

FISCAL SESSION - MANUAL

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**ADMINISTRATION OF JUSTICE FUND
STATE PROGRAMS AND AGENCIES ALLOCATIONS
FOR FISCAL YEAR 2012 - 2013**

Item No.	Maximum Allocation Fiscal Year 2012 - 2013
(1) Board of Trustees of the University of Arkansas for the purpose and as regulated by Arkansas Code Annotated §§6-64-604-606	\$2,687,619
(2) Drug Abuse Prevention and Treatment Fund for use in the Drug Abuse Prevention and Treatment Program of the Bureau of Alcohol and Drug Abuse Prevention	342,000
(3) Highway Safety Special Fund for programs of the Arkansas Highway Safety Program within DHS	1,324,795
(4) Department of Arkansas State Police for the State Police Retirement Fund	1,499,256
(5) Department of Arkansas State Police Fund	400,000
(6) Crime Victims/Reparations Revolving Fund for the purpose and as regulated by Arkansas Code Annotated §16-90-701 et seq.	2,089,723
(7) Prosecutor Coordinator's Office for deposit in the Law Enforcement and Prosecutor Drug Enforcement Training Fund	70,660
(8) Crime Information System Fund	98,064
(9) Justice Building Construction Fund	990,000
(10) Municipal Court Judge and the Municipal Court Clerk Education Fund	100,000
(11) Arkansas Judicial Retirement System Fund	902,797
(12) State Central Services Fund for the benefit of the Public Defender Commission	6,908,027
(13) Court Reporter Fund	5,555,833
(14) Justice Building Fund	83,528
(15) Arkansas Counties Alcohol and Drug Abuse and Crime Prevention Fund	375,000
(16) Auditor of State to fund Trial Court Administrative Assistants Fund	7,035,365
(17) Drug Abuse Prevention and Treatment Fund for use in the Drug Abuse Prevention and Treatment program of the Bureau of Alcohol and Drug Abuse Prevention	312,000
(18) State Central Services Fund for the Benefit of the Administrative Office of the Courts Div of Dependency-Neglect Representation	4,284,838
(19) Miscellaneous Agencies Fund Account for the benefit of the State Crime Laboratory	576,988
(20) District Judges Association for the District Court Coordinator	62,528
(21) Public Legal Aid Fund	855,432
(22) Administrative Office of the Courts – County Reimbursements for Jurors	850,000
(23) Administrative Office of the Courts - Drug Court Coordinator to reimburse the State Central Services Fund	66,320
(24) Constitutional Officers Fund for District Judges	1,881,861
(25) State Central Services Fund for Court Security by Administrative Office of the Courts	362,791
TOTAL AMOUNT ALLOCATED	\$39,715,425

The allocation for District Judges is insufficient to cover the state's proportionate cost sharing agreement under A.C.A. §16-17-1106. Additionally, Act 1219 of 2011 fully implemented this program and provided for thirteen (13) additional judges beginning January 1, 2013. If additional funding is not provided, the Constitutional Officers Fund will be required to cover \$1,032,500 in FY2013 and approximately \$1.7 million each year thereafter.

AR AGRICULTURE DEPT-FORESTRY COMMISSION

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
AR AGRICULTURE DEPT - FORESTRY COMMISSION
FOR THE YEAR ENDED JUNE 30, 2010

Findings

Recommendations

None

None

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
2ZR Agri Dept - Operations	7,872,168	130	8,569,931	130	8,620,613	130	8,738,708	130	8,375,628	130	8,738,708	130
37N Forestry-Operations-Special	11,052,359	197	12,624,925	197	12,320,440	197	12,515,242	197	11,973,009	197	12,515,242	197
37P Forestry-Rural Comm Fire Protection-Fed	1,025,407	2	1,165,435	2	2,155,626	2	2,157,926	2	2,151,999	2	2,157,926	2
37Q Forestry-Urban Forestry Services-Federal	208,221	0	436,675	0	436,675	0	436,675	0	436,675	0	436,675	0
37R Forestry-Rural Fire Protection Service Loans	602,469	0	1,210,000	0	1,210,000	0	1,210,000	0	1,210,000	0	1,210,000	0
37S Forestry-St Forestry Trust Program	0	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0
37T Forestry-Southern Pine Beetle Prevention	530,534	0	1,740,000	0	1,740,000	0	1,740,000	0	1,740,000	0	1,740,000	0
37U Forestry-Forest Land Enhancement Program	0	0	0	0	275,000	0	275,000	0	275,000	0	275,000	0
37V Forestry-Wild Land Fire Assistance	0	0	178,800	0	178,800	0	178,800	0	178,800	0	178,800	0
37W Forestry-Forest Health Program	0	0	209,521	0	209,521	0	209,521	0	209,521	0	209,521	0
37X Forestry-Forest Legacy	206,989	0	4,242,000	0	4,242,000	0	4,242,000	0	4,242,000	0	4,242,000	0
37Y Forestry-Silvctrl Non-Point Program	48,066	0	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0
Total	21,546,213	329	32,097,287	329	33,108,675	329	33,423,872	329	32,512,632	329	33,423,872	329

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	1,089,816	4.9	904,102	2.8	547,726	1.6	547,726	1.7	547,726	1.6
General Revenue	4000010	7,872,168	35.1	8,214,217	25.2	8,738,708	26.3	8,375,628	25.5	8,738,708	26.3
Federal Revenue	4000020	3,025,682	13.5	13,769,328	42.2	14,100,040	42.4	14,094,113	42.9	14,100,040	42.4
Special Revenue	4000030	5,200,575	23.2	4,930,000	15.1	4,630,000	13.9	4,630,000	14.1	4,630,000	13.9
Non-Revenue Receipts	4000040	564,781	2.5	845,764	2.6	1,100,000	3.3	1,100,000	3.3	1,100,000	3.3
Trust Fund	4000050	0	0.0	1,600,000	4.9	1,600,000	4.8	1,600,000	4.9	1,600,000	4.8
Merit Adjustment Fund	4000055	0	0.0	355,714	1.1	0	0.0	0	0.0	0	0.0
DFA Motor Vehicle Acquisition	4000184	417,965	1.9	0	0.0	0	0.0	0	0.0	0	0.0
Intra-agency Fund Transfer	4000317	1,005,663	4.5	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	3,273,665	14.6	2,025,888	6.2	2,500,000	7.5	2,500,000	7.6	2,500,000	7.5
Total Funds		22,450,315	100.0	32,645,013	100.0	33,216,474	100.0	32,847,467	100.0	33,216,474	100.0
Excess Appropriation/(Funding)		(904,102)		(547,726)		207,398		(334,835)		207,398	
Grand Total		21,546,213		32,097,287		33,423,872		32,512,632		33,423,872	

BEFORE REVISED BUDGET

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
22R Agri Dept - Operations	7,872,168	130	8,569,931	130	8,620,613	130	8,738,708	130	8,375,628	130	8,738,708	130
37N Forestry-Operations-Special	11,052,359	197	10,078,082	132	12,320,440	197	12,515,242	197	11,973,009	197	8,400,000	132
37P Forestry-Rural Comm Fire Protection-Fed	1,025,407	2	1,165,435	2	2,155,626	2	2,157,926	2	2,151,999	2	2,157,926	2
37Q Forestry-Urban Forestry Services-Federal	208,221	0	222,244	0	436,675	0	436,675	0	436,675	0	200,000	0
37R Forestry-Rural Fire Protection Service Loans	602,469	0	1,210,000	0	1,210,000	0	1,210,000	0	1,210,000	0	1,210,000	0
37S Forestry-St Forestry Trust Program	0	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0
37T Forestry-Southern Pine Beetle Prevention	530,534	0	1,740,000	0	1,740,000	0	1,740,000	0	1,740,000	0	1,740,000	0
37U Forestry-Forest Land Enhancement Program	0	0	0	0	275,000	0	275,000	0	275,000	0	275,000	0
37V Forestry-Wild Land Fire Assistance	0	0	178,800	0	178,800	0	178,800	0	178,800	0	178,800	0
37W Forestry-Forest Health Program	0	0	209,521	0	209,521	0	209,521	0	209,521	0	209,521	0
37X Forestry-Forest Legacy	206,989	0	4,242,000	0	4,242,000	0	4,242,000	0	4,242,000	0	4,242,000	0
37Y Forestry-Silvctrl Non-Point Program	48,066	0	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0
Total	21,546,213	329	29,336,013	264	33,108,675	329	33,423,872	329	32,512,632	329	29,071,955	264

