	72.9	3,299,942,549	71.9	3,462,642,852	72.9
Trust Fund	4000050	1,398,163	0.0	1,550,000	0.0	50,250,000	1.1	50,250,000	1.1	50,250,000	1.1
Drug Rebates	4000200	33,063,179	0.9	21,237,341	0.5	31,937,947	0.7	27,160,000	0.6	31,937,947	0.7
Miscellaneous Transfers	4000355	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0
Quality Assurance Fee	4000395	58,395,007	1.6	63,059,408	1.4	62,947,653	1.3	62,947,653	1.4	62,947,653	1.3
Reallocation of Resources	4000410	(6,901)	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reimbursement	4000425	0	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0
Tobacco Settlement	4000495	9,131,394	0.2	10,758,211	0.2	60,926,977	1.3	60,927,976	1.3	60,926,977	1.3
Various Program Support	4000730	199,842,272	5.4	160,949,099	3.7	170,793,250	3.6	170,966,937	3.7	170,793,250	3.6
Total Funds		3,732,239,110	100.0	4,408,494,050	100.0	4,749,629,452	100.0	4,591,605,716	100.0	4,749,629,452	100.0
Excess Appropriation/(Funding)		0		0		1,451,684,727		398,412,593		1,451,684,727	
Grand Total		3,732,239,110		4,408,494,050		6,201,314,179		4,990,018,309		6,201,314,179	

Analysis of Budget Request

Appropriation: 36E - DMS-Alcohol Drug Prevention Waiver

Funding Sources: PWF - Grants Paying

The Alcohol and Drug Abuse Prevention appropriation was created by Act 1236 of 2007 section 8 to allow for future Medicaid waivers for substance abuse services. The goal was to utilize the appropriation in support of an affordable substance abuse benefit package for both adult and adolescent services. However, this appropriation was not funded in the 2007-2009 biennium. Additionally, 87th General Assembly did not provide for continuing this appropriation into fiscal year 2011.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 36E - DMS-Alcohol Drug Prevention Waiver

Funding Sources: PWF - Grants Paying

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	0	0	0	0	30,000,000	0
Total	0	0	0	0	30,000,000	0

The 87th General Assembly did not provide for continuing this appropriation into fiscal year 2011.

Analysis of Budget Request

Appropriation: 4KS - Nursing Home Quality

Funding Sources: TLT - Long Term Care Trust Fund

The Nursing Home Quality of Life appropriation provides for two (2) new approaches to nursing home care. These approaches are as follows:

- Eden Alternative approach
- Greenhouse Project approach

Both the Eden Alternative and the Greenhouse Project are attempts to create a new model for long term care facilities that emphasizes a more home-like environment over traditional institutional settings. Evidence indicates that residents of facilities operated under either approach perform significantly better than residents of traditional long term care facilities.

The Eden Alternative approach allows residents choices in their everyday living that are traditionally dictated to the resident by the facility. These choices include, among others, the choice of meals (what is served and when) and the care routine. It also utilizes permanent assignments of caregivers to create familiarity and trust.

The Greenhouse Project approach utilizes Eden Alternative principals, but with a strikingly different physical plant. Greenhouse Project facilities are constructed on the premise that the elders will thrive in a nursing home if it's built to resemble living in one's own house. This means that facilities are built in small, separate units with each unit housing its own kitchen and laundry, and with no more than ten (10) beds - all of which are private rooms. This gives residents more privacy and more control over their lives. Additionally, Greenhouse Project facilities stress resident participation. This is performed in a number of ways. For example:

1. Residents are encouraged to participate in meal planning and preparation. The facility is constructed so that residents can both gather around the kitchen and observe or participate in meal preparation. This gives them meaningful experiences and allows a time for interaction between the elders and the staff.
2. Residents are encouraged to use their skills and interests for the benefit of other residents. An emphasis is placed on what residents can do rather than just their physical ailments and disabilities.

3. The use of “universal” workers. Under this concept, each unit or house is staffed by the same CNAs and nurses who not only perform traditional care, but also perform laundry and meal preparation. This aids in worker retention by varying the duties of the workers. It also allows the workers to better learn the desires and abilities of residents, and to encourage their participation in various aspects of their own care, as if they were home. The staffs are assigned only to one particular unit or house allowing the elders to become better acquainted with their caregivers.

Facilities that adopt the Eden Alternative/Greenhouse Project model are operated at the same cost as traditional facilities. Once a facility has adopted the model, there is no additional cost, making the on-going project cost-neutral. The cost of building a facility to meet Greenhouse Project requirements are approximately the same as for a traditional facility.

There are, however, one-time or initial startup costs for training and physical plant changes for existing facilities. In order to encourage the adoption of the Eden Alternative/Greenhouse Project model, the U. S. Department of Health and Human Services’ proposed that the Arkansas Department of Human Services utilize some of the funding collected that is associated with the imposition of civil penalties levied on long-term care facilities in the Long-Term Care Trust Fund.

As the licensing and regulatory agency, the Office of Long Term Care believes that encouraging the adoption of these models benefits the State of Arkansas in a number of ways. First, the models provide a higher level of care for residents, at little or no cost to the State. Second, the adoption of these models results in an inarguable increase in the quality of life for residents. Third, adoption of this proposal places Arkansas in a leadership role in remaking the long-term care model, and demonstrates the State’s commitment to seeking improvement in long-term care.

Funding for this program is derived from other revenues which are indicated as the Long-Term Care Trust Fund. This fund consist of all moneys and interest received from the imposition of civil penalties levied by the state on long-term care facilities found to be out of compliance with the requirements of federal or state law or regulations. Under this appropriation, funds are targeted for Eden Alternative/Greenhouse Project related grants to facilities. The funding would be provided by grants for:

- Eden Alternative Associate Training to providers; and
- Greenhouse Project development for new construction of facilities.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 4KS - Nursing Home Quality

Funding Sources: TLT - Long Term Care Trust Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	1,398,163	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total	1,398,163	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Funding Sources						
Trust Fund 4000050	1,398,163	1,500,000		1,500,000	1,500,000	1,500,000
Total Funding	1,398,163	1,500,000		1,500,000	1,500,000	1,500,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	1,398,163	1,500,000		1,500,000	1,500,000	1,500,000

Analysis of Budget Request

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

The Medicaid Expansion Program provides appropriation for the administration component of the Medicaid Expansion Program established by Initiated Act 1 of 2000 for the Division of Medical Services. The expanded Medicaid programs are as follows:

1. Expansion of Medicaid coverage and benefits to pregnant women with incomes up to 200 percent of the Federal Poverty Level (approved for implementation November 1, 2001);
2. Expansion of inpatient and outpatient hospital reimbursements and benefits to adults age 19 to 64 to reduce coinsurance payment from 22 percent to 10 percent of the cost of the first Medicaid covered day of each admission and cover additional medically necessary days in the hospital from 20 days up to 24 allowed days per State Fiscal Year (approved for implementation November 1, 2001);
3. Expansion of non-institutional coverage and benefits to adults aged 65 and over. Referred to as ARSeniors, this program extends full Medicaid benefits to adults age 65 and over who have been identified as Qualified Medicare Beneficiaries (QMB) and meet specific income limits (approved for implementation October 1, 2002); and
4. Creation of a limited benefit package to assist adults age 19 to 64 who are uninsured low-wage employees of small Arkansas businesses. This program, ARHealthNetworks, was approved by the Centers for Medicare and Medicaid Services (CMS) as a Section 1115 demonstration waiver through the Health Insurance Flexibility and Accountability (HIFA) office of the Secretary of the federal Department of Health and Human Services. Enrollment in the program began December 20, 2006 with coverage effective January 2007.

Funding for this appropriation is derived from tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	50,358	71,288	79,293	81,200	81,200	81,200
	#Positions	2	2	2	2	2	2
Personal Services Matching	5010003	18,154	23,590	25,527	25,896	25,896	25,896
Operating Expenses	5020002	5,735	15,973	15,973	15,973	15,973	15,973
Conference & Travel Expenses	5050009	0	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		74,247	112,851	122,793	125,069	125,069	125,069
Funding Sources							
Federal Revenue	4000020	37,123	56,425		62,535	62,535	62,535
Tobacco Settlement	4000495	37,124	56,426		62,534	62,534	62,534
Total Funding		74,247	112,851		125,069	125,069	125,069
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		74,247	112,851		125,069	125,069	125,069

Analysis of Budget Request

Appropriation: 648 - Tobacco-Delay Draw-Paying
Funding Sources: PTD - Medicaid Expansion Program Account

Medicaid Expansion Program - Prescription Drugs referenced on page 204

The Medicaid Expansion Program - Prescription Drugs provides appropriation for the prescription drugs component of the Medicaid Expansion Program established by Initiated Act 1 of 2000. This appropriation is funded through tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Medicaid Expansion Program - Hospital and Medical Services referenced on page 205

The Medicaid Expansion Program - Hospital and Medical Services provides appropriation for the Hospital/Medical component of the Medicaid Expansion Program established by Initiated Act 1 of 2000. This appropriation is funded through tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying/Medicaid Expansion Program - Prescription Drugs

Funding Sources: PTD - Medicaid Expansion Program Account

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Medicaid Exp-Prescrip Drugs	5100004	2,634,806	2,534,175	6,541,937	12,845,491	27,471,014	12,845,491
Medicaid Exp-Prescrip Drugs-ARRA 2009	5900052	2,512	24,649	0	0	0	0
Total		2,637,318	2,558,824	6,541,937	12,845,491	27,471,014	12,845,491
Funding Sources							
Federal Revenue	4000020	217,386	258,577		441,025	3,295,028	441,025
Tobacco Settlement	4000495	2,419,932	2,300,247		2,905,041	4,095,986	2,905,041
Total Funding		2,637,318	2,558,824		3,346,066	7,391,014	3,346,066
Excess Appropriation/(Funding)		0	0		9,499,425	20,080,000	9,499,425
Grand Total		2,637,318	2,558,824		12,845,491	27,471,014	12,845,491

Actual and Budget exceeds Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying/Medicaid Expansion Program - Hospital and Medical Services

Funding Sources: PTD - Medicaid Expansion Program Account

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Medicaid Exp-Hosp/Med Svcs	5100004	25,428,827	41,068,226	74,479,346	131,164,332	211,238,137	131,164,332
Medicaid Exp-Hosp/Med Svcs-ARRA 2009	5900052	257,398	2,277,673	0	0	0	0
Total		25,686,225	43,345,899	74,479,346	131,164,332	211,238,137	131,164,332
Funding Sources							
Federal Revenue	4000020	19,011,887	34,944,361		26,789,459	68,188,182	26,789,459
Tobacco Settlement	4000495	6,674,338	8,401,538		9,218,651	22,549,955	9,218,651
Total Funding		25,686,225	43,345,899		36,008,110	90,738,137	36,008,110
Excess Appropriation/(Funding)		0	0		95,156,222	120,500,000	95,156,222
Grand Total		25,686,225	43,345,899		131,164,332	211,238,137	131,164,332

Actual and Budget exceeds Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 876 - Nursing Home Closure Costs

Funding Sources: TLT - Long Term Care Trust Fund

Nursing Home Closure Costs appropriation is available in the event the Division of Medical Services finds it necessary to take over the operation of a nursing home in an emergency situation. The purpose of any take-over would be for the protection of the health or property of residents of long-term care facilities, including, but not limited to, the payment for the costs of relocation of residents to other facilities, maintenance and operation of a facility pending correction of deficiencies or closure, and reimbursement of residents for personal funds lost.

Funding for this appropriation is derived from other revenues which are indicated as the Long-Term Care Trust Fund. This fund consist of all moneys and interest received from the imposition of civil penalties levied by the state on long-term care facilities found to be out of compliance with the requirements of federal or state law or regulations.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 876 - Nursing Home Closure Costs

Funding Sources: TLT - Long Term Care Trust Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Expenses 5900046	0	50,000	50,000	50,000	50,000	50,000
Total	0	50,000	50,000	50,000	50,000	50,000
Funding Sources						
Trust Fund 4000050	0	50,000		50,000	50,000	50,000
Total Funding	0	50,000		50,000	50,000	50,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	50,000		50,000	50,000	50,000

Analysis of Budget Request

Appropriation: 878 - Long Term Care Facility Receivership

Funding Sources: DLT - Long Term Care Facility Receivership Fund

As authorized by Arkansas Code Annotated §20-10-901 et seq., the Long Term Care Facility Receivership appropriation is used to pay the expenses of receivers appointed, if a nursing home is placed in receivership. Payment may not be made from this account until a court of law has found that a nursing home has insufficient funds to pay a receiver after all other operating expenses of the facility have been paid. The funding for this appropriation is from reimbursement for services provided by the agency.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 878 - Long Term Care Facility Receivership

Funding Sources: DLT - Long Term Care Facility Receivership Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Expenses 5900046	0	100,000	100,000	100,000	100,000	100,000
Total	0	100,000	100,000	100,000	100,000	100,000
Funding Sources						
Reimbursement 4000425	0	100,000		100,000	100,000	100,000
Total Funding	0	100,000		100,000	100,000	100,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	100,000		100,000	100,000	100,000

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

Act 348 of 1985 authorized the reorganization of the Department of Human Services. As part of this reorganization, the Division of Social Services became the Division of Economic and Medical Services. Act 164 of 1995 eliminated the Division of Economic and Medical Services, creating the Division of Medical Services, while functions at the county level were assigned to the Division of County Operations (formerly the Division of Program Operations). The Division of Medical Services' primary responsibility is management of the Arkansas Medicaid program, which was created by the passage of Title XIX of the Social Security Act of 1965, with Arkansas implementing the program on January 1, 1970.