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	1,089,816	4.9	904,102	3.0	500,000	1.7	500,000	1.7	500,000	1.7
General Revenue	4000010	7,872,168	35.1	8,214,217	27.5	8,738,708	29.5	8,375,628	28.6	8,738,708	29.5
Federal Revenue	4000020	3,025,682	13.5	9,678,000	32.4	10,923,247	36.9	10,917,320	37.3	10,923,247	36.9
Special Revenue	4000030	5,200,575	23.2	4,558,231	15.3	4,558,231	15.4	4,558,231	15.6	4,558,231	15.4
Non-Revenue Receipts	4000040	564,781	2.5	845,764	2.8	1,100,000	3.7	1,100,000	3.8	1,100,000	3.7
Trust Fund	4000050	0	0.0	1,600,000	5.4	1,600,000	5.4	1,600,000	5.5	1,600,000	5.4
Merit Adjustment Fund	4000055	0	0.0	355,714	1.2	0	0.0	0	0.0	0	0.0
DFA Motor Vehicle Acquisition	4000184	417,965	1.9	0	0.0	0	0.0	0	0.0	0	0.0
Intra-agency Fund Transfer	4000317	1,005,663	4.5	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	3,273,665	14.6	2,220,000	7.4	2,220,000	7.5	2,220,000	7.6	2,220,000	7.5
Transfer from General Imprv	4000540	0	0.0	1,459,985	4.9	0	0.0	0	0.0	0	0.0
Total Funds		22,450,315	100.0	29,836,013	100.0	29,640,186	100.0	29,271,179	100.0	29,640,186	100.0
Excess Appropriation/(Funding)		(904,102)		(500,000)		3,783,686		3,241,453		(568,231)	
Grand Total		21,546,213		29,336,013		33,423,872		32,512,632		29,071,955	

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 2ZR - Agri Dept - Operations

Funding Sources: HAD - Department of Agriculture Fund Account

This appropriation provides general revenue funding to support the administrative operations of the Department, including the Office of the Secretary, the Arkansas Forestry Commission, the Arkansas State Plant Board and the Arkansas Livestock and Poultry Commission. This report reflects only the Arkansas Forestry Commission.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2ZR - Agri Dept - Operations

Funding Sources: HAD - Department of Agriculture Fund Account

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	4,458,275	4,816,252	4,704,036	4,800,839	4,488,896	4,800,839
	#Positions	130	130	130	130	130	130
Extra Help	5010001	66,489	554	87,007	87,007	87,007	87,007
	#Extra Help	15	27	27	27	27	27
Personal Services Matching	5010003	1,424,554	1,677,666	1,560,829	1,582,121	1,530,984	1,582,121
Overtime	5010006	1,838	37,600	37,600	37,600	37,600	37,600
Uniform Allowance	5010016	5,490	20,000	20,000	20,000	20,000	20,000
Operating Expenses	5020002	1,733,334	1,807,119	1,856,916	1,856,916	1,856,916	1,856,916
Conference & Travel Expenses	5050009	14,065	22,400	22,400	22,400	22,400	22,400
Professional Fees	5060010	25,514	166,922	166,922	166,922	166,922	166,922
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	0	15,000	15,000	15,000	15,000	15,000
Refunds/Reimbursements	5110014	0	6,418	6,418	6,418	6,418	6,418
Capital Outlay	5120011	0	0	0	0	0	0
Fire Fighting Equipment	5900048	142,609	0	143,485	143,485	143,485	143,485
Total		7,872,168	8,569,931	8,620,613	8,738,708	8,375,628	8,738,708
Funding Sources							
General Revenue	4000010	7,872,168	8,214,217		8,738,708	8,375,628	8,738,708
Merit Adjustment Fund	4000055	0	355,714		0	0	0
Total Funding		7,872,168	8,569,931		8,738,708	8,375,628	8,738,708
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		7,872,168	8,569,931		8,738,708	8,375,628	8,738,708

The FY12 Budget amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

Analysis of Budget Request

Appropriation: 37N - Forestry-Operations-Special

Funding Sources: SDF - State Forestry Fund

This appropriation supports the staffing and general operations of the Forestry Commission. Funding consists of special revenue for the Timber Severance tax and Fire Protection tax, federal revenue for United States Department of Agriculture (USDA) Forest Service Grants as well as other revenue collected for fire protection and prescribed burn fees, seedling sales and timber sales.

During the fall of 2011, the Commission identified that due to industry declines in the forest products market it had overstated federal revenues authorized for Operations in order to budget available appropriation. After making this determination, the Agency was forced to reduce their appropriations to a sustainable funding level, resulting in reductions in force and operating expenditures.

There are two appropriation summaries provided for this appropriation:

Page 8 reflects the Original FY12 Annual Operations Plan and the FY13 Agency request from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendations from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 9 reflects the Revised FY12 Annual Operations Plan and the FY13 Agency Request from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation reflects the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Executive Recommendation reflects (\$4,115,242) in reductions in order to balance appropriation with available funding:

Regular Salaries/Personal Services Matching reduction of (\$2,876,817) including 65 positions; Extra Help/Matching reduction of (\$60,951); Operating Expenses reduction of (\$863,742) including Vehicle/Equipment Maintenance, Mileage, Meals and Lodging, Temporary Employment Services, and Tires/Fuel Purchases. Overtime (\$52,400), Uniform Allowance (\$30,000), Conference and Travel Expenses (\$33,600), and Refunds/Reimbursements (\$14,628) are all recommended to be eliminated.

Appropriation Summary

Appropriation: 37N - Forestry-Operations-Special

Funding Sources: SDF - State Forestry Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	6,601,844	7,271,188	7,130,017	7,293,244	6,827,063	7,293,244
	#Positions	197	197	197	197	197	197
Extra Help	5010001	39,489	136,620	136,620	136,620	136,620	136,620
	#Extra Help	12	58	58	58	59	58
Personal Services Matching	5010003	2,146,354	2,536,580	2,373,266	2,404,841	2,328,789	2,404,841
Overtime	5010006	3,330	52,400	52,400	52,400	52,400	52,400
Uniform Allowance	5010016	0	30,000	30,000	30,000	30,000	30,000
Operating Expenses	5020002	1,695,834	2,228,293	2,228,293	2,228,293	2,228,293	2,228,293
Conference & Travel Expenses	5050009	1,152	33,600	33,600	33,600	33,600	33,600
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Refunds/Reimbursements	5110014	0	14,628	14,628	14,628	14,628	14,628
Capital Outlay	5120011	425,844	0	0	0	0	0
Federal Initiative Program	5900047	138,512	321,616	321,616	321,616	321,616	321,616
Total		11,052,359	12,624,925	12,320,440	12,515,242	11,973,009	12,515,242

Funding Sources							
Fund Balance	4000005	711,122	539,866		547,726	547,726	547,726
Federal Revenue	4000020	1,006,465	5,676,897		4,740,118	4,740,118	4,740,118
Special Revenue	4000030	5,200,575	4,930,000		4,630,000	4,630,000	4,630,000
DFA Motor Vehicle Acquisition	4000184	417,965	0		0	0	0
Intra-agency Fund Transfer	4000317	982,433	0		0	0	0
Other	4000370	3,273,665	2,025,888		2,500,000	2,500,000	2,500,000
Total Funding		11,592,225	13,172,651		12,417,844	12,417,844	12,417,844
Excess Appropriation/(Funding)		(539,866)	(547,726)		97,398	(444,835)	97,398
Grand Total		11,052,359	12,624,925		12,515,242	11,973,009	12,515,242