Medicaid enables states to furnish:

- medical assistance to those who have insufficient incomes and resources to meet the costs of necessary medical services
- rehabilitation and other services to help these families and individuals become or remain independent and able to care for themselves

Each state has some sort of Medicaid program to meet the federal mandates and requirements as laid out in Title XIX. Arkansas, however, established a medical care program 26 years before passage of the federal laws requiring health care for the needy: Section 7 of Act 280 of 1939 and Act 416 of 1977 authorized the State of Arkansas to establish and maintain a medical care program for the indigent and vested responsibility for regulating and administering the program in the Arkansas Department of Human Services. This program receives federal grants under Title XIX. Thus Arkansas Medicaid is a joint federal and state program that provides necessary medical services to eligible persons who are not able to pay for such services. Individuals are certified as eligible for Medicaid services through the state's county Human Services Offices or District Social Security Offices. The Social Security Administration automatically sends SSI recipient information to DHS.

The Arkansas Medicaid Program is divided into three (3) forms of services:

1. Services Mandated by the Federal Government
2. Optional Services Chosen by Arkansas
3. Waivers Approved by the Centers for Medicare and Medicaid Services (CMS)

These services are as follows:

Services Mandated by the Federal Government:

- Child Health Services (EPSDT - Early and Periodic Screening, Diagnosis and Treatment)
- Family Planning
- Federally Qualified Health Centers (FQHC)
- Home Health
- Hospital, Inpatient and Outpatient
- Laboratory and X-Ray
- Medical and Surgical Services of a Dentist
- Nurse Midwife
- Nurse Practitioner (Family and Pediatric)
- Nursing Facility Services (Age 21 or Older)
- Physician
- Rural Health Clinics

Optional Services Chosen by Arkansas:

- ✓ Ambulatory Surgical Center Services
- ✓ Audiological Services (Under Age 21)
- ✓ Certified Registered Nurse Anesthetist (CRNA)
- ✓ Child Health Management Services (CHMS) (Under Age 21)
- ✓ Chiropractic Services
- ✓ Dental Services (Under Age 21)
- ✓ Developmental Day Treatment Clinic Services (DDTCS) (Preschool and Age 18 or Older)
- ✓ Developmental Rehabilitation Services (Under Age 3)
- ✓ Domiciliary Care Services
- ✓ Durable Medical Equipment
- ✓ End-Stage Renal Disease (ESRD) Facility Services
- ✓ Hearing Aid Services (Under Age 21)
- ✓ Hospice Services
- ✓ Hyperalimentation Services
- ✓ Inpatient Psychiatric Services Under Age 21
- ✓ Intermediate Care Facility Services for Mentally Retarded
- ✓ Licensed Mental Health Practitioner Services (Under Age 21)
- ✓ Medical Supplies
- ✓ Nursing Facility Services (Under Age 21)

- ✓ Occupational, Physical, Speech Therapy Services (Under Age 21)
- ✓ Orthotic Appliances
- ✓ Personal Care Services
- ✓ Podiatrist Services
- ✓ Portable X-Ray Services
- ✓ Prescription Drugs
- ✓ Private Duty Nursing Services (for Ventilator-Dependent All Ages and High-Tech Non-Ventilator Dependent Persons (Under 21)
- ✓ Prosthetic Devices
- ✓ Radiation Therapy Center
- ✓ Rehabilitative Hospital Services
- ✓ Rehabilitative Services for Persons with Mental Illness (RSPMI)
- ✓ Rehabilitative Services for Persons with Physical Disabilities (RSPD) (Under Age 21)
- ✓ Rehabilitative Services for Youth and Children (RSYC) (Under Age 21)
- ✓ Respiratory Care Services (Under Age 21)
- ✓ School-Based Mental Health Services (Under Age 21)
- ✓ Targeted Case Management for Pregnant Women
- ✓ Targeted Case Management Beneficiaries Age 60 and Older
- ✓ Targeted Case Management for Beneficiaries of Children's Services (Under 21)
- ✓ Targeted Case Management for Beneficiaries of Children's Services who are SSI Beneficiaries or TEFRA Waiver Beneficiaries (Under Age 16)
- ✓ Targeted Case Management for Beneficiaries in the Division of Children and Family Services (Under Age 21)
- ✓ Targeted Case Management for Beneficiaries in the Division of Youth Services (Under Age 21)
- ✓ Targeted Case Management for Beneficiaries Age 21 and under with a Developmental Disability
- ✓ Targeted Case Management for Beneficiaries Age 22 and over with a Developmental Disability
- ✓ Targeted Case Management Services for other Beneficiaries Under Age 21
- ✓ Transportation Services (Ambulance, Non-Emergency)
- ✓ Ventilator Equipment
- ✓ Visual Services

Waivers Approved by the Centers for Medicare and Medicaid Services (CMS):

- ❖ Alternatives for Adults with Physical Disabilities Waiver
- ❖ AR HealthNet
- ❖ ArKids B Waiver
- ❖ DDS Alternative Community Services Waiver

- ❖ ElderChoices Waiver
- ❖ Living Choices (Assisted Living)
- ❖ Non-Emergency Transportation
- ❖ Tax Equity Fiscal Responsibility Act of 1982 (TEFRA)
- ❖ Women's Health (Family Planning)

The Arkansas Medicaid Program does have limitations on the services that are provided. The major benefit limitations on services for adults (age 21 and older) are as follows:

- Twelve visits to hospital outpatient departments allowed per state fiscal year.
- A total of twelve office visits allowed per state fiscal year for any combination of the following: certified nurse midwife, physician, medical services provided by a dentist, medical services furnished by an optometrist, and Rural Health Clinics.
- One basic family planning visit and three (3) periodic family planning visits per state fiscal year. Family planning visits are not counted toward other service limitations.
- Lab and x-ray services limited to total benefit payment of \$500 per state fiscal year, except for EPSDT beneficiaries.
- Three pharmaceutical prescriptions are allowed per month (family planning and smoking cessation prescriptions are not counted against benefit limit; unlimited prescriptions for nursing facility beneficiaries and EPSDT beneficiaries under age 21). Extensions will be considered up to a maximum of six (6) prescriptions per month for beneficiaries at risk of institutionalization. Beneficiaries receiving services through the Independent Choices waiver may receive up to nine (9) medically necessary prescriptions per month. Medicare-Medicaid beneficiaries (dual eligibles) are no longer eligible for Medicaid prescription drug benefits after January 1, 2006.
- Inpatient hospital days limited to 24 per state fiscal year, except for EPSDT beneficiaries and certain organ transplant patients.
- Co-insurance: Some beneficiaries must pay 10% of first Medicaid covered day of hospital stay.
- Beneficiaries in the Working Disabled aid category must pay 25% of the charges for the first Medicaid covered day of inpatient hospital services and must also pay co-insurance for some additional services.
- Some beneficiaries must pay \$.50 - \$3 of every prescription, and \$2 on the dispensing fee for prescription services for eyeglasses. Beneficiaries in the Working Disabled aid category must pay a higher co-payment for these services and also must pay co-payments for some additional services.

Additional information for limitations relating to children:

- The families of some children are responsible for coinsurance, co-payments, or premiums.
- Co-insurance: Arkids B beneficiaries must pay 20% of the charges for the first Medicaid covered day of inpatient hospital services and must also pay co-insurance for some outpatient services.
- Co-Pay: Arkids B beneficiaries must pay a higher co-payment for these services and also must pay co-payments for some outpatient services.

- Premiums: Based on family income certain TEFRA beneficiaries must pay a premium.

Any and all exceptions to benefit limits are based on medical necessity.

The Division consists of the Director's Office and five (5) distinct organizational units:

Medical Services: The Office of Medical Services includes the following operations: Program Integrity, Medical Assistance and Utilization Review. The Program Integrity section is federally mandated to comply with federal regulations outlined in 42 CFR Part 455 and 456. The goal of the Program Integrity section is to ensure payments are consistent with the quality of care being provided, verify that medical services are medically necessary and rendered as billed, payments for services are correct and funds identified for collection are pursued. Program Integrity performs on site reviews to ensure providers are in compliance with Medicaid policy. The Medical Assistance section administers the Dental, Visual and Child Health Services (EPSDT) Medicaid programs and oversees the non-emergency transportation program, Medicaid Managed Care Systems and ConnectCare programs. This section also assists providers and beneficiaries in resolving matters related to billing and coverage. The Utilization Review section develops healthcare policies based on recognized standards of care, current healthcare initiatives and participation from community stakeholders to ensure adequate coverage benefits for Medicaid beneficiaries. Utilization review monitors the quality and medical necessity of services delivered by Medicaid health care providers. In addition this section is responsible for the prior authorization of medically necessary services such as transplants, extension of benefits, prosthetics, hearing aids, hyperalimentation services and out of state transportation.

Medicaid Management, Information, and Performance (MMIP): The Office of Medicaid Management, Information, and Performance is responsible for developing and maintaining the Medicaid State Plan and provider policy, administering the Medicaid Management Information System (MMIS) which processes all Medicaid claims, and assuring quality in the Medicaid waivers approved by CMS. The MMIP Section consists of three Units. The Program Planning and Development (PPD) Unit develops and maintains the Medicaid State Plan and the State's Child Health Insurance Program Plan, both required by CMS. This Unit develops and maintains 57 different Medicaid provider policy manuals, which include information on covered services, benefit limits, prior approvals, and billing procedures. The MMIS Systems and Support Unit procures and administers the contracted fiscal agent that operates the MMIS. This Unit also monitors the fiscal agent's contract compliance, performs quality assurance reviews on how the MMIS operates, manages requests for modifications to the MMIS, develops enhancements to the MMIS, and develops and produces reports from the Medicaid data warehouse. The Waiver Quality Assurance Unit is responsible for monitoring operation of the Medicaid waiver programs. The Waiver QA Unit assures compliance with CMS requirements for operating the waivers through case reviews, data analysis, technical assistance to operating agencies, communication and coordination with CMS, developing new waivers and amendments to existing waivers, and developing QA strategies and interagency agreements for the waivers.

Long Term Care: The Office of Long Term Care (OLTC) is the unit of state government responsible for the regulation of long term care

facilities in Arkansas. These facilities include Nursing Homes, Intermediate Care Facilities for the Mentally Retarded (ICF/MR), Residential Care Facilities (RCF), Adult Day Care, Adult Day Health Care, Post-Acute Head Injury Facilities, Assisted Living Facilities (ALF) and Psychiatric Residential Treatment Facilities (PRTF). This regulation of facilities includes conducting on-site inspections of facilities, investigations of complaints against facilities, medical need determinations for placement into facilities, and licensure of facilities and facility administrators. In addition, the Office of Long Term Care administers a criminal record background check on the employees and applicants and of facilities the Office regulates, and the Office is responsible for the administration of the training and certification of Certified Nursing Assistance (CNAs), who are long term care facility caregivers that are employed in long term care facilities and hospital-based facilities. The Office of Long Term Care includes the following operations: Quality Assurance & Support, Survey & Certification, Special Programs, Abuse & Neglect, and State Regulated Facilities.

Program and Administrative Support: The Office of Program and Administrative Support includes the following operations: Financial Activities, Provider Reimbursement and Third Party Liability. The Financial Activities unit performs such functions as program and operational budgeting, expenditure monitoring and evaluation, federal and state reporting, and administrative support such as personnel management, contract issuance and management, requests for proposals, and the preparation of interagency agreements. The Provider Reimbursement unit is responsible for maintaining rate files, establishing and administering methodologies for provider reimbursements, including cost reports and cost settlements, and financial aspects of the Office of Long-Term Care such as budgeting, reimbursement, and audits of provider cost reports. The Third Party Liability area is responsible for implementing cost-avoidance procedures to prevent the payment of Medicaid money when other (third) parties such as private insurance companies should pay the claim. In addition, in those instances where cost-avoidance is not successful, the Third Party Liability unit is responsible for pursuing recoupment of Medicaid monies.

Pharmacy: The Pharmacy Office is responsible for assuring that medically necessary pharmaceutical therapy is provided to Arkansas Medicaid recipients. It seeks to deliver these services cost effectively while complying with all state and federal requirements. The OBRA 90 statute requires states to cover all outpatient drugs by a manufacturer who signs a rebate agreement with the Centers for Medicare / Medicaid (CMS) as well as to establish a Drug Utilization Review (DUR) Board which is under the direction of the Pharmacy Office. The Office researches clinical data, develops the clinical criteria and edits for various drugs and drug classes, then works directly with the states fiscal agent to apply the criteria and edits within the software, is the project manager for the stated Evidenced-based prescription drug program, researches and reviews claims information to assist providers, beneficiaries and interested parties and researches exception criteria to assist physicians.

The Agency is funded through general revenue (DEM - Medical Services Fund Account), federal and other revenues. Federal revenue is provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as various program support are derived from Third Party Liability Recovery, Nurse Aide Training and Long Term Care Licensure Fees.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter which included additional positions and appropriation for the Healthcare Initiative components and federal appropriation to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	12,877,791	14,940,729	15,397,111	15,696,747	16,065,227	15,696,747
	#Positions	288	315	326	326	334	326
Extra Help	5010001	100,259	126,892	126,892	126,892	126,892	126,892
	#Extra Help	6	7	7	7	7	7
Personal Services Matching	5010003	3,575,492	4,331,809	4,647,573	4,712,682	4,819,411	4,712,682
Overtime	5010006	0	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	2,768,488	3,446,243	3,446,243	3,446,243	4,027,524	3,446,243
Conference & Travel Expenses	5050009	218,530	246,340	246,340	246,340	235,840	246,340
Professional Fees	5060010	234,798	355,132	355,132	355,132	355,132	355,132
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	176,425	150,000	195,000	195,000	195,000	195,000
Data Processing Services	5900044	92,010	150,000	299,600	299,600	149,800	299,600
ARRA 2009	5900052	0	0	458,025	458,025	0	458,025
Total		20,043,793	23,752,145	25,176,916	25,541,661	25,979,826	25,541,661
Funding Sources							
General Revenue	4000010	4,843,573	4,921,727		5,187,995	5,325,002	5,187,995
Federal Revenue	4000020	12,533,289	14,756,919		14,943,909	15,780,082	14,943,909
Reallocation of Resources	4000410	(6,901)	0		0	0	0
Various Program Support	4000730	2,673,832	4,073,499		4,164,906	4,338,593	4,164,906
Total Funding		20,043,793	23,752,145		24,296,810	25,443,677	24,296,810
Excess Appropriation/(Funding)		0	0		1,244,851	536,149	1,244,851
Grand Total		20,043,793	23,752,145		25,541,661	25,979,826	25,541,661

The FY09 funding includes a General Revenue fund transfer to the DHS-Office of Chief Counsel by Authority of Reallocation of Resources.

Analysis of Budget Request

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Private Nursing Home Care Appropriation referenced on page 222

The Private Nursing Home Care appropriation pays expenses for individuals who reside in nursing homes and are eligible to receive Medicaid Benefits. The residents in nursing home facilities have chronic, medical needs. The referring physician must certify medical need with documented evidence of why services are needed in order for a person to be admitted and remain in a nursing home. Each Medicaid certified nursing facility evaluates each nursing home applicant's need for nursing home services. A thorough and complete evaluation must be conducted to ensure that individuals who do not require nursing home services are not admitted to nursing facilities. For Medicaid eligible recipients, the Office of Long Term Care cannot guarantee Medicaid reimbursement for any applicant admitted prior to approval by the Office of Long Term Care Medical Needs Determination section. No applicant with diagnoses or other indicators of mental illness, mental retardation, or developmental disabilities may be admitted to nursing home care prior to evaluation and approval by the Office of Long Term Care.

In general, nursing homes provide total care for their residents--meeting needs from social to dietary to medical. They are staffed by licensed nurses and certified nursing assistants. Nursing homes accept a variety of payment methods, such as private pay (which includes insurance), Medicaid, and Medicare. No age requirement applies to nursing home placements.

In addition to the provider payments noted above, Act 689 of 1987 created the Long Term Care Aide Training program. Under this Act, the Office of Long Term Care was required to establish a training program to be completed by all aides in long term care facilities who provide personal care to residents. This program consists of 75 hours of training and is payable from the Private Nursing Home Care appropriation.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as quality assurance fee per Act 635 of 2001, various program support which can include nursing home administration fees and Medicaid match, and miscellaneous transfers derived from Act 1413 of 2009 section 4.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter adopted to implement the American Recovery and Reinvestment Act of 2009.

Prescription Drugs Appropriation referenced on page 223

The Prescription Drugs appropriation is an optional Medicaid service chosen by Arkansas. The program allows eligible recipients to obtain prescription medication through participating pharmacies in Arkansas. Reimbursement for the program is based on the drug cost and the fee for dispensing pharmaceuticals. The Omnibus Budget Reconciliation Act of 1990 authorized rebates from pharmaceutical manufacturers. The federal share is returned and the amount retained by the state is calculated based upon the state matching rate for Medicaid.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as drug rebates.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter which included appropriation and general revenue funding for the Healthcare Initiative components and federal appropriation to implement the American Recovery and Reinvestment Act of 2009.

Hospital and Medical Services Appropriation referenced on page 224

The Hospital and Medical Services appropriation is one of several federally supported and state administered assistance programs within the Medicaid program and consists of many services including inpatient and outpatient hospital, community mental health centers, community health centers, rural health clinics, home health, private duty nursing, personal care, hospice, practitioners such as physicians, dentists, audiologist, psychologist, speech, occupational and physical therapists, maternity clinics, family planning, laboratory and x-ray services, case management, transportation and Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for children under 21 years of age which is the Child Health Services Program. Waiver services are also included in this appropriation. Waiver services are those that the Centers for Medicare and Medicaid Services have waived traditional provisions of the Medicaid regulations and allow deviations in how and where the services are provided and include programs such as Elderchoices, DDS-Non-institutional Waiver and Adults with Physical Disabilities. Payments are made directly to providers for services for individuals who are eligible for Medicaid services. The State establishes reimbursement rates and the methodology for rate setting. However, the Centers for Medicare and Medicaid Services must approve the state's policy(ies) and regulations in order for the State to be in compliance with guidelines established in federal law.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as Medicaid trust fund and various program support which can include matching funds from UAMS (from

general revenue), Department of Education (from cash funds), Arkansas Children's Hospital, DHS Divisions (from general revenue) for services such as Therapies, Transportation, Waiver services, UPL-Upper Payment Limit match, DSH-Disproportionate Share Hospital payments, etc. Additionally, tobacco settlement funding can be utilized in this appropriation if Act 2 of the First Extraordinary Session of 2002 section 11 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter which included appropriation and general revenue funding for the Healthcare Initiative components, appropriation for various issues such as implementing Act 562 of 2009 that established an assessment fee on hospitals, and federal appropriation to implement the American Recovery and Reinvestment Act of 2009.

ARKIDS B Program Appropriation referenced on page 225

The ArKids B program appropriation provides medical services for children who are without medical insurance coverage. Many of the parents of these children are employed but are unable to afford the necessary coverage for their children. The parents earn sufficient salaries that make them ineligible for coverage by Medicaid, thereby leaving the children without medical care.

ArKids B Program is an optional Medicaid service chosen by Arkansas and is authorized through a federal waiver to the Medicaid program that expands coverage to children in families with income at or below 200 percent of the federal poverty level. Services are available only to children through 18 years of age and are otherwise ineligible to receive Medicaid benefits. Each child must have a Primary Care Physician who will either provide the needed services or make the appropriate referral for medically necessary treatment. A patient co-payment is required per physician visit and per prescription. Effective July 1, 2006, DHS set an annual cap on cost-sharing (co-payments and coinsurance) for ARKids B families. The annual cost-sharing cap is 5% of the family's annual gross (before taxes) income.

The ArKids B Program appropriation has two (2) components and they are as follows:

- Prescription Drugs
- Hospital/Medical

Prescription Drugs component has coverage limits based on medical necessity with a \$5 per prescription co-pay and the recipient must use generic and rebate manufactures.

Generally, the Hospital/Medical component benefits include such programs as inpatient hospital, physician visits, vision care (1 visit per year

for routine exam and 1 pair of eyeglasses), dental services (2 visits per year for cleaning, x-rays, no orthodontia), medical supplies, home health services and emergency room services, ambulance (emergency only), ambulatory surgical center, durable medical equipment (\$500 per year), family planning, FQHC, nurse midwife, outpatient mental and behavior health (\$2,500 limit), podiatry, RHC and speech therapy with some form of co-pay required. Immunizations and preventative health screenings per protocols provided by the primary care physician or Division of Health require no patient co-payments.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), and federal revenue. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter which included appropriation and general revenue funding for the Healthcare Initiative components and federal appropriation to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account/Private Nursing Home Care

Funding Sources: PWD - Grants Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Private Nursing Home Care	5100004	527,977,286	530,281,818	592,888,856	618,038,129	618,038,129	618,038,129
Private Nursing Home Care - ARRA 2009	5900052	12,535,350	43,749,992	134,694,759	134,694,759	0	134,694,759
Total		540,512,636	574,031,810	727,583,615	752,732,888	618,038,129	752,732,888
Funding Sources							
General Revenue	4000010	76,094,714	50,532,481		102,080,956	102,080,956	102,080,956
Federal Revenue	4000020	406,649,089	461,233,158		481,049,495	437,299,503	481,049,495
Miscellaneous Transfers	4000355	115,000	115,000		115,000	115,000	115,000
Quality Assurance Fee	4000395	57,653,833	62,092,598		62,059,097	62,059,097	62,059,097
Various Program Support	4000730	0	58,573		283,573	283,573	283,573
Total Funding		540,512,636	574,031,810		645,588,121	601,838,129	645,588,121
Excess Appropriation/(Funding)		0	0		107,144,767	16,200,000	107,144,767
Grand Total		540,512,636	574,031,810		752,732,888	618,038,129	752,732,888

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account/Prescription Drugs

Funding Sources: PWD - Grants Paying

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Prescription Drugs 5100004	331,142,112	369,996,228	444,995,868	480,599,452	475,423,172	480,599,452
Prescription Drugs-ARRA 2009 5900052	11,034,754	26,965,646	94,544,574	94,544,574	0	94,544,574
Total	342,176,866	396,961,874	539,540,442	575,144,026	475,423,172	575,144,026
Funding Sources						
General Revenue 4000010	72,637,635	87,021,288		117,160,151	121,209,643	117,160,151
Federal Revenue 4000020	236,476,052	288,703,245		332,898,314	305,453,529	332,898,314
Drug Rebates 4000200	33,063,179	21,237,341		31,937,947	27,160,000	31,937,947
Total Funding	342,176,866	396,961,874		481,996,412	453,823,172	481,996,412
Excess Appropriation/(Funding)	0	0		93,147,614	21,600,000	93,147,614
Grand Total	342,176,866	396,961,874		575,144,026	475,423,172	575,144,026

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account/Hospital and Medical Services

Funding Sources: PWD - Grants Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Hospital and Medical Services	5100004	2,456,880,719	2,831,358,177	3,321,028,598	3,545,563,906	3,224,177,831	3,545,563,906
Hospital and Medical Services-ARRA 2009	5900052	71,454,888	218,324,218	646,455,077	646,455,077	0	646,455,077
Total		2,528,335,607	3,049,682,395	3,967,483,675	4,192,018,983	3,224,177,831	4,192,018,983
Funding Sources							
General Revenue	4000010	529,922,145	497,924,690		624,795,360	635,258,917	624,795,360
Federal Revenue	4000020	1,837,070,263	2,428,322,592		2,335,541,126	2,214,735,613	2,335,541,126
Trust Fund	4000050	0	0		48,700,000	48,700,000	48,700,000
Tobacco Settlement	4000495	0	0		48,740,751	34,219,501	48,740,751
Various Program Support	4000730	161,343,199	123,435,113		124,987,356	124,987,356	124,987,356
Total Funding		2,528,335,607	3,049,682,395		3,182,764,593	3,057,901,387	3,182,764,593
Excess Appropriation/(Funding)		0	0		1,009,254,390	166,276,444	1,009,254,390
Grand Total		2,528,335,607	3,049,682,395		4,192,018,983	3,224,177,831	4,192,018,983

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account/ARKids B Program

Funding Sources: PWD - Grants Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
ARKids B Program	5100004	92,404,242	114,836,512	156,402,779	176,646,045	157,738,482	176,646,045
ARKids B Program-ARRA 2009	5900052	1,584,692	530,920	27,377,439	27,377,439	0	27,377,439
Total		93,988,934	115,367,432	183,780,218	204,023,484	157,738,482	204,023,484
Funding Sources							
General Revenue	4000010	24,387,757	30,871,402		45,381,576	40,011,348	45,381,576
Federal Revenue	4000020	69,601,177	84,496,030		107,458,054	106,927,134	107,458,054
Total Funding		93,988,934	115,367,432		152,839,630	146,938,482	152,839,630
Excess Appropriation/(Funding)		0	0		51,183,854	10,800,000	51,183,854
Grand Total		93,988,934	115,367,432		204,023,484	157,738,482	204,023,484

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Child and Family Life Institute Appropriation referenced on page 228

Arkansas Code Annotated §20-78-104 authorized Arkansas Children's Hospital to provide administration for the Child Health and Family Life Institute (CHFLI). Children's Hospital and UAMS, Department of Pediatrics act in conjunction by either contract or cooperative agreement for necessary activities in the delivery of services through the CHFLI. The mission of the institute is "an initiated state effort to explore, develop, and evaluate new and better ways to address medically, socially, and economically interrelated health and developmental needs of children with special health care needs and their families. Utilizing a multidisciplinary collaboration of professionals, the Institute's priorities include wellness and prevention, screening and diagnosis, treatment and intervention, training and education, service access, public policy and advocacy, research and evaluation". Programs include such services as KIDS FIRST - a pediatric day health treatment program for preschool age children at risk for developmental delay; CO-MEND Councils of volunteer/local community activities with pooled resources to assist families; Outreach offers specialized health care at the local level for children who live in areas without specialized care available; Community Pediatrics-a support system with a pediatric team available to provide services in medically underserved areas; Children-at-Risk - diagnostic and treatment for children who have been abused and their families; Pediatric Psychology; Developmental/Physical Medicine and Rehabilitation for children with severe disabilities; and Adolescent Medicine. Children's Hospital is specifically to fund the KIDS FIRST Program as a priority when considering program funding decisions within the Institute. The Department of Pediatrics is the administrative oversight entity for cooperative agreements or contracts for the delivery of services.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Infant Infirmary Appropriation referenced on page 229

The Infant Infirmary Nursing Home appropriation provides for services to infants with special needs. The facilities are licensed as Private Pediatric Intermediate Care Facilities for the Mentally Retarded (ICFs/MR). Facilities receiving reimbursement through this appropriation are

Arkansas Pediatric Facility, Brownwood Life Care Center, Millcreek of Arkansas and Easter Seals Children's Rehabilitation Center. These programs provide a valuable service in that many children are admitted to one of these programs when discharged from a hospital and need continuing attention and medical oversight but not on-going medical treatment.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), and federal revenue. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter which included appropriation for various issues such as implementing Act 433 of 2009 that established a provider fee for Intermediate Care Facilities and federal appropriation to implement the American Recovery and Reinvestment Act of 2009.