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 37N - Forestry-Operations-Special

Funding Sources: SDF - State Forestry Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	6,601,844	6,409,447	7,130,017	7,293,244	6,827,063	5,103,346
	#Positions	197	132	197	197	197	132
Extra Help	5010001	39,489	85,393	136,620	136,620	136,620	80,000
	#Extra Help	12	58	58	58	59	58
Personal Services Matching	5010003	2,146,354	1,698,621	2,373,266	2,404,841	2,328,789	1,713,591
Overtime	5010006	3,330	15,905	52,400	52,400	52,400	0
Uniform Allowance	5010016	0	0	30,000	30,000	30,000	0
Operating Expenses	5020002	1,695,834	1,755,115	2,228,293	2,228,293	2,228,293	1,364,551
Conference & Travel Expenses	5050009	1,152	0	33,600	33,600	33,600	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Refunds/Reimbursements	5110014	0	2,279	14,628	14,628	14,628	0
Capital Outlay	5120011	425,844	0	0	0	0	0
Federal Initiative Program	5900047	138,512	111,322	321,616	321,616	321,616	138,512
Total		11,052,359	10,078,082	12,320,440	12,515,242	11,973,009	8,400,000

Funding Sources							
Fund Balance	4000005	711,122	539,866		500,000	500,000	500,000
Federal Revenue	4000020	1,006,465	1,800,000		1,800,000	1,800,000	1,800,000
Special Revenue	4000030	5,200,575	4,558,231		4,558,231	4,558,231	4,558,231
DFA Motor Vehicle Acquisition	4000184	417,965	0		0	0	0
Intra-agency Fund Transfer	4000317	982,433	0		0	0	0
Other	4000370	3,273,665	2,220,000		2,220,000	2,220,000	2,220,000
Transfer from General Imprv	4000540	0	1,459,985		0	0	0
Total Funding		11,592,225	10,578,082		9,078,231	9,078,231	9,078,231
Excess Appropriation/(Funding)		(539,866)	(500,000)		3,437,011	2,894,778	(678,231)
Grand Total		11,052,359	10,078,082		12,515,242	11,973,009	8,400,000

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 37P - Forestry-Rural Comm Fire Protection-Fed

Funding Sources: FIT - Federal Funds

The Forestry Commission's Rural Community Fire Protection Program employs federal funds with state and local matches to assist volunteer fire departments and local communities with fire-fighting equipment purchases and upgrades. Funding consists of federal funding from the United States Department of Agriculture Forest Service Agency (USDA-FSA).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 37P - Forestry-Rural Comm Fire Protection-Fed

Funding Sources: FIT - Federal Funds

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	78,626	87,331	80,434	82,347	77,419	82,347
	#Positions	2	2	2	2	2	2
Extra Help	5010001	13,238	16,260	16,260	16,260	16,260	16,260
	#Extra Help	1	2	2	2	2	2
Personal Services Matching	5010003	26,315	29,846	26,934	27,321	26,322	27,321
Operating Expenses	5020002	130,908	356,893	356,893	356,893	356,893	356,893
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	30,000	129,744	129,744	129,744	129,744	129,744
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	366,183	545,361	545,361	545,361	545,361	545,361
Capital Outlay	5120011	380,137	0	1,000,000	1,000,000	1,000,000	1,000,000
Total		1,025,407	1,165,435	2,155,626	2,157,926	2,151,999	2,157,926
Funding Sources							
Federal Revenue	4000020	1,025,407	1,165,435		2,157,926	2,151,999	2,157,926
Total Funding		1,025,407	1,165,435		2,157,926	2,151,999	2,157,926
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		1,025,407	1,165,435		2,157,926	2,151,999	2,157,926

The FY12 Budget amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

Analysis of Budget Request

Appropriation: 37Q - Forestry-Urban Forestry Services-Federal

Funding Sources: SDF - State Forestry Fund

The Federal Urban Forestry Services program provides matching grants to support forestry services in urban areas. Grant awards are made in five categories: Local Government Program Development (tree ordinance development, tree inventories, management plans, etc.), Site Specific Projects (tree planting on public land, tree protection and maintenance projects), Non Profit Administration (personnel costs to help nonprofit groups support local tree management programs), Information and Education (educational programs, workshops and training sessions) and Urban Forestry or Arboricultural Training (to provide cost share funding for the development of new or continuing education or degree track courses in urban forestry).

During the fall of 2011, the Commission identified that due to industry declines in the forest products market it had overstated federal revenues authorized for Operations in order to budget available appropriation. After making this determination, the Agency was forced to reduce their appropriations to a sustainable funding level, resulting in reductions in force and operating expenditures.

There are two appropriation summaries provided for this appropriation:

Page 13 reflects the Original FY12 Annual Operations Plan and the FY13 Agency request from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendations from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Page 14 reflects the Revised FY12 Annual Operations Plan and the FY13 Agency Request from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation reflects the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments. The Executive Recommendation reflects the following reductions in order to balance appropriation with available funding:

Grants and Aid reduction of (\$236,675)

Appropriation Summary

Appropriation: 37Q - Forestry-Urban Forestry Services-Federal

Funding Sources: SDF - State Forestry Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	31,786	68,000	68,000	68,000	68,000	68,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	5,000	5,000	5,000	5,000	5,000
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	176,435	363,675	363,675	363,675	363,675	363,675
Capital Outlay	5120011	0	0	0	0	0	0
Total		208,221	436,675	436,675	436,675	436,675	436,675
Funding Sources							
Federal Revenue	4000020	208,221	436,675		436,675	436,675	436,675
Total Funding		208,221	436,675		436,675	436,675	436,675
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		208,221	436,675		436,675	436,675	436,675

BEFORE REVISED BUDGET

Appropriation Summary

Appropriation: 37Q - Forestry-Urban Forestry Services-Federal

Funding Sources: SDF - State Forestry Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	31,786	68,000	68,000	68,000	68,000	68,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	5,000	5,000	5,000	5,000	5,000
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	176,435	149,244	363,675	363,675	363,675	127,000
Capital Outlay	5120011	0	0	0	0	0	0
Total		208,221	222,244	436,675	436,675	436,675	200,000
Funding Sources							
Federal Revenue	4000020	208,221	222,244		200,000	200,000	200,000
Total Funding		208,221	222,244		200,000	200,000	200,000
Excess Appropriation/(Funding)		0	0		236,675	236,675	0
Grand Total		208,221	222,244		436,675	436,675	200,000

AFTER REVISED BUDGET

Analysis of Budget Request

Appropriation: 37R - Forestry-Rural Fire Protection Service Loans

Funding Sources: MRF - Rural Fire Protection Revolving Fund

The Rural Fire Protection Service Loans Program provides loans to local fire departments for the purchase of fire-fighting equipment. Funding consists of repayments of rural fire protection loans.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 37R - Forestry-Rural Fire Protection Service Loans

Funding Sources: MRF - Rural Fire Protection Revolving Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Loans 5120029	602,469	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
Total	602,469	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
Funding Sources						
Fund Balance 4000005	378,694	364,236		0	0	0
Non-Revenue Receipts 4000040	564,781	845,764		1,100,000	1,100,000	1,100,000
Intra-agency Fund Transfer 4000317	23,230	0		0	0	0
Total Funding	966,705	1,210,000		1,100,000	1,100,000	1,100,000
Excess Appropriation/(Funding)	(364,236)	0		110,000	110,000	110,000
Grand Total	602,469	1,210,000		1,210,000	1,210,000	1,210,000