Public Nursing Home Care Appropriation referenced on page 230

The Public Nursing Home Care appropriation includes Title XIX Medicaid reimbursement for services provided in the six (6) Human Development Centers (Intermediate Care Facilities for the Mentally Retarded-ICFs/MR), the Arkansas Health Center and the thirty-one (31) 15 Bed or Less (ICFs/MR) programs across the State. Services include 24 hour a day residential, medical, psychological, education and training, life skills training and therapy services needed through staffing and case plan determination. Annual staffings are required to reassess the progress of each individual and adjustments are made in case plans when necessary to help each person attain the goals and objectives established in the case plans.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as quality assurance fee per Act 635 of 2001, various program support which can include matching funds from the Human Development Centers (from general revenue), the DDS Small 10 Beds Intermediate Care Facilities for the Mentally Retarded (ICFs/MR)(from general revenue), the Arkansas Health Center (from mixed funding).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter which included appropriation for various issues such as implementing Act 433 of 2009 that established a provider fee for Intermediate Care Facilities and federal appropriation to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account/Child & Family Life Institute

Funding Sources: PWE - Grants Paying

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Child & Family Life Inst 5100004	0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Total	0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Funding Sources						
General Revenue 4000010	0	2,100,000		2,100,000	2,100,000	2,100,000
Total Funding	0	2,100,000		2,100,000	2,100,000	2,100,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	2,100,000		2,100,000	2,100,000	2,100,000

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account/Infant Infirmary

Funding Sources: PWE - Grants Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Infant Infirmary	5100004	19,263,882	19,734,700	27,450,775	28,251,589	22,931,565	28,251,589
Infant Infirmary-ARRA 2009	5900052	555,896	1,639,392	4,901,102	4,901,102	0	4,901,102
Total		19,819,778	21,374,092	32,351,877	33,152,691	22,931,565	33,152,691
Funding Sources							
General Revenue	4000010	4,826,685	4,176,498		5,803,139	5,803,139	5,803,139
Federal Revenue	4000020	14,993,093	17,197,594		17,147,818	15,508,426	17,147,818
Total Funding		19,819,778	21,374,092		22,950,957	21,311,565	22,950,957
Excess Appropriation/(Funding)		0	0		10,201,734	1,620,000	10,201,734
Grand Total		19,819,778	21,374,092		33,152,691	22,931,565	33,152,691

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account/Public Nursing Home Care

Funding Sources: PWE - Grants Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Public Nursing Home Care	5100004	155,897,497	163,938,128	221,068,656	229,940,266	193,145,084	229,940,266
Public Nursing Home Care-ARRA 2009	5900052	1,668,046	13,618,600	40,875,288	40,875,288	0	40,875,288
Total		157,565,543	177,556,728	261,943,944	270,815,554	193,145,084	270,815,554
Funding Sources							
General Revenue	4000010	2,376,154	345,861		7,406,596	7,406,596	7,406,596
Federal Revenue	4000020	118,622,974	142,862,143		146,311,117	132,692,517	146,311,117
Quality Assurance Fee	4000395	741,174	966,810		888,556	888,556	888,556
Various Program Support	4000730	35,825,241	33,381,914		41,357,415	41,357,415	41,357,415
Total Funding		157,565,543	177,556,728		195,963,684	182,345,084	195,963,684
Excess Appropriation/(Funding)		0	0		74,851,870	10,800,000	74,851,870
Grand Total		157,565,543	177,556,728		270,815,554	193,145,084	270,815,554

DHS - COUNTY OPERATIONS

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1DK Cty-Shelter Plus Care Program	1,584,013	0	1,768,466	0	1,768,466	0	1,819,974	0	1,819,974	0	1,819,974	0
396 Cty-Aid To Aged, Blind, Disabled	0	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0
409 Cty-Weatherization Program	5,240,817	0	33,804,713	0	18,775,000	0	18,775,000	0	4,000,000	0	18,775,000	0
410 Cty-Emergency Food Program	663,066	0	717,364	0	897,826	0	897,826	0	672,377	0	897,826	0
411 Cty-Low Income Energy Assistance Prgm	21,022,784	0	25,533,486	0	14,487,743	0	15,487,743	0	15,487,743	0	15,487,743	0
412 Cty-Refugee Resettlement Program	4,536	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
426 Cty-Homeless Assistance Grant	1,154,061	0	5,345,000	0	5,851,246	0	5,851,246	0	1,851,246	0	5,851,246	0
59H Hunger Coalition	0	0	980,000	0	1,000,000	0	1,000,000	0	0	0	1,000,000	0
642 DHS Medicaid Expansion Program	834,781	20	2,700,262	60	2,742,327	61	2,758,121	61	2,758,121	61	2,758,121	61
896 Division of County Operations	103,766,926	1,878	122,734,730	1,807	135,204,335	1,882	136,352,424	1,882	129,191,398	1,882	136,352,424	1,882
897 TANF Block Grant	18,614,960	0	21,230,000	0	29,640,650	0	33,640,650	0	33,640,650	0	33,640,650	0
898 Community Svcs. Block Grant	8,501,710	0	22,095,784	0	20,020,518	0	20,020,518	0	10,920,321	0	20,020,518	0
930 Cty-Commodity Distrib & Salvage Container	3,196	0	297,916	0	297,916	0	274,086	0	274,086	0	274,086	0
Total	161,390,850	1,899	237,223,721	1,867	230,702,027	1,943	236,893,588	1,943	200,631,916	1,943	236,893,588	1,943

Funding Sources		%		%		%		%		%	
General Revenue	4000010	42,748,856	26.5	46,643,094	19.7	49,436,111	21.9	61,093,546	31.3	49,436,111	21.9
Federal Revenue	4000020	110,399,846	68.4	176,016,241	74.2	161,549,854	71.5	129,398,808	66.3	161,549,854	71.5
Cash Fund	4000045	3,196	0.0	297,916	0.1	274,086	0.1	274,086	0.1	274,086	0.1
Reallocation of Resources	4000410	179,279	0.1	0	0.0	0	0.0	0	0.0	0	0.0
Tobacco Settlement	4000495	417,391	0.3	1,350,131	0.6	1,379,060	0.6	1,379,060	0.7	1,379,060	0.6
Transfer From DWS	4000527	1,000,000	0.6	500,000	0.2	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	6,642,282	4.1	12,416,339	5.2	13,415,220	5.9	3,103,086	1.6	13,415,220	5.9
Total Funds		161,390,850	100.0	237,223,721	100.0	226,054,331	100.0	195,248,586	100.0	226,054,331	100.0
Excess Appropriation/(Funding)		0		0		10,839,257		5,383,330		10,839,257	
Grand Total		161,390,850		237,223,721		236,893,588		200,631,916		236,893,588	

Analysis of Budget Request

Appropriation: 1DK - Cty-Shelter Plus Care Program

Funding Sources: FWF - DHS Federal

The Shelter Plus Care Program initially began in FY95 through a grant from the U. S. Department of Housing and Urban Development, Office of Community Planning and Development. The program provides rental assistance to hard-to-serve homeless persons (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases) and their families who are homeless or in emergency shelters. The Department of Human Services is the grantee for two (2) sub-grantees that have a total of five (5) grants. There are two components to the program, Tenant-Based Rental Assistance and Sponsor-Based Rental Assistance. The Tenant-Based program allows for applicants to request funds to provide rental assistance on behalf of program participants who choose their own housing. Under the Sponsor-Based program, an applicant may request funds through a contract with a non-profit organization for rental of housing owned by the non-profit organization. The program provides out-reach, support and coordination of housing and services and monitoring.

Funding for this appropriation is 100% funded from federal sources.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 1DK - Cty-Shelter Plus Care Program

Funding Sources: FWF - DHS Federal

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	1,584,013	1,768,466	1,768,466	1,819,974	1,819,974	1,819,974
Total	1,584,013	1,768,466	1,768,466	1,819,974	1,819,974	1,819,974
Funding Sources						
Federal Revenue 4000020	1,584,013	1,768,466		1,819,974	1,819,974	1,819,974
Total Funding	1,584,013	1,768,466		1,819,974	1,819,974	1,819,974
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	1,584,013	1,768,466		1,819,974	1,819,974	1,819,974

Analysis of Budget Request

Appropriation: 396 - Cty-Aid To Aged, Blind, Disabled

Funding Sources: DGF - DHS Grants Fund

In 1974, the Aid to Aged, Blind and Disabled (AABD) program was converted to the Supplemental Security Income (SSI) Program through an amendment to the Medicaid State Plan. This amendment allowed individuals in the AABD categories that were not eligible under SSI criteria, but meet the State Medicaid eligibility criteria to receive SSI benefits. The Aid to Aged, Blind and Disabled appropriation provides cash assistance to individuals residing in Arkansas to supplement their SSI payments. These payments are made in accordance with section 1616 of the Social Security Act and section 212 of P. L. 93-66.

Through an agreement entered into between the Social Security Administration (SSA) and the Department of Human Services, the Social Security Administration makes these payments to individuals determined eligible by SSA. The State pays Social Security Administration for making the payments to eligible individuals and for administrative fees for determining eligibility.

Funding for this appropriation is from general revenues through the Department of Human Services Grants Fund Account (DGF-DHS Grants Fund) as authorized in Arkansas Code Annotated §19-5-306(10)(A)(iii).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 396 - Cty-Aid To Aged, Blind, Disabled

Funding Sources: DGF - DHS Grants Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	0	4,000	4,000	4,000	4,000	4,000
Total	0	4,000	4,000	4,000	4,000	4,000
Funding Sources						
General Revenue 4000010	0	4,000		4,000	4,000	4,000
Total Funding	0	4,000		4,000	4,000	4,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	4,000		4,000	4,000	4,000

Analysis of Budget Request

Appropriation: 409 - Cty-Weatherization Program

Funding Sources: FWF - DHS Federal

The Weatherization Program provides funding for energy conservation in the homes of low income persons, particularly the elderly, people with disabilities and families with children. This Program installs energy conservation materials in the homes of approximately 1300 low-income families annually for the purpose of lowering utility bills. An automated energy audit, National Energy Audit (NEAT), is used to determine the most cost effective measures on single frame houses. The Mobile Home Energy Audit (MHEA) is used to determine the most effective measures to be installed on mobile homes.

Measures installed on single framed houses and multi-family units include:

- Replace broken windows.
- Caulk and weatherstrip doors and windows.
- Insulating uninsulated ceilings, walls and floors.
- Installing storm windows, thermostats and furnace tune-ups.
- Health and safety measures that are required prior to weatherizing the house.

Measures installed on mobile homes include:

- Replace broken windows.
- Caulk and weatherstrip doors and windows
- Install thermostats and furnace tune-ups.
- Health and safety measures that are required prior to weatherizing the mobile home.

Funding for this appropriation is 100% federal from the Department of Energy and the U. S. Department of Health and Human Services.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual and a Governor's Letter adopted to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 409 - Cty-Weatherization Program

Funding Sources: FWF - DHS Federal

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	4,860,003	8,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Weatherization Program - ARRA 2009	5900052	380,814	25,804,713	14,775,000	14,775,000	0	14,775,000
Total		5,240,817	33,804,713	18,775,000	18,775,000	4,000,000	18,775,000
Funding Sources							
Federal Revenue	4000020	5,240,817	33,804,713		18,775,000	4,000,000	18,775,000
Total Funding		5,240,817	33,804,713		18,775,000	4,000,000	18,775,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		5,240,817	33,804,713		18,775,000	4,000,000	18,775,000

Actual and Budget exceed Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 410 - Cty-Emergency Food Program

Funding Sources: FWF - DHS Federal

The Emergency Food Program provides food on an emergency basis for families in need and the homeless. Donated food is also made available for Disaster Assistance. Additionally, Division of County Operations (DCO) utilizes surplus USDA commodities to supplement low-income food programs in Arkansas. Agencies such as Food Banks and Community Program Action Agencies have agreements with DCO to provide food through soup kitchens, food pantries and mass distribution to households.

Funding for this appropriation is 100% federal from the U. S. Department of Agriculture, Food and Consumer Services.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual and a Governor's Letter adopted to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 410 - Cty-Emergency Food Program

Funding Sources: FWF - DHS Federal

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	663,066	541,750	672,377	672,377	672,377	672,377
Emergency Food Program - ARRA 2009	5900052	0	175,614	225,449	225,449	0	225,449
Total		663,066	717,364	897,826	897,826	672,377	897,826
Funding Sources							
Federal Revenue	4000020	663,066	717,364		897,826	672,377	897,826
Total Funding		663,066	717,364		897,826	672,377	897,826
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		663,066	717,364		897,826	672,377	897,826

Analysis of Budget Request

Appropriation: 411 - Cty-Low Income Energy Assistance Prgm

Funding Sources: FWF - DHS Federal

The Low Income Home Energy Assistance (LIHEAP) Program provides federal funds to assist low-income households with their home energy expenses. The Home Energy Assistance Program provides financial assistance to households each year to help them meet the costs of home energy i.e. gas, electricity, propane, etc. The program assists low income persons with home energy costs by administering the Winter/Summer Assistance Program and Crisis Intervention Program. Assistance is provided in the form of a one-time per year payment to the energy supplier of an eligible household, or in some cases, directly to the applicant. The Crisis Intervention Program provides assistance to eligible households in energy related emergencies. Eligibility is based on 150% of current Office of Management and Budget (OMB) income poverty guidelines for all households.

Funding for this appropriation is 100% federal from the U. S. Department of Health and Human Services, Administration for Children and Families.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 411 - Cty-Low Income Energy Assistance Prgm

Funding Sources: FWF - DHS Federal

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	21,022,784	25,533,486	14,487,743	15,487,743	15,487,743	15,487,743
Total	21,022,784	25,533,486	14,487,743	15,487,743	15,487,743	15,487,743
Funding Sources						
Federal Revenue 4000020	21,022,784	25,533,486		15,487,743	15,487,743	15,487,743
Total Funding	21,022,784	25,533,486		15,487,743	15,487,743	15,487,743
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	21,022,784	25,533,486		15,487,743	15,487,743	15,487,743

Actual and Budget exceed Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 412 - Cty-Refugee Resettlement Program

Funding Sources: FWF - DHS Federal

The Refugee Resettlement Program provides temporary assistance to refugees and entrants to the State to help in becoming self-sufficient and self-reliant. This program was established by the 1980 Immigration and Nationality Act and authorizes cash assistance and medical assistance for up to eight months. Social services may be provided to refugees for up to five years. Refugees may apply for cash, medical and food program assistance at Department of Human Services offices in their county of residence.

Due to the steady decline in eligibles, Arkansas chose to discontinue the optional Social Services component of the program effective October 1, 2002. Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) will continue to be available through the county offices to any new arrivals entering the state in the future.

Funding for this appropriation is 100% federal from the U. S. Department of Health and Human Services, Administration for Children and Families and is available to states as well as non-profit organizations to help offset costs related to resettlement efforts.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 412 - Cty-Refugee Resettlement Program

Funding Sources: FWF - DHS Federal

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	4,536	12,000	12,000	12,000	12,000	12,000
Total	4,536	12,000	12,000	12,000	12,000	12,000
Funding Sources						
Federal Revenue 4000020	4,536	12,000		12,000	12,000	12,000
Total Funding	4,536	12,000		12,000	12,000	12,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	4,536	12,000		12,000	12,000	12,000

Analysis of Budget Request

Appropriation: 426 - Cty-Homeless Assistance Grant

Funding Sources: FWF - DHS Federal

The Homeless Assistance Grant is a federal program through the U. S. Department of Housing and Urban Development. This program is designed to assist local communities in helping to improve the quality of life for the homeless by providing grants for renovation, rehabilitation or conversion of buildings to be used as emergency shelters. Funds can be used for paying for operations, maintenance, insurance, utilities, and furnishings, essential social services that are connected with the shelters and for prevention efforts. A special enumeration survey was conducted and, on any given night, the estimated homeless count in the State of Arkansas is 7,400.

Funding for this appropriation is 100% federal.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual and a Governor's Letter adopted to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 426 - Cty-Homeless Assistance Grant

Funding Sources: FWF - DHS Federal

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	1,154,061	1,345,000	1,851,246	1,851,246	1,851,246	1,851,246
Homeless Assistance - ARRA 2009	5900052	0	4,000,000	4,000,000	4,000,000	0	4,000,000
Total		1,154,061	5,345,000	5,851,246	5,851,246	1,851,246	5,851,246
Funding Sources							
Federal Revenue	4000020	1,154,061	5,345,000		5,851,246	1,851,246	5,851,246
Total Funding		1,154,061	5,345,000		5,851,246	1,851,246	5,851,246
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		1,154,061	5,345,000		5,851,246	1,851,246	5,851,246

Analysis of Budget Request

Appropriation: 59H - Hunger Coalition

Funding Sources: DCO - County Operations Account

Arkansas food banks have reported an increase in utilization which is attributed to poor economic conditions and local disasters coupled with the increased cost of food storage and transportation. To address this need, the State Food Purchasing Program was created and funded with state general revenues generated from an increase in the tax on cigarettes and other tobacco products provided in Act 180 of 2009.

The Division of County Operations grants these funds to the Arkansas Hunger Relief Alliance for distribution to the local food distribution networks for the purpose of purchasing Arkansas products through the State Food Purchasing Program.

Funding is 100% General Revenue (DCO - County Operations Fund Account).

The Executive and Legislative Recommendation reflect the Governor's Letter which included appropriation and general revenue funding to create this Healthcare Initiative appropriation.

Appropriation Summary

Appropriation: 59H - Hunger Coalition

Funding Sources: DCO - County Operations Account

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	0	980,000	1,000,000	1,000,000	0	1,000,000
Total	0	980,000	1,000,000	1,000,000	0	1,000,000
Funding Sources						
General Revenue 4000010	0	980,000		1,000,000	0	1,000,000
Total Funding	0	980,000		1,000,000	0	1,000,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	980,000		1,000,000	0	1,000,000

Analysis of Budget Request

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

This appropriation is for the additional administrative costs to the Division of County Operations associated with the Medicaid Expansion Programs established by Initiated Act 1 of 2000. The expanded Medicaid programs are as follows:

1. Expansion of Medicaid coverage and benefits to pregnant women with incomes up to 200 percent of the Federal Poverty Level (approved for implementation November 1, 2001);
2. Expansion of inpatient and outpatient hospital reimbursements and benefits to adults age 19 to 64 to reduce coinsurance payment from 22 percent to 10 percent of the cost of the first Medicaid covered day of each admission and cover additional medically necessary days in the hospital from 20 days up to 24 allowed days per State Fiscal Year (approved for implementation November 1, 2001);
3. Expansion of non-institutional coverage and benefits to adults aged 65 and over. Referred to as ARSeniors, this program extends full Medicaid benefits to adults age 65 and over who have been identified as Qualified Medicare Beneficiaries (QMB) and meet specific income limits (approved for implementation October 1, 2002); and
4. Creation of a limited benefit package to assist adults age 19 to 64 who are uninsured low-wage employees of small Arkansas businesses. This program, ARHealthNetworks, was approved by the Centers for Medicare and Medicaid Services (CMS) as a Section 1115 demonstration waiver through the Health Insurance Flexibility and Accountability (HIFA) office of the Secretary of the federal Department of Health and Human Services. Enrollment in the program began December 20, 2006 with coverage effective January 2007.

Funding for this appropriation is derived from Tobacco Settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	483,161	1,728,625	1,747,611	1,760,847	1,760,847	1,760,847
	#Positions	20	60	61	61	61	61
Personal Services Matching	5010003	347,000	625,842	648,921	651,479	651,479	651,479
Operating Expenses	5020002	36	195,795	195,795	195,795	195,795	195,795
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Data Processing Services	5900044	4,584	50,000	50,000	50,000	50,000	50,000
Total		834,781	2,700,262	2,742,327	2,758,121	2,758,121	2,758,121
Funding Sources							
Federal Revenue	4000020	417,390	1,350,131		1,379,061	1,379,061	1,379,061
Tobacco Settlement	4000495	417,391	1,350,131		1,379,060	1,379,060	1,379,060
Total Funding		834,781	2,700,262		2,758,121	2,758,121	2,758,121
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		834,781	2,700,262		2,758,121	2,758,121	2,758,121

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

The Division of County Operations was established originally in Act 348 of 1985 in the reorganization of the Department of Human Services under the title of Program Operations. Act 164 of 1995 amended Arkansas Code Annotated §25-10-102 and created the Division of Medical Services, re-named the Division of Program Operations to County Operations and transferred functions that were a part of the Division of Economic and Medical Services to County Operations. Functions transferred to the Division of County Operations were Aid to Families with Dependent Children, Food Stamp Program, Project Success and the Community Services Block Grant.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, eliminated the open-ended federal entitlement program of Aid to Families with Dependent Children (AFDC) and created a federal block grant program for states to provide cash assistance to families on a time-limited basis under the Temporary Assistance to Needy Families (TANF) program. The Arkansas Personal Responsibility and Public Assistance Reform Act, Act 1058 of 1997 was enacted during the 81st General Assembly and signed by the Governor on April 3, 1997, thereby establishing the Transitional Employment Assistance (TEA) program. With the enactment of these laws, the AFDC and Project Success programs were eliminated and replaced by the TEA program. Enacted during the 85th General Assembly and signed by the Governor, Act 1705 of 2005 transferred responsibility for the program to the Department of Workforce Services (DWS). Pursuant to this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remains with the Division of County Operations while DWS is responsible for the provision of case management services and overall administration of the program.

The Division of County Operations has the primary responsibility for providing the leadership and support in each of the eighty-three (83) county offices in the 75 counties, and administering the Food Stamp, TEA, Medicaid and ARKids Programs to citizens across Arkansas. Additional programs administered at the county level through local organizations include such areas as Community Services Block Grant, Energy and Weatherization Assistance for low income elderly, people with disabilities and families with children; Homeless and Housing Assistance; and Commodity Distribution. The Division is responsible for the physical office space in each of the counties including rent, utilities, telephone charges, janitorial services and other items needed at the local level. The Division coordinates the services of the various DHS Divisions at the local level and provides clerical support. The Division currently has four (4) distinct areas of operation: Field Operations, Program Planning and Development, Community Services and Administrative Support.

Funding for this appropriation is derived from a mix of sources that includes general revenue (DCO - County Operations Fund Account), federal and other revenues. Federal funding sources include revenues derived from administrative costs for TEA, Food Stamp, Community Services Block Grant, Refugee Resettlement, Emergency Shelter, Commodities, Child Health Insurance (CHIP) and Medicaid (Regular and

Enhanced) programs. Other funding which is indicated as various program support can also include sources such as USDA - FCS Enhanced Funding, Title XIX match and miscellaneous collections; as well as, federal awards, fees, third party reimbursements and maximization of federal claiming. These other funds are considered to be non-federal and technically can be expended for any program or service within the Department.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual and a Governor's Letter providing appropriation and general revenue funding for the Healthcare Initiative components and federal appropriation to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	55,157,171	60,254,515	62,865,955	64,265,702	64,265,702	64,265,702
	#Positions	1,878	1,807	1,882	1,882	1,882	1,882
Extra Help	5010001	195,498	234,052	234,052	234,052	234,052	234,052
	#Extra Help	18	37	37	37	37	37
Personal Services Matching	5010003	16,988,444	19,573,525	21,771,601	22,043,066	22,043,066	22,043,066
Overtime	5010006	145	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	19,602,601	22,149,048	22,149,048	25,925,613	25,788,246	25,925,613
Conference & Travel Expenses	5050009	96,151	148,997	148,997	178,831	178,831	178,831
Professional Fees	5060010	7,656,411	9,831,396	11,641,371	11,409,349	11,409,349	11,409,349
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	49,296	30,000	30,000	30,000	30,000	30,000
Data Processing Services	5900044	3,226,828	5,094,713	9,314,652	5,217,152	5,217,152	5,217,152
ARRA 2009	5900052	794,381	5,393,484	7,023,659	7,023,659	0	7,023,659
Total		103,766,926	122,734,730	135,204,335	136,352,424	129,191,398	136,352,424
Funding Sources							
General Revenue	4000010	42,694,602	45,505,655		48,278,672	60,936,107	48,278,672
Federal Revenue	4000020	54,320,583	64,815,885		67,459,925	63,409,525	67,459,925
Reallocation of Resources	4000410	179,279	0		0	0	0
Various Program Support	4000730	6,572,462	12,413,190		13,415,220	3,103,086	13,415,220
Total Funding		103,766,926	122,734,730		129,153,817	127,448,718	129,153,817
Excess Appropriation/(Funding)		0	0		7,198,607	1,742,680	7,198,607
Grand Total		103,766,926	122,734,730		136,352,424	129,191,398	136,352,424

The FY09 funding includes General Revenue fund transfers from various DHS Divisions by Authority of Reallocation of Resources. Actual Capital Outlay exceeds Authorized Appropriation due to appropriation received from DFA for Motor Vehicle Purchases.

Analysis of Budget Request

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

With the enactment of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and the Arkansas Personal Responsibility and Public Assistance Reform Act of 1997, open ended entitlement for Aid to Families with Dependent Children (AFDC) was replaced with federal block grant funding to states. The Arkansas program is entitled Transitional Employment Assistance (TEA). The Arkansas 81st General Assembly passed Act 1058 of 1997 and in so doing, declared that "welfare reform is one of the major human service priorities of state government and establishes the goals of achieving a significant reduction in the number of citizens who are enrolled in such programs, transforming a "one size fits all" welfare system that fosters dependence, low self-esteem, and irresponsible behavior to one that rewards work and fosters self-reliance, responsibility and family stability. Act 1567 of 1999 amended Act 1058 of 1997 by establishing the Arkansas Transitional Employment Board. Act 1264 of 2001 and Act 1306 of 2003 enacted other provisions to strengthen the Arkansas TEA Program. Arkansas Act 1705 of 2005 transferred responsibility for the program to the Department of Workforce Services (DWS). Under this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remains with the Division of County Operations (DCO) while DWS is responsible for the provision of case management services and overall administration of the program. Act 1705 of 2005 also created the Work Pays program, which is an extension of the TEA program for former TEA recipients who are working. DWS has overall responsibility for the Work Pays program with eligibility determination and benefit delivery remaining with DCO as authorized by DWS.

TEA program eligibility is limited to economically needy families with children under the age of 18 who are U.S. citizens or aliens lawfully admitted to the United States under specific criteria and are residing in Arkansas. The parent(s) living with the children must cooperate in child support enforcement activities, if applicable to the family, and must sign and comply with a Personal Responsibility Agreement, which includes ensuring that their children are immunized and that they attend school. All able-bodied parent(s) must actively engage in work related activities as a condition of the family's on-going eligibility. TEA cash assistance is limited to a maximum of twenty-four (24) months in an adult's lifetime. For those former TEA recipients who are employed at least 24 hours per week and meet the minimum federal work participation rates, an additional twenty-four (24) months of Work Pays benefits are available.