Analysis of Budget Request

Appropriation: 37S - Forestry-St Forestry Trust Program

Funding Sources: TZT - State Forestry Trust Fund

The State Forestry Trust Program is used for the acquisition and management of state forests, the purchase of fire-fighting equipment, other forest fire suppression activities, improvements at State Forestry Commission nurseries and the seedling storage and distribution system and any other purpose as may be authorized by law (A.C.A. §19-5-927). Funding consists of income derived from the management of state forests and state nurseries to the extent that this income is not needed to fund the general operations of the Commission.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 37S - Forestry-St Forestry Trust Program

Funding Sources: TZT - State Forestry Trust Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	0	200,000	200,000	200,000	200,000	200,000
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
Fire Control/Communicate	5900046	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Management & Operations	5900047	0	300,000	300,000	300,000	300,000	300,000
Total		0	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Funding Sources							
Fund Balance	4000005	0	0		0	0	0
Trust Fund	4000050	0	1,600,000		1,600,000	1,600,000	1,600,000
Intra-agency Fund Transfer	4000317	0	0		0	0	0
Total Funding		0	1,600,000		1,600,000	1,600,000	1,600,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		0	1,600,000		1,600,000	1,600,000	1,600,000

Analysis of Budget Request

Appropriation: 37T - Forestry-Southern Pine Beetle Prevention

Funding Sources: FIT - Federal Funds

The Southern Pine Beetle (SPB) program provides for a cost share program to allow low density pine plantings, pre-commercial thinning and pre-commercial SPB suppression. The Arkansas Forestry Commission conducts aerial and ground surveys to identify high hazard stands. Funding consists of a federal grant from the United States Department of Agriculture Forest Service Agency (USDA-FSA).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 37T - Forestry-Southern Pine Beetle Prevention

Funding Sources: FIT - Federal Funds

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	360	240,000	240,000	240,000	240,000	240,000
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
Grants and Aid	5100004	530,174	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Capital Outlay	5120011	0	0	0	0	0	0
Total		530,534	1,740,000	1,740,000	1,740,000	1,740,000	1,740,000
Funding Sources							
Federal Revenue	4000020	530,534	1,740,000		1,740,000	1,740,000	1,740,000
Total Funding		530,534	1,740,000		1,740,000	1,740,000	1,740,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		530,534	1,740,000		1,740,000	1,740,000	1,740,000

Analysis of Budget Request

Appropriation: 37U - Forestry-Forest Land Enhancement Program

Funding Sources: FIT - Federal Funds

This appropriation provides financial assistance to landowners who adopt conservation practices such as planting site preparation, tree planting, prescribed burning, and forest stand improvement. Funding consists of forest land enhancement grants from the United States Department of Agriculture Forest Service Agency (USDA-FSA).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 37U - Forestry-Forest Land Enhancement Program

Funding Sources: FIT - Federal Funds

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	0	0	275,000	275,000	275,000	275,000
Total	0	0	275,000	275,000	275,000	275,000
Funding Sources						
Federal Revenue 4000020	0	0		275,000	275,000	275,000
Total Funding	0	0		275,000	275,000	275,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	0		275,000	275,000	275,000

Analysis of Budget Request

Appropriation: 37V - Forestry-Wild Land Fire Assistance

Funding Sources: FIT - Federal Funds

The Wild Land Fire Assistance Program implements prescribed burns to reduce fuel loads in natural areas adjacent to Forest Service lands, thereby protecting nearby communities. Funding consists of federal funding from a Community Fire Assistance Grant from the Federal Emergency Management Agency (FEMA).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 37V - Forestry-Wild Land Fire Assistance

Funding Sources: FIT - Federal Funds

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	0	178,800	178,800	178,800	178,800	178,800
ARRA of 2009	5900052	1,014,196	0	0	0	0	0
Total		1,014,196	178,800	178,800	178,800	178,800	178,800
Funding Sources							
Federal Revenue	4000020	0	178,800		178,800	178,800	178,800
Federal Funds-ARRA	4000244	1,014,196	0		0	0	0
Total Funding		1,014,196	178,800		178,800	178,800	178,800
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		1,014,196	178,800		178,800	178,800	178,800

Analysis of Budget Request

Appropriation: 37W - Forestry-Forest Health Program

Funding Sources: FIT - Federal Funds

This appropriation supports the Invasive Species Management Program within the Cooperative Forest Health Program. This program provides for a cost sharing program to manage invasive species on private non-industrial forest lands and for forest health training related to invasive species for Arkansas Forestry Commission personnel. Funding consists of a Forest Service Grant from the United States Department of Agriculture (USDA).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 37W - Forestry-Forest Health Program

Funding Sources: FIT - Federal Funds

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	0	209,521	209,521	209,521	209,521	209,521
Total	0	209,521	209,521	209,521	209,521	209,521
Funding Sources						
Federal Revenue 4000020	0	209,521		209,521	209,521	209,521
Total Funding	0	209,521		209,521	209,521	209,521
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	209,521		209,521	209,521	209,521

Analysis of Budget Request

Appropriation: 37X - Forestry-Forest Legacy

Funding Sources: FIT - Federal Funds

The Forest Legacy Program is a conservation program administered by states to conserve environmentally significant privately owned forest lands that are threatened by conversion to non-forest uses. States that enter this program are able to acquire conservation easements of critical forestlands to meet the objectives outlined in the state's Assessment of Need document as submitted to and approved by the Secretary of the United States Department of Agriculture.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 37X - Forestry-Forest Legacy

Funding Sources: FIT - Federal Funds

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	1,238	50,000	50,000	50,000	50,000	50,000
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	205,751	4,192,000	4,192,000	4,192,000	4,192,000	4,192,000
Total		206,989	4,242,000	4,242,000	4,242,000	4,242,000	4,242,000
Funding Sources							
Federal Revenue	4000020	206,989	4,242,000		4,242,000	4,242,000	4,242,000
Total Funding		206,989	4,242,000		4,242,000	4,242,000	4,242,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		206,989	4,242,000		4,242,000	4,242,000	4,242,000

Analysis of Budget Request

Appropriation: 37Y - Forestry-Silvctrl Non-Point Program

Funding Sources: FIT - Federal Funds

The Silvicultural Nonpoint Program provides for a partnership between the state foresters and state water quality agencies to ensure nonpoint source water pollution from forestry activities are kept to a minimum and reduced where possible. This program assists with Best Management Practices (BMPs), provides Implementation Assessments and conducts training for loggers, foresters, and forest landowners. Federal funding consists of an Agroforestry (AFT) Grant from the United States Department of Agriculture (USDA).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 37Y - Forestry-Silvctrl Non-Point Program

Funding Sources: FIT - Federal Funds

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	41,695	100,000	100,000	100,000	100,000	100,000
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	6,371	20,000	20,000	20,000	20,000	20,000
Total		48,066	120,000	120,000	120,000	120,000	120,000
Funding Sources							
Federal Revenue	4000020	48,066	120,000		120,000	120,000	120,000
Total Funding		48,066	120,000		120,000	120,000	120,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		48,066	120,000		120,000	120,000	120,000

DEPARTMENT OF CAREER EDUCATION

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF CAREER EDUCATION
FOR THE YEAR ENDED JUNE 30, 2010

Findings

Recommendations

None

None

Department Appropriation Summary

Does not include Career Education - Public School Fund (see page 56)

Appropriation	Historical Data						Agency Request and Recommendations					
	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
179 High-Tech Scholarship Program	8,750	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0
35S Housing Construction Program	0	0	164,807	0	164,807	0	164,807	0	164,807	0	164,807	0
640 Vo Tech Admin-Operations	6,077,888	59	6,577,152	58	6,579,490	58	6,591,125	60	6,630,695	63	6,591,125	60
641 Fed Voc Educ-Operations	15,623,765	18	19,512,343	19	21,484,923	19	20,457,904	18	15,879,189	18	20,457,904	18
644 Adult Basic Education	482,302	6	512,389	7	517,808	7	523,527	6	577,993	8	523,527	6
645 Fed-Adult Basic Education	6,271,818	3	7,488,413	3	7,486,815	3	7,488,034	3	7,480,409	3	7,488,034	3
647 Fed Equipment & Training-Operations	0	0	6,000	0	6,000	0	6,000	0	6,000	0	6,000	0
649 Fed-Veteran's Approving Agency	252,851	4	299,522	4	290,912	4	295,825	4	282,674	4	295,825	4
755 Construction Craft	452,196	1	885,483	1	883,185	1	883,185	1	882,285	1	883,185	1
82V LESO Program	6,067	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0
A88 Alternate Retirement Plan	67,356	0	122,522	0	122,522	0	122,522	0	136,922	0	122,522	0
NOT REQUESTED FOR THE BIENNIUM												
54X Jobs for Arkansas Graduates	100,000	0	0	0	0	0	0	0	0	0	0	0
Total	29,342,993	91	35,593,631	92	37,561,462	92	36,557,929	92	32,065,974	97	36,557,929	92

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	2,108,894	6.7	2,254,640	6.1	1,616,828	4.3	1,616,828	4.9	1,616,828	4.3
General Revenue	4000010	3,046,350	9.6	3,390,566	9.1	3,362,425	8.9	3,781,759	11.3	3,362,425	8.9
Federal Revenue	4000020	22,148,434	70.1	27,300,278	73.4	28,241,763	75.0	23,642,272	71.0	28,241,763	75.0
Special Revenue	4000030	546,598	1.7	450,000	1.2	600,000	1.6	600,000	1.8	600,000	1.6
Cash Fund	4000045	122,733	0.4	15,000	0.0	15,000	0.0	15,000	0.0	15,000	0.0
Merit Adjustment Fund	4000055	152,903	0.5	130,627	0.4	0	0.0	0	0.0	0	0.0
Educational Excellence Fund	4000220	3,309,117	10.5	3,477,886	9.3	3,461,227	9.2	3,286,929	9.9	3,461,227	9.2
Interest & Forfeitures	4000305	70,499	0.2	60,000	0.2	60,000	0.2	60,000	0.2	60,000	0.2
Loan Repayment	4000330	30,000	0.1	30,000	0.1	164,807	0.4	164,807	0.5	164,807	0.4
M & R Sales	4000340	1,535	0.0	1,000	0.0	2,000	0.0	2,000	0.0	2,000	0.0
Transfers / Adjustments	4000683	60,570	0.2	100,462	0.3	150,000	0.4	150,000	0.5	150,000	0.4
Total Funds		31,597,633	100.0	37,210,459	100.0	37,674,050	100.0	33,319,595	100.0	37,674,050	100.0
Excess Appropriation/(Funding)		(2,254,640)		(1,616,828)		(1,116,121)		(1,253,621)		(1,116,121)	
Grand Total		29,342,993		35,593,631		36,557,929		32,065,974		36,557,929	

The FY12 Budget amounts in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amounts in Fed-Adult Basic Education, Fed-Veteran's Approving Agency and Construction Craft due to salary and matching rate adjustments as well as the 27th pay period.

Analysis of Budget Request

Appropriation: 179 - High-Tech Scholarship Program

Funding Sources: EGB - Career Education Fund Account

This appropriation is used to award scholarships to Arkansas students attending Arkansas' educational institutions. Twenty (20) high tech scholarships of \$500.00 each as required in A.C.A. 6-82-401 et seq. can be given per student per semester. This appropriation is funded with general revenue.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 179 - High-Tech Scholarship Program

Funding Sources: EGB - Career Education Fund Account

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Scholarships 5100030	8,750	10,000	10,000	10,000	10,000	10,000
Total	8,750	10,000	10,000	10,000	10,000	10,000
Funding Sources						
General Revenue 4000010	8,750	10,000		10,000	10,000	10,000
Total Funding	8,750	10,000		10,000	10,000	10,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	8,750	10,000		10,000	10,000	10,000

Analysis of Budget Request

Appropriation: 35S - Housing Construction Program

Funding Sources: MTR - Building Trades Rev

This Appropriation was established during the 2007-2009 biennium. This is a revolving loan program that allows the Department of Career Education to make loans available to Secondary Area Technical Center and other eligible entities for the purchase of building materials, supplies and fixtures to be used in construction of a single family dwelling unit or other non residential building projects approved in the Housing Construction Program.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 35S - Housing Construction Program

Funding Sources: MTR - Building Trades Rev

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Loans 5120029	0	164,807	164,807	164,807	164,807	164,807
Total	0	164,807	164,807	164,807	164,807	164,807
Funding Sources						
Fund Balance 4000005	299,613	329,613		194,806	194,806	194,806
Loan Repayment 4000330	30,000	30,000		164,807	164,807	164,807
Total Funding	329,613	359,613		359,613	359,613	359,613
Excess Appropriation/(Funding)	(329,613)	(194,806)		(194,806)	(194,806)	(194,806)
Grand Total	0	164,807		164,807	164,807	164,807

Analysis of Budget Request

Appropriation: 640 - Vo Tech Admin-Operations

Funding Sources: EGB - Career Education Fund

This appropriation provides the majority of general revenue support for the administrative functions of the Department of Career Education. Programs such as the Plumbing Apprenticeship program, Industrial Coordinators, and Tech Prep program are included in the activities carried out through this appropriation. In addition to general revenue, Educational Excellence funds are used to provide support for the Apprenticeship program. Additionally, during the 2007-2009 Biennium, the Motor Vehicle Education Program was added to this appropriation. This education program is funded by a transfer from the Motor Vehicle Commission.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 640 - Vo Tech Admin-Operations

Funding Sources: EGB - Career Education Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	2,837,758	3,152,871	3,057,980	3,104,788	3,121,532	3,104,788
	#Positions	59	58	58	60	63	60
Extra Help	5010001	0	3,923	3,923	3,923	3,923	3,923
	#Extra Help	0	69	69	46	46	46
Personal Services Matching	5010003	903,424	966,622	945,583	955,410	978,236	955,410
Operating Expenses	5020002	698,305	812,029	929,297	884,297	884,297	884,297
Conference & Travel Expenses	5050009	28,599	28,751	28,751	28,751	28,751	28,751
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
Apprenticeship Program	5900047	1,609,802	1,611,456	1,611,456	1,611,456	1,611,456	1,611,456
Motor Vehicle Education Prgm	5900048	0	1,500	2,500	2,500	2,500	2,500
Total		6,077,888	6,577,152	6,579,490	6,591,125	6,630,695	6,591,125
Funding Sources							
General Revenue	4000010	2,555,298	2,871,463		2,828,898	3,193,766	2,828,898
Merit Adjustment Fund	4000055	152,903	127,341		0	0	0
Educational Excellence Fund	4000220	3,309,117	3,477,886		3,461,227	3,286,929	3,461,227
Transfers / Adjustments	4000683	60,570	100,462		150,000	150,000	150,000
Total Funding		6,077,888	6,577,152		6,440,125	6,630,695	6,440,125
Excess Appropriation/(Funding)		0	0		151,000	0	151,000
Grand Total		6,077,888	6,577,152		6,591,125	6,630,695	6,591,125

The FY12 Budget amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

Analysis of Budget Request

Appropriation: 641 - Fed Voc Educ-Operations

Funding Sources: FEV - Federal Vocational Education

This appropriation is the federal counterpart to the general revenue appropriation (640) and together they serve as the basis for the administrative support of the Agency. Funds are received from the U.S. Department of Education through the following program sources:

- Carl D. Perkins Vocational & Applied Technology Education Act- Basic Grant
- Jobs Training Partnership Act- School-to-Work Opportunities program
- Carl D. Perkins Applied Technology Education Act- Tech Prep Education

Only the 5% administrative funds in the Carl Perkins Basic Grant must be matched and this is provided in the state funded appropriation (640).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 641 - Fed Voc Educ-Operations