Assistance under the TEA and Work Pays programs may include: monthly cash assistance payments to help meet the family's basic needs; employment services such as work experience, job search, and job readiness activities; assistance with basic and vocational education; assistance with supportive services such as childcare, transportation and other expenses related to work activity; case management services; and eligibility for extended support services to help the parent retain a job after the cash assistance case closes due to employment.

The TEA caseload has decreased by over 63.3% since the Program was implemented in July 1997. The reduction in the caseload has resulted in a comparable decrease in monthly cash assistance expenditures since July 1997. The Program expenditures have shifted to address employment related services, education/training and supportive services.

Congress reauthorized the TANF program through the Deficit Reduction Act of 2005. Although the Act requires States to meet higher rates of work participation, no significant changes were made in the program design beyond the State initiatives and organizational changes prescribed by Act 1705 of 2005.

Funding for this appropriation is derived from the federal Temporary Assistance for Needy Families (TANF) block grant and general revenue from the Department of Human Services Grants Fund Account (DGF-DHS Grants Fund) as authorized in Arkansas Code Annotated §19-5-306 (10)(A)(iv) and general revenue fund transfers from the Department of Workforce Services as authorized in Act 1385 of 2009 section 9. Other funding which is indicated as various program support can also include sources such as the payback of the federal share of AFDC overpayment collections and interest on TEA cash assistance.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
TANF Block Grant	5100004	18,614,960	21,230,000	29,640,650	33,640,650	33,640,650	33,640,650
Total		18,614,960	21,230,000	29,640,650	33,640,650	33,640,650	33,640,650
Funding Sources							
Federal Revenue	4000020	17,545,140	20,730,000		30,000,000	30,000,000	30,000,000
Transfer From DWS	4000527	1,000,000	500,000		0	0	0
Various Program Support	4000730	69,820	0		0	0	0
Total Funding		18,614,960	21,230,000		30,000,000	30,000,000	30,000,000
Excess Appropriation/(Funding)		0	0		3,640,650	3,640,650	3,640,650
Grand Total		18,614,960	21,230,000		33,640,650	33,640,650	33,640,650

The FY09 and FY10 funding includes General Revenue fund transfers from the Department of Workforce Services by Authority of Act 1385 of 2009 section 9.

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The Community Services Block Grant program helps low-income persons become more independent by providing a range of services through local Community Action Agencies. The services are designed to impact the causes of poverty and assist low-income persons gain the skills necessary for employment, offer better educational and training activities to handle finances, improve housing, make use of social services available to them and become involved in community activities. Additionally, the program provides funds for involvement of low-income persons in community development activities, essential services to homeless persons and development of innovative approaches, at both the local and state level, to meet the nutritional needs of low-income persons. Eligibility is based on current OMB poverty income guidelines.

Funding for this appropriation is derived from the federal Community Services block grant, U. S. Department of Health and Human Services, Administration for Children and Families and general revenue from the Department of Human Services Grants Fund Account (DGF-DHS Grants Fund) as authorized in Arkansas Code Annotated §19-5-306(10)(A)(xi). Other funding which is indicated as various program support can also include sources such as miscellaneous receipts.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual and a Governor's Letter adopted to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Community Srvs. Block Grant	5100004	8,501,710	9,500,358	10,920,321	10,920,321	10,920,321	10,920,321
Community Srvs. Block Grant-ARRA 2009	5900052	0	12,595,426	9,100,197	9,100,197	0	9,100,197
Total		8,501,710	22,095,784	20,020,518	20,020,518	10,920,321	20,020,518
Funding Sources							
General Revenue	4000010	54,254	153,439		153,439	153,439	153,439
Federal Revenue	4000020	8,447,456	21,939,196		19,867,079	10,766,882	19,867,079
Various Program Support	4000730	0	3,149		0	0	0
Total Funding		8,501,710	22,095,784		20,020,518	10,920,321	20,020,518
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		8,501,710	22,095,784		20,020,518	10,920,321	20,020,518

Budget exceeds Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 930 - Cty-Commodity Distrib & Salvage Container

Funding Sources: NHS - Cash in Treasury

The Commodity Distribution and Salvage Container Program receives United States Department of Agriculture (USDA) donated foods for distribution to school districts, food banks, soup kitchens and food pantries, etc. The donated foods are distributed through a contract with a local warehouse. In the event that the donated food is damaged or destroyed from improper storage, care or handling, it is classified as a "food loss" claim. Compensation of the value of the donated food is provided by the contractor to the distributing agency (Division of County Operations Commodity Distribution Program). Compensation is deposited in the Salvage and Container Cash Fund. Upon approval by the Federal government, these funds may be used for training, equipment and vehicle purchases utilized by the Commodity Distribution Program for enhancements to the program.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 930 - Cty-Commodity Distrib & Salvage Container

Funding Sources: NHS - Cash in Treasury

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	3,196	262,426	262,426	264,596	264,596	264,596
Conference & Travel Expenses	5050009	0	9,490	9,490	9,490	9,490	9,490
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	26,000	26,000	0	0	0
Total		3,196	297,916	297,916	274,086	274,086	274,086
Funding Sources							
Cash Fund	4000045	3,196	297,916		274,086	274,086	274,086
Total Funding		3,196	297,916		274,086	274,086	274,086
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		3,196	297,916		274,086	274,086	274,086

DHS - DEVELOPMENTAL DISABILITIES SERVICES

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
147 Special Olympics	179,666	0	173,494	0	179,666	0	179,666	0	179,666	0	179,666	0
397 Children's Medical Services	1,727,146	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0
408 Children's Medical Services-Federal	908,565	0	1,377,338	0	1,377,338	0	1,377,338	0	1,377,338	0	1,377,338	0
59J Autism Treat/Coord	0	0	1,467,000	0	1,500,000	0	1,500,000	0	0	0	1,500,000	0
653 DDS-State Operations	4,340,000	0	13,920,818	0	13,930,669	0	13,930,669	0	7,109,431	0	13,930,669	0
657 Community Programs	19,175	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
658 Grants to Community Providers	15,671,104	0	15,856,800	0	15,909,753	0	15,909,753	0	15,909,753	0	15,909,753	0
896 Division of Developmental Disabilities Srvs	115,554,894	2,534	134,639,514	2,547	154,811,825	2,726	157,062,814	2,726	148,334,170	2,747	157,062,814	2,726
982 Inter-Divisional Programs	71,935	0	105,439	0	109,190	0	109,190	0	109,190	0	109,190	0
Total	138,472,485	2,534	169,319,682	2,547	189,597,720	2,726	191,848,709	2,726	174,798,827	2,747	191,848,709	2,726

Funding Sources		%		%		%		%		%	
General Revenue 4000010	58,930,325	42.6	62,686,626	37.0		65,319,917	36.1	70,037,195	42.5	65,319,917	36.1
Federal Revenue 4000020	13,268,534	9.6	26,774,616	15.8		35,393,937	19.6	18,831,856	11.4	35,393,937	19.6
Special Revenue 4000030	19,175	0.0	50,000	0.0		50,000	0.0	50,000	0.0	50,000	0.0
Reallocation of Resources 4000410	(20,385)	0.0	0	0.0		0	0.0	0	0.0	0	0.0
Transfer to Medicaid Match 4000660	(10,667,872)	(7.7)	(11,617,735)	(6.9)		(11,617,735)	(6.4)	(15,894,179)	(9.7)	(11,617,735)	(6.4)
Various Program Support 4000730	76,942,708	55.6	91,426,175	54.0		91,680,292	50.7	91,680,292	55.7	91,680,292	50.7
Total Funds	138,472,485	100.0	169,319,682	100.0		180,826,411	100.0	164,705,164	100.0	180,826,411	100.0
Excess Appropriation/(Funding)	0		0			11,022,298		10,093,663		11,022,298	
Grand Total	138,472,485		169,319,682			191,848,709		174,798,827		191,848,709	

Analysis of Budget Request

Appropriation: 147 - Special Olympics

Funding Sources: DEA - Developmental Disabilities Services Fund

This appropriation is for a grant to the Arkansas Special Olympics, Inc. This program provides sports training and competitive opportunities throughout the year for athletes who are developmentally challenged.

Funding for this appropriation is 100% general revenue (DEA-Developmental Disabilities Services Fund Account).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 147 - Special Olympics

Funding Sources: DEA - Developmental Disabilities Services Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	179,666	173,494	179,666	179,666	179,666	179,666
Total	179,666	173,494	179,666	179,666	179,666	179,666
Funding Sources						
General Revenue 4000010	179,666	173,494		179,666	179,666	179,666
Total Funding	179,666	173,494		179,666	179,666	179,666
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	179,666	173,494		179,666	179,666	179,666

Analysis of Budget Request

Appropriation: 397 - Children's Medical Services

Funding Sources: DGF - DHS Grants Fund

The State Children's Medical Services (CMS) program provides services to children with special health care needs. CMS assists in the provision of services through service teams, satellite offices and parent support groups. In addition to the children with special health care needs, CMS also assists children with special needs on the Tax Equity and Fiscal Responsibility Act (TEFRA) program. TEFRA considers just the child and the child's income for eligibility and is broader in scope than Medicaid. A medical condition must be present to be eligible.

CMS programs are community based with staff at the local level making decisions on behalf of the families receiving services. CMS staff assist families by coordinating care in areas such as assessments, arranging medical appointments, determining additional needed services, payment authorization, coordinating parent support groups, arranging respite care and transportation, and coordinating the TEFRA program.

Funding for this appropriation is 100% general revenue (DGF - Department of Human Services Grants Fund Account).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 397 - Children's Medical Services

Funding Sources: DGF - DHS Grants Fund

Appropriation	2008-2009 Actual	2009-2010 Budget	2009-2010 Authorized	2010-2011		
				Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	1,727,146	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279
Total	1,727,146	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279
Funding Sources						
General Revenue 4000010	1,727,146	1,729,279		1,729,279	1,729,279	1,729,279
Total Funding	1,727,146	1,729,279		1,729,279	1,729,279	1,729,279
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	1,727,146	1,729,279		1,729,279	1,729,279	1,729,279

Analysis of Budget Request

Appropriation: 408 - Children's Medical Services-Federal

Funding Sources: FWF - DHS Federal

The Federal Children's Medical Services (CMS) appropriation is a companion to the State Children's Medical Services appropriation 397 and provides for community based services for children with special health care needs, including chronic illnesses and physical disabilities. Examples of services include therapies, medications, transportation, medical treatments and equipment. The community based offices allow for more rapid responses to the needs of the children and their families. This appropriation supports the programs and services detailed in the State CMS program appropriation.

Funding for this appropriation includes 100% federal revenue consisting of Title V funding.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 408 - Children's Medical Services-Federal

Funding Sources: FWF - DHS Federal

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	908,565	1,377,338	1,377,338	1,377,338	1,377,338	1,377,338
Total	908,565	1,377,338	1,377,338	1,377,338	1,377,338	1,377,338
Funding Sources						
Federal Revenue 4000020	908,565	1,377,338		1,377,338	1,377,338	1,377,338
Total Funding	908,565	1,377,338		1,377,338	1,377,338	1,377,338
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	908,565	1,377,338		1,377,338	1,377,338	1,377,338

Analysis of Budget Request

Appropriation: 59J - Autism Treat/Coord

Funding Sources: DEA - Developmental Disabilities Services Fund

Increasing numbers of Arkansans are being diagnosed with Autism Spectrum Disorders. Children and adults with Autism Spectrum Disorders require specialized treatment. To address this need, state general revenues generated from an increase in the tax on cigarettes and other tobacco products as a result of Act 180 of 2009 were provided to the Division of Developmental Disabilities Services.

The Division of Developmental Disabilities Services is working closely with the Legislative Task Force on Autism to identify and prioritize needed services to this population.

Funding is 100% General Revenue (DEA - Developmental Disabilities Services Fund)

The Executive and Legislative Recommendation reflect the Governor's Letter which included appropriation and general revenue funding to create this Healthcare Initiative appropriation.

Appropriation Summary

Appropriation: 59J - Autism Treat/Coord

Funding Sources: DEA - Developmental Disabilities Services Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	0	1,467,000	1,500,000	1,500,000	0	1,500,000
Total	0	1,467,000	1,500,000	1,500,000	0	1,500,000
Funding Sources						
General Revenue 4000010	0	1,467,000		1,500,000	0	1,500,000
Total Funding	0	1,467,000		1,500,000	0	1,500,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	1,467,000		1,500,000	0	1,500,000

Analysis of Budget Request

Appropriation: 657 - Community Programs

Funding Sources: SDT - DDS Dog Track Special Revenue Fund

The Community Programs appropriation is utilized to provide services for eligible individuals through licensed community providers. Pursuant to Arkansas Code Annotated §23-111-503, this appropriation is funded by fees generated from proceeds of the Southland Greyhound Park. Generally, this appropriation is used to supplement contracts with community providers for a wide range of services provided to individuals with developmental disabilities.

Funding for this appropriation includes 100% special revenue consisting of two-thirds (2/3) of the net proceeds derived from the three (3) additional days of racing authorized by the Arkansas Racing Commission for any dog racing meet, and is to be used for the sole benefit of community programs of the Division of Developmental Disabilities Services.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 657 - Community Programs

Funding Sources: SDT - DDS Dog Track Special Revenue Fund

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Community Programs 5900046	19,175	50,000	50,000	50,000	50,000	50,000
Total	19,175	50,000	50,000	50,000	50,000	50,000
Funding Sources						
Special Revenue 4000030	19,175	50,000		50,000	50,000	50,000
Total Funding	19,175	50,000		50,000	50,000	50,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	19,175	50,000		50,000	50,000	50,000

Analysis of Budget Request

Appropriation: 658 - Grants to Community Providers

Funding Sources: DEA - Developmental Disabilities Services Fund Account

The Grants to Community Providers appropriation provides for community based services through private non-profit service providers throughout the state for individuals who do not meet Medicaid eligibility criteria for services such as speech, occupational and physical therapy, adult development and preschool services. In addition to grants to community providers for contracted services, this appropriation provides Medicaid Match paid by warrant for Developmental Day Treatment Clinic Services (5 day week clinics that provide work training for adults and preschool training for children), Therapy, Personal Care and Case Management.