Funding Sources: FEV - Federal Vocational Education

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	693,821	800,792	782,679	801,631	753,987	801,631
	#Positions	18	19	19	18	18	18
Extra Help	5010001	3,694	5,000	5,000	5,000	5,000	5,000
	#Extra Help	1	4	4	27	27	27
Personal Services Matching	5010003	237,356	265,214	255,907	259,936	250,365	259,936
Operating Expenses	5020002	1,245,423	2,723,936	2,723,936	1,673,936	543,936	1,673,936
Conference & Travel Expenses	5050009	34,697	46,175	46,175	46,175	46,175	46,175
Professional Fees	5060010	121,605	748,350	748,350	748,350	748,350	748,350
Grants and Aid	5100004	13,287,169	14,922,876	16,922,876	16,922,876	13,531,376	16,922,876
Capital Outlay	5120011	0	0	0	0	0	0
Total		15,623,765	19,512,343	21,484,923	20,457,904	15,879,189	20,457,904
Funding Sources							
Federal Revenue	4000020	15,623,765	19,512,343		20,457,904	15,879,189	20,457,904
Total Funding		15,623,765	19,512,343		20,457,904	15,879,189	20,457,904
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		15,623,765	19,512,343		20,457,904	15,879,189	20,457,904

The FY12 Budget amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period. Additional federal appropriation and anticipated federal funding was approved for inclusion in the appropriation bill.

Analysis of Budget Request

Appropriation: 644 - Adult Basic Education

Funding Sources: EGB - Career Education Fund Account

This general revenue appropriation is utilized by the Agency to administer the State's adult education programs. These programs are generally found in adult education centers, community colleges, post-secondary vocational institutions, and area high schools.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 644 - Adult Basic Education

Funding Sources: EGB - Career Education Fund Account

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	350,294	371,515	380,220	384,908	421,214	384,908
	#Positions	6	7	7	6	8	6
Personal Services Matching	5010003	107,013	115,874	112,588	113,619	131,779	113,619
Operating Expenses	5020002	24,995	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		482,302	512,389	517,808	523,527	577,993	523,527
Funding Sources							
General Revenue	4000010	482,302	509,103		523,527	577,993	523,527
Merit Adjustment Fund	4000055	0	3,286		0	0	0
Total Funding		482,302	512,389		523,527	577,993	523,527
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		482,302	512,389		523,527	577,993	523,527

The FY12 Budget amount in Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

Analysis of Budget Request

Appropriation: 645 - Fed-Adult Basic Education

Funding Sources: FEA - Federal Adult Basic Education

This federal appropriation is utilized by the Agency to administer adult education programs. Funding is received from the U.S. Department of Education - Basic State Grant and requires a 25% match by the State. Funds from the State funded counterpart for adult education programs (appropriation 644), as well as Public School Funds received by the Agency are used to meet the matching requirement.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 645 - Fed-Adult Basic Education

Funding Sources: FEA - Federal Adult Basic Education

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	170,239	174,158	174,289	175,289	168,586	175,289
	#Positions	3	3	3	3	3	3
Personal Services Matching	5010003	51,538	53,528	51,799	52,018	51,096	52,018
Operating Expenses	5020002	3,159	77,467	77,467	77,467	77,467	77,467
Conference & Travel Expenses	5050009	16,997	25,200	25,200	25,200	25,200	25,200
Professional Fees	5060010	0	9,000	9,000	9,000	9,000	9,000
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	6,029,885	7,149,060	7,149,060	7,149,060	7,149,060	7,149,060
Capital Outlay	5120011	0	0	0	0	0	0
Total		6,271,818	7,488,413	7,486,815	7,488,034	7,480,409	7,488,034
Funding Sources							
Federal Revenue	4000020	6,271,818	7,488,413		7,488,034	7,480,409	7,488,034
Total Funding		6,271,818	7,488,413		7,488,034	7,480,409	7,488,034
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		6,271,818	7,488,413		7,488,034	7,480,409	7,488,034

The FY12 Budget amount in Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

Analysis of Budget Request

Appropriation: 647 - Fed Equipment & Training-Operations

Funding Sources: FEM - Federal Equipment & Training Operations

This federal appropriation is used for inventory control and is funded from M&R proceeds derived from the sale of equipment purchased with federal funds.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 647 - Fed Equipment & Training-Operations

Funding Sources: FEM - Federal Equipment & Training Operations

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	0	6,000	6,000	6,000	6,000	6,000
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	6,000	6,000	6,000	6,000	6,000
Funding Sources							
Fund Balance	4000005	14,742	16,277		11,277	11,277	11,277
M & R Sales	4000340	1,535	1,000		2,000	2,000	2,000
Total Funding		16,277	17,277		13,277	13,277	13,277
Excess Appropriation/(Funding)		(16,277)	(11,277)		(7,277)	(7,277)	(7,277)
Grand Total		0	6,000		6,000	6,000	6,000

Analysis of Budget Request

Appropriation: 649 - Fed-Veteran's Approving Agency

Funding Sources: FEW - Federal Veteran's Approving Agency

Any educational program or course at a school or training facility other than an installation of the federal government must be approved by the Arkansas Approving Agency before an eligible veteran, service person, or eligible dependent can receive educational benefits. This Agency evaluates public and private schools, as well as specialized training programs, such as, apprenticeship and on-the-job training programs. Federal funds are received from the Veterans Administration.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 649 - Fed-Veteran's Approving Agency

Funding Sources: FEW - Federal Veteran's Approving Agency

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	167,953	178,080	171,210	175,237	164,112	175,237
	#Positions	4	4	4	4	4	4
Personal Services Matching	5010003	55,713	57,673	55,933	56,819	54,793	56,819
Operating Expenses	5020002	17,618	53,546	53,546	53,546	53,546	53,546
Conference & Travel Expenses	5050009	11,567	9,623	9,623	9,623	9,623	9,623
Professional Fees	5060010	0	600	600	600	600	600
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		252,851	299,522	290,912	295,825	282,674	295,825
Funding Sources							
Federal Revenue	4000020	252,851	299,522		295,825	282,674	295,825
Total Funding		252,851	299,522		295,825	282,674	295,825
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		252,851	299,522		295,825	282,674	295,825

The FY12 Budget amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

Analysis of Budget Request

Appropriation: 755 - Construction Craft

Funding Sources: TCI - Construction Craft Training Trust Fund

This appropriation is funded with special revenues gained from a \$.50 per \$1,000 surcharge on building permits. Act 474 of 1999 established the Construction Industry Craft Training Program. Grants are made for training programs located in the two and four year colleges and in the technical institutes.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 755 - Construction Craft

Funding Sources: TCI - Construction Craft Training Trust Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	50,559	50,366	48,534	48,534	47,634	48,534
	#Positions	1	1	1	1	1	1
Personal Services Matching	5010003	15,817	15,617	15,151	15,151	15,151	15,151
Operating Expenses	5020002	1,875	12,000	12,000	12,000	12,000	12,000
Conference & Travel Expenses	5050009	681	7,500	7,500	7,500	7,500	7,500
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	383,264	800,000	800,000	800,000	800,000	800,000
Capital Outlay	5120011	0	0	0	0	0	0
Total		452,196	885,483	883,185	883,185	882,285	883,185
Funding Sources							
Fund Balance	4000005	1,448,818	1,543,220		1,107,737	1,107,737	1,107,737
Special Revenue	4000030	546,598	450,000		600,000	600,000	600,000
Total Funding		1,995,416	1,993,220		1,707,737	1,707,737	1,707,737
Excess Appropriation/(Funding)		(1,543,220)	(1,107,737)		(824,552)	(825,452)	(824,552)
Grand Total		452,196	885,483		883,185	882,285	883,185

The FY12 Budget amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

Analysis of Budget Request

Appropriation: 82V - LESO Program

Funding Sources: NCE - Cash in Treasury

In FY2010, the Department of Career Education was designated as the state coordinator for the Law Enforcement Safety Office (LESO) program. This program assists local law enforcement agencies in acquiring federal property to assist them in performing their mission. For this assistance and the oversight responsibilities, the Agency collects a fee on each property transaction.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 82V - LESO Program

Funding Sources: NCE - Cash in Treasury

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Law Enforcement Safety Program	5900046	6,067	15,000	15,000	15,000	15,000	15,000
Total		6,067	15,000	15,000	15,000	15,000	15,000
Funding Sources							
Fund Balance	4000005	16,017	32,683		32,683	32,683	32,683
Cash Fund	4000045	22,733	15,000		15,000	15,000	15,000
Total Funding		38,750	47,683		47,683	47,683	47,683
Excess Appropriation/(Funding)		(32,683)	(32,683)		(32,683)	(32,683)	(32,683)
Grand Total		6,067	15,000		15,000	15,000	15,000

Analysis of Budget Request

Appropriation: A88 - Alternate Retirement Plan

Funding Sources: 150 - Vo Tech Retirement

The Department of Career Education uses this cash appropriation for administration of various retirement plans available to their employees. Funding for this appropriation comes in the form of employee deductions and matching for retirement. The Agency pays the employee premiums to the companies offering the retirement plans.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: A88 - Alternate Retirement Plan

Funding Sources: 150 - Vo Tech Retirement

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Personal Services Matching	5010003	59,624	110,222	110,222	110,222	110,222	110,222
Operating Expenses	5020002	7,732	12,300	12,300	12,300	26,700	12,300
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		67,356	122,522	122,522	122,522	136,922	122,522
Funding Sources							
Fund Balance	4000005	329,704	332,847		270,325	270,325	270,325
Interest & Forfeitures	4000305	70,499	60,000		60,000	60,000	60,000
Total Funding		400,203	392,847		330,325	330,325	330,325
Excess Appropriation/(Funding)		(332,847)	(270,325)		(207,803)	(193,403)	(207,803)
Grand Total		67,356	122,522		122,522	136,922	122,522

Appropriation Summary

Appropriation: 54X - Jobs for Arkansas Graduates

Funding Sources: NCE - Cash in Treasury

Appropriation	2010-2011 Actual	2011-2012 Budget	2011-2012 Authorized	2012-2013		
				Legislative Recommendation	Agency Request	Executive Recommendation
Jobs for Arkansas Graduates 5900046	100,000	0	0	0	0	0
Total	100,000	0	0	0	0	0
Funding Sources						
Cash Fund 4000045	100,000	0		0	0	0
Total Funding	100,000	0		0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	100,000	0		0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2013 FISCAL YEAR

Department Appropriation Summary

Career Education - Public School Fund

Historical Data

Agency Request and Recommendations

Appropriation	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
200 Vocational Start-Up Grants	2,349,154	0	2,370,000	0	2,370,000	0	2,370,000	0	2,725,500	0	2,370,000	0
201 Vocational Center Aid	20,127,693	0	20,136,383	0	20,136,383	0	20,136,383	0	21,636,383	0	20,136,383	0
427 Governor's Commission on Adult Literacy	747,258	1	770,969	1	772,379	1	773,232	1	770,658	1	773,232	1
453 Adult Basic & General Education	19,263,736	0	19,860,569	0	19,860,569	0	19,860,569	0	25,271,953	0	19,860,569	0
681 Coordinated Career Education Services	1,075,896	0	1,119,433	0	1,119,433	0	1,119,433	0	1,119,433	0	1,119,433	0
NR1 Student Loan Forgiveness	0	0	0	0	0	0	0	0	2,000,000	0	0	0
NR3 Career & Technical Equipment Grants	0	0	0	0	0	0	0	0	4,000,000	0	0	0
Total	43,563,737	1	44,257,354	1	44,258,764	1	44,259,617	1	57,523,927	1	44,259,617	1

Funding Sources		%		%		%		%		%
Fund Balance 4000005	2,782,646	6.0	2,548,876	5.5		4.8	2,164,086	3.6	2,164,086	4.8
Educational Excellence Fund 4000220	11,025,999	23.9	11,588,340	25.0		24.1	10,952,069	18.3	10,952,069	24.1
Miscellaneous Adjustments 4000345	19,289	0.0	0	0.0		0.0	0	0.0	0	0.0
Career Ed PSF 4000745	32,284,679	70.0	32,284,224	69.5		71.1	46,571,858	78.0	32,286,798	71.1
Total Funds	46,112,613	100.0	46,421,440	100.0		100.0	59,688,013	100.0	45,402,953	100.0
Excess Appropriation/(Funding)	(2,548,876)		(2,164,086)				(2,164,086)		(1,143,336)	
Grand Total	43,563,737		44,257,354				44,259,617		57,523,927	

Analysis of Budget Request

Appropriation: 200 - Vocational Start-Up Grants

Funding Sources: JWE - Career Education Public School Fund

This appropriation is used to award funds to schools for the purpose of purchasing capital equipment, nonconsumable supplies and program software to start newly approved vocational programs for the different occupational program areas, to support the minimum required equipment to meet program standards, and to support short-term adult skills training classes. The program is funded through the Career Education Public School Fund.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 200 - Vocational Start-Up Grants

Funding Sources: JWE - Career Education Public School Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	2,349,154	2,370,000	2,370,000	2,370,000	2,725,500	2,370,000
Total	2,349,154	2,370,000	2,370,000	2,370,000	2,725,500	2,370,000
Funding Sources						
Career Ed PSF 4000745	2,349,154	2,370,000		2,370,000	2,725,500	2,370,000
Total Funding	2,349,154	2,370,000		2,370,000	2,725,500	2,370,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	2,349,154	2,370,000		2,370,000	2,725,500	2,370,000

Analysis of Budget Request

Appropriation: 201 - Vocational Center Aid

Funding Sources: JWE - Career Education Public School Fund

This program distributes aid to vocational centers, in a partnership with public high schools and two-year colleges, under the rules and regulations of the State Board based on full-time equivalency. The objective of these centers is to provide high school students affordable training for entry-level skills in areas where employment opportunities exist or need to be developed. Programs are approved on the basis of student interest and local economic development opportunities. The program is funded through the Career Education Public School Fund.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 201 - Vocational Center Aid

Funding Sources: JWE - Career Education Public School Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	20,127,693	20,136,383	20,136,383	20,136,383	21,636,383	20,136,383
Total	20,127,693	20,136,383	20,136,383	20,136,383	21,636,383	20,136,383
Funding Sources						
Career Ed PSF 4000745	20,127,693	20,136,383		20,136,383	21,636,383	20,136,383
Total Funding	20,127,693	20,136,383		20,136,383	21,636,383	20,136,383
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	20,127,693	20,136,383		20,136,383	21,636,383	20,136,383

Analysis of Budget Request

Appropriation: 427 - Governor's Commission on Adult Literacy

Funding Sources: JWE - Career Education Public School Fund

The Governor's Commission on Adult Literacy is funded from the Career Education Public School Fund. The appropriation consists of one position, supporting Operating Expenses, grants that are made to literacy councils, and the Recognition Program. This program was transferred to the Department of Career Education during the 81st General Assembly.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 427 - Governor's Commission on Adult Literacy

Funding Sources: JWE - Career Education Public School Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	26,945	28,721	29,752	30,451	28,273	30,451
	#Positions	1	1	1	1	1	1
Personal Services Matching	5010003	8,840	9,001	9,380	9,534	9,138	9,534
Operating Expenses	5020002	35,423	52,242	52,242	52,242	52,242	52,242
Conference & Travel Expenses	5050009	1,050	6,005	6,005	6,005	6,005	6,005
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	675,000	675,000	675,000	675,000	675,000	675,000
Capital Outlay	5120011	0	0	0	0	0	0
Total		747,258	770,969	772,379	773,232	770,658	773,232
Funding Sources							
Career Ed PSF	4000745	747,258	770,969		773,232	770,658	773,232
Total Funding		747,258	770,969		773,232	770,658	773,232
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		747,258	770,969		773,232	770,658	773,232