Funding for this appropriation is 100% general revenue (DEA - Developmental Disabilities Services Fund Account).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 658 - Grants to Community Providers

Funding Sources: DEA - Developmental Disabilities Services Fund Account

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	15,671,104	15,856,800	15,909,753	15,909,753	15,909,753	15,909,753
Total	15,671,104	15,856,800	15,909,753	15,909,753	15,909,753	15,909,753
Funding Sources						
General Revenue 4000010	15,671,104	15,856,800		15,909,753	15,909,753	15,909,753
Total Funding	15,671,104	15,856,800		15,909,753	15,909,753	15,909,753
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	15,671,104	15,856,800		15,909,753	15,909,753	15,909,753

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

This appropriation provides administrative support for the Division of Developmental Disabilities (DDS). This Division administers state programs and services for people with developmental disabilities. Arkansas Statutes define a developmental disability as impairment generally attributable to mental retardation, cerebral palsy, epilepsy or autism. Services through DDS are available for persons diagnosed as having a disability occurring prior to age 22.

In addition to the coordination of community programs and services for individuals with mental retardation and/or developmental disabilities, DDS is responsible for the management and operation of six (6) state-owned and controlled Human Development Centers (HDCs). These institutional facilities provide 24-hour residential services, habilitation, medical services, therapies and education at the following:

Conway HDC: Provides comprehensive services including a skilled nursing facility for children and adults. Primary emphasis is on medical services, special education, domestic and personal skill development, habilitation training, workshop opportunities, employment training, recreation opportunities and development.

Alexander HDC: Provides comprehensive services for adult males that do not have severe medical needs. Primary emphasis is individuals with a dual diagnosis of developmental disabilities and mental illness.

Arkadelphia HDC: Provides comprehensive services for adults of all functioning levels except for those with severe medical needs. Primary emphasis is on adult enrichment, vocational training and transitional placement.

Jonesboro HDC: Provides comprehensive services for adults of all functioning levels except those with severe medical needs. Primary emphasis is on serving individuals with a primary diagnosis of mental retardation.

Booneville HDC: Provides varied services for adults who are ambulatory with no severe medical needs. Primary emphasis is training programs and living options for those with that do not require extensive medical care, but may need behavioral services due to mental illness.

Southeast Arkansas (Warren) HDC: Provides both institutional and group home services for adults. Primary emphasis includes functional training for daily living skills and vocational training.

Funding for this appropriation consists of general revenue (DEA - Developmental Disabilities Services Fund Account), federal revenue and other funding. Federal revenue primarily includes Title XIX, Title V, Targeted Case Management, Early Intervention, Foster Grandparent funding and Social Service Block Grant funding. Other funding, which is indicated as various program support, includes client fees and Special Education Fund.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual and a Governor's Letter which included additional appropriation for the Healthcare Initiative components, operating appropriation for various issues such as processing payments of required provider fee for intermediate care facilities and legal defense for a lawsuit against the Conway Human Development Center, and federal appropriation to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	66,099,517	75,036,147	78,895,549	80,625,371	81,382,810	80,625,371
	#Positions	2,534	2,547	2,726	2,726	2,747	2,726
Extra Help	5010001	4,577,691	1,089,645	1,089,645	1,089,645	1,089,645	1,089,645
	#Extra Help	264	200	200	200	200	200
Personal Services Matching	5010003	23,504,579	26,471,006	29,395,645	29,732,364	29,987,124	29,732,364
Overtime	5010006	435,081	413,500	849,302	854,062	854,062	854,062
Extra Salaries	5010008	0	27,000	27,000	27,000	27,000	27,000
Operating Expenses	5020002	15,300,495	22,759,318	28,102,214	27,976,625	21,404,544	27,976,625
Conference & Travel Expenses	5050009	73,446	94,324	110,615	112,615	112,615	112,615
Professional Fees	5060010	247,762	613,119	2,478,698	2,478,698	388,698	2,478,698
Data Processing	5090012	0	0	0	0	0	0
Grants/Patient Services	5100004	4,055,570	6,752,051	6,752,051	6,752,051	6,752,051	6,752,051
Capital Outlay	5120011	585,532	430,500	3,856,998	3,732,771	3,732,771	3,732,771
Foster Grandparent Stipends	5900038	229,040	280,000	289,851	289,851	289,851	289,851
Data Processing Services	5900044	281,164	519,876	719,883	719,883	719,883	719,883
Vocational Trainees	5900046	179,946	250,000	283,000	294,000	294,000	294,000
Purchase of Services	5900047	4,269,681	5,856,317	7,924,514	8,341,018	8,341,018	8,341,018
DDS-State Operations	5900047	55,390	67,529	67,529	67,529	67,529	67,529
Grants/Patient Services-ARRA 2009	5900052	0	6,821,238	6,821,238	6,821,238	0	6,821,238
ARRA 2009	5900052	0	1,078,762	1,078,762	1,078,762	0	1,078,762
Total		119,894,894	148,560,332	168,742,494	170,993,483	155,443,601	170,993,483
Funding Sources							
General Revenue	4000010	41,280,474	43,354,614		45,892,029	52,109,307	45,892,029
Federal Revenue	4000020	12,359,969	25,397,278		34,016,599	17,454,518	34,016,599
Reallocation of Resources	4000410	(20,385)	0		0	0	0
Transfer to Medicaid Match	4000660	(10,667,872)	(11,617,735)		(11,617,735)	(15,894,179)	(11,617,735)
Various Program Support	4000730	76,942,708	91,426,175		91,680,292	91,680,292	91,680,292
Total Funding		119,894,894	148,560,332		159,971,185	145,349,938	159,971,185
Excess Appropriation/(Funding)		0	0		11,022,298	10,093,663	11,022,298
Grand Total		119,894,894	148,560,332		170,993,483	155,443,601	170,993,483

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

The FY09 funding includes a General Revenue fund transfer to the DHS--County Operations by Authority of Reallocation of Resources. Actual Extra Help exceeds Authorized Appropriation due to higher appropriated level in FY09 and Reallocation of Resources. For FY10, 89 extra help positions were moved to full time positions by the Pay Plan Study.

Analysis of Budget Request

Appropriation: 982 - Inter-Divisional Programs

Funding Sources: DEA - Developmental Disabilities Services Fund Account

The DHS Inter-Divisional Programs appropriation provides integrated services and programs for individuals with complex needs requiring the combined efforts of multiple DHS Divisions. The programs/services are for individualized "wrap around" services (e.g. respite care, in-home assistance, out of home support, etc.) to supplement and enhance available program options. These individualized services are alternatives to out-of-state placements and in-state residential options that allow the individual to remain in the community without institutionalism. The Division of Developmental Disabilities (DDS) staff coordinate the provision of services to ensure that those individuals with special needs that cross divisional lines receive needed services.

Funding for this appropriation is 100% general revenue (DEA - Developmental Disabilities Services Fund Account).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual.

Appropriation Summary

Appropriation: 982 - Inter-Divisional Programs

Funding Sources: DEA - Developmental Disabilities Services Fund Account

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	71,935	105,439	109,190	109,190	109,190	109,190
Total	71,935	105,439	109,190	109,190	109,190	109,190
Funding Sources						
General Revenue 4000010	71,935	105,439		109,190	109,190	109,190
Total Funding	71,935	105,439		109,190	109,190	109,190
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	71,935	105,439		109,190	109,190	109,190

DHS - SERVICES FOR THE BLIND

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Recommendations					
	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
896 Division of Services for the Blind	4,095,169	71	6,195,745	75	5,804,318	75	5,866,311	75	5,035,029	75	5,866,311	75
898 Purchase of Services	2,687,603	0	3,394,828	0	2,770,628	0	2,770,628	0	2,573,558	0	2,770,628	0
Total	6,782,772	71	9,590,573	75	8,574,946	75	8,636,939	75	7,608,587	75	8,636,939	75
Funding Sources		%		%			%		%		%	
General Revenue 4000010	1,843,607	27.2	1,856,271	19.4			1,922,869	22.3	1,922,869	25.3	1,922,869	22.3
Federal Revenue 4000020	4,939,165	72.8	7,734,302	80.6			6,714,070	77.7	5,685,718	74.7	6,714,070	77.7
Total Funds	6,782,772	100.0	9,590,573	100.0			8,636,939	100.0	7,608,587	100.0	8,636,939	100.0
Excess Appropriation/(Funding)	0		0				0		0		0	
Grand Total	6,782,772		9,590,573				8,636,939		7,608,587		8,636,939	

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

In 1983, Act 481 was passed, creating the Division of State Services for the Blind (DSB). The Act removed the Division from the jurisdiction of the Department of Rehabilitation Services and made it an autonomous state agency within the Department of Human Services. The Division is responsible for its own State Plan under the Federal Rehabilitation Act. Agency direction and performance responsibility lies with a seven (7) member consumer board comprised of organization representatives involved in providing services for people who have visual impairments. The member organizations include those such as Arkansas Lions, Blinded Veterans Association, Lions World Services for the Blind, Arkansas School for the Blind, and the Arkansas Affiliate of the National Federation of the Blind. By law, the majority of the members of the Board must be persons who are blind or severely visually impaired. This organizational structure was maintained in the reorganization of the Department when Act 348 of 1985 was passed. Services to individuals with visual impairments are provided by agency staff and by contracting with service providers who specialize in services for people with visual impairments.

DSB serves consumers through three interdependent units: Field Services, Vending Facility Program, and the DSB Directors Office. These three service units were designed by the DSB Board to offer two advantages to the State of Arkansas:

- First, to enhance the personal self-sufficiency of consumers eliminating costs associated with unnecessary skilled care; and
- Second, to maximize the potential contributions made by consumers as citizens and taxpayers.

The Agency is funded through general revenue (DSB - State Services for the Blind Fund Account) and federal revenue. Federal Revenue includes Social Service Block Grant, Older Blind Grant, and Vocational Rehabilitation Grant.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manual and a Governor's Letter adopted to implement the American Recovery and Reinvestment Act of 2009.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	2,584,159	3,056,209	3,007,957	3,059,740	3,059,740	3,059,740
	#Positions	71	75	75	75	75	75
Extra Help	5010001	16,394	40,000	40,000	40,000	40,000	40,000
	#Extra Help	8	14	14	14	14	14
Personal Services Matching	5010003	714,015	867,981	967,279	977,289	977,289	977,289
Operating Expenses	5020002	598,614	641,950	641,950	642,150	642,150	642,150
Conference & Travel Expenses	5050009	22,723	20,000	20,000	20,000	27,350	20,000
Professional Fees	5060010	156,114	705,973	263,500	263,500	263,500	263,500
Data Processing	5090012	0	0	0	0	0	0
Purchase of Services	5100004	2,658,453	3,197,758	2,573,558	2,573,558	2,573,558	2,573,558
Capital Outlay	5120011	3,150	25,000	25,000	25,000	25,000	25,000
Purchase of Srvs-ARRA 2009	5900052	29,150	197,070	197,070	197,070	0	197,070
ARRA 2009	5900052	0	838,632	838,632	838,632	0	838,632
Total		6,782,772	9,590,573	8,574,946	8,636,939	7,608,587	8,636,939
Funding Sources							
General Revenue	4000010	1,843,607	1,856,271		1,922,869	1,922,869	1,922,869
Federal Revenue	4000020	4,939,165	7,734,302		6,714,070	5,685,718	6,714,070
Total Funding		6,782,772	9,590,573		8,636,939	7,608,587	8,636,939
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		6,782,772	9,590,573		8,636,939	7,608,587	8,636,939

Actual exceeds Authorized Appropriation in Conference & Travel Expenses by authority of Reallocation of Resources.

Actual and Budget exceeds Authorized Appropriation in Professional Fees and Purchase of Services due to a transfer from the Miscellaneous Federal Grant Holding Account.

DHS - YOUTH SERVICES

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under the DHS-Director's Office/Office of Chief Counsel.

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2008-2009		2009-2010		2009-2010		2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
2QZ Community Based Sanctions	2,377,968	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0
2RA Juvenile Account Incentive Block Grant	626,342	0	1,039,278	0	2,188,456	0	2,188,456	0	2,188,456	0	2,188,456	0
2RB Community Services	10,936,307	0	12,014,477	0	20,750,113	0	21,083,708	0	21,083,708	0	21,083,708	0
2RC Federal Child & Youth Service Grants	4,908,093	0	5,463,289	0	6,260,348	0	6,260,348	0	6,260,348	0	6,260,348	0
2YH Residential Services	27,744,281	0	26,257,848	0	33,381,132	0	35,402,401	0	35,402,401	0	35,402,401	0
896 Division of Youth Services	6,722,676	89	7,558,220	88	11,743,984	161	11,722,062	161	11,466,710	159	11,722,062	161
Total	53,315,667	89	54,833,112	88	76,824,033	161	79,156,975	161	78,901,623	159	79,156,975	161

Funding Sources		%		%		%		%		%
General Revenue 4000010	45,196,386	84.8	47,618,545	86.8		86.2	48,724,215	87.1	48,724,215	86.2
Federal Revenue 4000020	5,245,900	9.8	5,915,420	10.8		10.8	6,112,524	10.1	6,112,524	10.8
Trust Fund 4000050	626,342	1.2	1,039,278	1.9		3.0	1,688,456	2.8	1,688,456	3.0
Reallocation of Resources 4000410	(9,327)	0.0	0	0.0		0.0	0	0.0	0	0.0
Transfer to Ar Pub Defender 4000603	(140,000)	(0.3)	(240,000)	(0.4)		(0.4)	(240,000)	(0.4)	(240,000)	(0.4)
Transfer to DFA Disbursing 4000610	(400,000)	(0.8)	(400,000)	(0.7)		(0.7)	(400,000)	(0.7)	(400,000)	(0.7)
Transfer to Medicaid Match 4000660	(785,187)	(1.5)	(791,177)	(1.4)		(1.4)	(791,177)	(1.3)	(791,177)	(1.4)
Various Program Support 4000730	3,581,553	6.7	1,691,046	3.1		2.5	1,406,508	2.3	1,406,508	2.5
Total Funds	53,315,667	100.0	54,833,112	100.0		100.0	56,500,526	100.0	60,391,465	100.0
Excess Appropriation/(Funding)	0		0				22,656,449		18,510,158	
Grand Total	53,315,667		54,833,112				79,156,975		78,901,623	

Analysis of Budget Request

Appropriation: 2QZ - Community Based Sanctions

Funding Sources: DYS - Youth Services Fund Account

This Community Based Sanctions appropriation is used by the Division of Youth Services (DYS) to ensure appropriate sanctions for juveniles adjudicated delinquent. This program is intended to provide a range of sanction alternatives for juveniles who are adjudicated delinquent and for those who fail to comply with aftercare plans or orders of the Court.

The intent of this program is to provide more options for the Courts and Community Based Providers in working with juveniles in the community rather than committing them to DYS. The primary goal of graduated (progressive) sanctions is to reduce problem behaviors, and include the following examples:

- Verbal Warnings
- Contracts with conditions (curfews, increased treatment, increased drug testing, etc.)
- Community Service/Work Crew hours
- Day Reporting
- Electronic Monitoring
- Short Term Confinement (requires court involvement)
- Long Term Confinement (requires court involvement)

Funding for this appropriation is 100% general revenue (DYS-Youth Services Fund Account).

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 2QZ - Community Based Sanctions

Funding Sources: DYS - Youth Services Fund Account

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	2,377,968	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total	2,377,968	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Funding Sources						
General Revenue 4000010	2,377,968	2,500,000		2,500,000	2,500,000	2,500,000
Total Funding	2,377,968	2,500,000		2,500,000	2,500,000	2,500,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	2,377,968	2,500,000		2,500,000	2,500,000	2,500,000

Analysis of Budget Request

Appropriation: 2RA - Juvenile Account Incentive Block Grant

Funding Sources: TYS - Juvenile Accountability Incentive Block Grant (JAIBG) Trust Fund

This Juvenile Accountability Incentive Block Grant (JAIBG) appropriation is a federal program administered by the Office of Juvenile Justice and Delinquency Prevention program within the US Department of Justice. The JAIBG designed to promote greater accountability in the juvenile justice system by targeting 16 specified program purpose areas, including the following:

- Graduated sanctions for juvenile offenders
- Construction of juvenile detention or correctional facilities
- Hiring of judges/probation officers/public defenders and pre-trial services
- Hiring prosecutors
- Funding to prosecutors, including technology, equipment and training programs
- Training for law enforcement & court personnel
- Juvenile gun courts
- Juvenile drug courts
- Juvenile records system
- Inter-Agency information sharing programs
- Accountability based programs
- Risk and Needs assessment
- School safety accountability based programs
- Restorative justice programs
- Juvenile courts and probation programs
- Hiring/training detention & corrections personnel

Funding for this appropriation is 100% federal JAIBG funds that are designated for local units of government. The State established and utilizes an interest bearing trust fund to deposit program funds received through a grant award under the JAIBG program. State and local governments that are eligible to receive JAIBG funds must establish a coordinated enforcement plan developed by a Juvenile Crime Enforcement Coalition (JCEC) at either the state or local level for the purpose of reducing juvenile crime.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 2RA - Juvenile Account Incentive Block Grant

Funding Sources: TYS - Juvenile Accountability Incentive Block Grant (JAIBG) Trust Fund

Appropriation	2008-2009 Actual	2009-2010 Budget	2009-2010 Authorized	2010-2011		
				Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	626,342	1,039,278	2,188,456	2,188,456	2,188,456	2,188,456
Total	626,342	1,039,278	2,188,456	2,188,456	2,188,456	2,188,456
Funding Sources						
Trust Fund 4000050	626,342	1,039,278		1,688,456	1,688,456	1,688,456
Total Funding	626,342	1,039,278		1,688,456	1,688,456	1,688,456
Excess Appropriation/(Funding)	0	0		500,000	500,000	500,000
Grand Total	626,342	1,039,278		2,188,456	2,188,456	2,188,456

Analysis of Budget Request

Appropriation: 2RB - Community Services

Funding Sources: DYS - Youth Services Fund Account

The Community Services appropriation is utilized by the Division of Youth Services (DYS) to purchase services from community based providers for non-committed youth who are considered at risk or low risk, and for juveniles transferred from a DYS residential program to aftercare. These services include electronic monitoring, intensive supervision and tracking, day services (educational services for youth admitted to the program who are not enrolled in school), crime prevention/intervention and aftercare supervision for state custody youth.

In addition to non-residential programs offered, emergency shelter services are provided along with community based non secure residential treatment for juveniles whose emotional and/or behavioral problems cannot be remedied in his/her home. These services are available in each of the 28 judicial districts, and are provided by privately operated, non profit organizations to juveniles up to 18 years of age. Aftercare services are provided to juveniles up to 21 years of age.

Funding for this appropriation includes general revenue (DYS - Youth Services Fund Account) and other funding as indicated by various program support. The other funding includes Targeted Case Management and Rehab funding.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals and a Governor's Letter.

Appropriation Summary

Appropriation: 2RB - Community Services

Funding Sources: DYS - Youth Services Fund Account

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	10,936,307	12,014,477	20,750,113	21,083,708	21,083,708	21,083,708
Total		10,936,307	12,014,477	20,750,113	21,083,708	21,083,708	21,083,708
Funding Sources							
General Revenue	4000010	10,735,186	11,664,477		12,164,476	14,769,105	12,164,476
Various Program Support	4000730	201,121	350,000		935,333	935,333	935,333
Total Funding		10,936,307	12,014,477		13,099,809	15,704,438	13,099,809
Excess Appropriation/(Funding)		0	0		7,983,899	5,379,270	7,983,899
Grand Total		10,936,307	12,014,477		21,083,708	21,083,708	21,083,708

Analysis of Budget Request

Appropriation: 2RC - Federal Child & Youth Service Grants

Funding Sources: FWF - DHS Federal

This appropriation enables the Division of Youth Services to provide grants to various entities for delinquency programs in accordance with the U.S. Department of Justice. Programs focus on training local officials and staff to work with juveniles to prevent delinquency at the local level by developing comprehensive strategies for prevention, community policing, reducing disproportionate minority confinement, ensuring separation of children from adults in confinement when detention is unavoidable, removing non-offending youth from correctional facilities and promoting gender specific services to meet the needs of females to prevent them from entering the juvenile justice system.

Funding for this appropriation is 100% federal revenue. The federal funds are derived from Juvenile Justice and Delinquency Prevention grants (JJPD), Social Service Block Grants (SSBG) and Title I funding.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 2RC - Federal Child & Youth Service Grants

Funding Sources: FWF - DHS Federal

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	4,908,093	5,463,289	6,260,348	6,260,348	6,260,348	6,260,348
Total	4,908,093	5,463,289	6,260,348	6,260,348	6,260,348	6,260,348
Funding Sources						
Federal Revenue 4000020	4,908,093	5,463,289		5,760,348	5,760,348	5,760,348
Total Funding	4,908,093	5,463,289		5,760,348	5,760,348	5,760,348
Excess Appropriation/(Funding)	0	0		500,000	500,000	500,000
Grand Total	4,908,093	5,463,289		6,260,348	6,260,348	6,260,348

Analysis of Budget Request

Appropriation: 2YH - Residential Services

Funding Sources: DYS - Youth Services Fund Account

This appropriation provides residential services for juveniles committed to the Division of Youth Services. Following evaluation at the state operated observation and assessment facility, juveniles are placed in an appropriate program in a secure and/or specialized treatment environment. The Division operates seven juvenile residential facilities that house and treat the state's most serious chronic or violent juvenile offenders committed to the Division by the State's District Courts.

Residential services are provided to juveniles through contracts with private community providers and include the following:

Alexander Youth Services Center (AYSC)

Provides centralized intake for all juveniles assigned to DYS and is assigned for the most serious violent/sexual offenders and for those that disrupt placement due to behavior issues. This facility houses 143 youth.

Six Regional Juvenile Treatment Centers

Provide services for males age 14-18, females age 14-21 (housed at the Mansfield female unit) and males age 18-21 housed at the Dermott Juvenile Correctional Facility (JCF). These facilities house a total of 204 youth.

Alternative placement and Specialized Treatment Programs

The Division contracts with 12 different provider groups throughout the state to provide specialized treatment including Psychiatric/Therapeutic Treatments, Sex Offender Treatment and Substance Abuse Treatment.

Funding for this appropriation includes general revenue (DYS - Youth Services Fund Account) and other funding as indicated by various program support. The other funding includes Targeted Case Management and Rehab funding.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals.

Appropriation Summary

Appropriation: 2YH - Residential Services

Funding Sources: DYS - Youth Services Fund Account

Appropriation	2008-2009	2009-2010	2009-2010	2010-2011		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	27,744,281	26,257,848	33,381,132	35,402,401	35,402,401	35,402,401
Total	27,744,281	26,257,848	33,381,132	35,402,401	35,402,401	35,402,401
Funding Sources						
General Revenue 4000010	24,521,965	24,990,802		24,990,803	26,058,388	24,990,803
Various Program Support 4000730	3,222,316	1,267,046		0	0	0
Total Funding	27,744,281	26,257,848		24,990,803	26,058,388	24,990,803
Excess Appropriation/(Funding)	0	0		10,411,598	9,344,013	10,411,598
Grand Total	27,744,281	26,257,848		35,402,401	35,402,401	35,402,401

Actual exceeds Authorized Appropriation by authority of Reallocation of Resources.

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

The Division of Youth Services was created by Act 1296 of 1993 to be entirely devoted “to handling the problems of youths involved with the juvenile justice system.” The primary responsibilities of DYS as it functions today are to coordinate components of the juvenile justice system, establish serious offender programs, expand community based-services, and provide services to delinquent and Family-in-Need-of-Services (FINS) youth. Other responsibilities of the agency include research related to juvenile delinquency and related problems, development of programs for early intervention and prevention of juvenile delinquency and maintenance of information on juvenile delinquents in the state. This appropriation provides administrative support for the Division of Youth Services.

Funding for this appropriation includes general revenue (DYS - Youth Services Fund Account), federal revenues and other funds. The federal funds are derived from Juvenile Justice and Delinquency Prevention Program (JJDP) funds, Juvenile Accountability Block Grant (JAPBG) funds and Title I funds. Other funding which is indicated as various program support is derived from Rehabilitative Services reimbursement funds.

The Agency Request reflects the FY11 requests from the 2008 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY11 ALC/JBC recommendation from the 2008 Fall Budget Hearings Summary Manuals, any Governor’s Letters adopted and member amendments.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2008-2009	2009-2010	2009-2010	2010-2011		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	3,456,817	3,728,530	5,993,093	6,102,635	5,901,283	6,102,635
	#Positions	89	88	161	161	159	161
Extra Help	5010001	15,953	40,008	40,008	40,008	40,008	40,008
	#Extra Help	2	34	34	34	34	34
Personal Services Matching	5010003	967,098	1,103,663	1,985,429	2,010,518	1,956,518	2,010,518
Overtime	5010006	0	8,004	8,004	8,004	8,004	8,004
Operating Expenses	5020002	1,886,132	2,270,639	3,148,933	2,992,380	2,992,380	2,992,380
Conference & Travel Expenses	5050009	53,752	89,000	89,000	89,000	89,000	89,000
Professional Fees	5060010	245,799	225,000	312,192	312,192	312,192	312,192
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	97,125	93,376	167,325	167,325	167,325	167,325
Total		6,722,676	7,558,220	11,743,984	11,722,062	11,466,710	11,722,062

Funding Sources							
General Revenue	4000010	7,561,267	8,463,266		9,068,936	9,287,661	9,068,936
Federal Revenue	4000020	337,807	452,131		352,176	352,176	352,176
Reallocation of Resources	4000410	(9,327)	0		0	0	0
Transfer to Ar Pub Defender	4000603	(140,000)	(240,000)		(240,000)	(240,000)	(240,000)
Transfer to DFA Disbursing	4000610	(400,000)	(400,000)		(400,000)	(400,000)	(400,000)
Transfer to Medicaid Match	4000660	(785,187)	(791,177)		(791,177)	(791,177)	(791,177)
Various Program Support	4000730	158,116	74,000		471,175	471,175	471,175
Total Funding		6,722,676	7,558,220		8,461,110	8,679,835	8,461,110
Excess Appropriation/(Funding)		0	0		3,260,952	2,786,875	3,260,952
Grand Total		6,722,676	7,558,220		11,722,062	11,466,710	11,722,062

Transfer of \$400,000 to DFA Disbursing is to the Juvenile Detention Facilities Operating Fund that provides funding for operating expenses of fourteen local juvenile detention facilities.