Analysis of Budget Request

Appropriation: 453 - Adult Basic & General Education

Funding Sources: JWE - Career Education Public School Fund

The Adult Basic and General Adult Education program provides grants for educating those adults with less than a high school equivalency and for retraining those already in the workforce. Adult education serves adult learners through adult basic education classes, which are designed for adults functioning up to the 8th grade level. General adult education classes prepare adults who score at the 9th to 12th grade levels. Funding for this appropriation is provided from the Career Education Public School Fund and the Educational Excellence Trust Fund.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 453 - Adult Basic & General Education

Funding Sources: JWE - Career Education Public School Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	19,263,736	19,860,569	19,860,569	19,860,569	25,271,953	19,860,569
Total		19,263,736	19,860,569	19,860,569	19,860,569	25,271,953	19,860,569
Funding Sources							
Fund Balance	4000005	2,782,646	2,548,876		2,164,086	2,164,086	2,164,086
Educational Excellence Fund	4000220	11,025,999	11,588,340		10,952,069	10,952,069	10,952,069
Miscellaneous Adjustments	4000345	19,289	0		0	0	0
Career Ed PSF	4000745	7,984,678	7,887,439		7,887,750	14,319,884	7,887,750
Total Funding		21,812,612	22,024,655		21,003,905	27,436,039	21,003,905
Excess Appropriation/(Funding)		(2,548,876)	(2,164,086)		(1,143,336)	(2,164,086)	(1,143,336)
Grand Total		19,263,736	19,860,569		19,860,569	25,271,953	19,860,569

Analysis of Budget Request

Appropriation: 681 - Coordinated Career Education Services

Funding Sources: JWE - Career Education Public School Fund

The Coordinated Career Education Services- Special Needs Students program provides grants to coordinated career education programs in which students with disabilities attend academic classes in the morning and work in the afternoon. Special Needs Programs provide special projects and adaptive equipment for secondary and postsecondary career and technical education students with disabilities and vocational counselors at several secondary area vocational centers. Funding for this appropriation is provided from the Career Education Public School Fund.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 681 - Coordinated Career Education Services

Funding Sources: JWE - Career Education Public School Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	1,075,896	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433
Total	1,075,896	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433
Funding Sources						
Career Ed PSF 4000745	1,075,896	1,119,433		1,119,433	1,119,433	1,119,433
Total Funding	1,075,896	1,119,433		1,119,433	1,119,433	1,119,433
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	1,075,896	1,119,433		1,119,433	1,119,433	1,119,433

Analysis of Budget Request

Appropriation: NR1 - Student Loan Forgiveness

Funding Sources: JWE – Career Education Public School Fund

The Arkansas Technical Career Student Loan Forgiveness Program was created by Act 652 of 1999 to provide assistance to Arkansans who enter and complete technical education programs that qualify for a maximum of four years. Funding for this program has come from General Improvement funding in previous biennial budget, however, the Department of Workforce Education has requested funding for this appropriation from the Career Education Public School Fund.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: NR1 - Student Loan Forgiveness

Funding Sources: JWE – Career Education Public School Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	0	0	0	0	2,000,000	0
Total	0	0	0	0	2,000,000	0
Funding Sources						
Career Ed PSF 4000745	0	0		0	2,000,000	0
Total Funding	0	0		0	2,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	0		0	2,000,000	0

The Executive Recommendation does not provide for this appropriation in the 2011-2013 biennium.

Analysis of Budget Request

Appropriation: NR3 - Career & Technical Equipment Grants

Funding Sources: JWE – Career Education Public School Fund

The Department of Career Education is requesting a Career and Technical Equipment Grants program to be funded from the Career Education Public School Fund. This Grants program would be used to establish a five-year rotation plan to replace and/or repair technical equipment used in technical centers and Arkansas schools.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: NR3 - Career & Technical Equipment Grants

Funding Sources: JWE – Career Education Public School Fund

Appropriation	2010-2011 Actual	2011-2012 Budget	2011-2012 Authorized	2012-2013		
				Legislative Recommendation	Agency Request	Executive Recommendation
Career & Technical Equip Grant 5900046	0	0	0	0	4,000,000	0
Total	0	0	0	0	4,000,000	0
Funding Sources						
Career Ed PSF 4000745	0	0		0	4,000,000	0
Total Funding	0	0		0	4,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	0		0	4,000,000	0

The Executive Recommendation does not provide for this appropriation in the 2011-2013 biennium.

DEPARTMENT OF CORRECTION

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF CORRECTION
FOR THE YEAR ENDED JUNE 30, 2010

Findings

The Agency did not properly and consistently apply an acceptable valuation method for livestock as required by industry standards.* The Agency estimated its livestock to have a value of \$3,903,519 at June 30, 2010, but could not provide reliable data for the basis of this estimate. Lack of a reliable valuation method for livestock could lead to misstatements in the Agency's accounting records.

*American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide (AAG) Agricultural Producers and Agricultural Cooperatives (APC) section 5.10

Recommendations

Develop and implement an acceptable valuation method for livestock and apply it consistently. The Agency should retain relevant, sufficient, and reliable data as a basis for this valuation to ensure the accuracy of accounting records.

**ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2011
Required by A.C.A. 25-36-104**

AGENCY: 0480 DEPARTMENT OF CORRECTION

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Elkins Machinery	\$141,020		X				

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 1

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$12,558,200

% OF MINORITY CONTRACTS AWARDED 0.74 %

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1MJ County Jail Reimbursement	15,744,935	0	7,853,607	0	20,830,069	0	14,846,171	0	14,846,171	0	14,846,171	0
2ZV Work Release Cash	1,933,546	0	4,151,362	0	7,317,424	0	7,317,424	0	7,617,424	0	7,317,424	0
33K Juvenile Sex Offender Assessment	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
4HS Fire Station Treasury Cash	41,093	0	18,564	0	50,000	0	50,000	0	50,000	0	50,000	0
509 Inmate Care & Custody	304,658,473	4,276	317,572,381	4,272	331,711,827	4,605	338,034,996	4,605	348,457,391	4,703	338,034,996	4,605
511 Prison Industry	7,316,044	51	10,199,998	54	10,794,474	54	10,656,818	54	10,503,140	54	10,656,818	54
512 Farm Operations	12,969,323	58	15,100,000	59	15,448,730	60	15,195,560	60	15,241,837	65	15,195,560	60
847 Federal Programs	986,220	0	0	0	511,875	0	511,875	0	500,000	0	511,875	0
859 Inmate Welfare Treasury Cash	9,779,204	0	11,111,409	28	14,082,686	28	14,106,030	28	14,039,499	28	14,106,030	28
865 Non-Tax Revenue Receipts	1,794,513	0	2,995,824	0	6,217,470	0	6,217,470	0	6,217,470	0	6,217,470	0
Total	355,248,351	4,385	369,028,145	4,413	406,989,555	4,747	406,961,344	4,747	417,497,932	4,850	406,961,344	4,747

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	17,812,274	4.8	13,038,320	3.5	4,353,614	1.2	4,353,614	1.1	4,353,614	1.2
General Revenue	4000010	297,803,625	80.9	304,190,967	81.5	317,498,387	85.0	356,392,713	86.4	317,498,387	85.0
Federal Revenue	4000020	421,649	0.1	500,000	0.1	1,011,875	0.3	1,000,000	0.2	1,011,875	0.3
Special Revenue	4000030	15,278,787	4.1	17,410,000	4.7	20,813,171	5.6	20,813,171	5.0	20,813,171	5.6
Cash Fund	4000045	19,545,860	5.3	16,474,418	4.4	25,141,969	6.7	25,141,969	6.1	25,141,969	6.7
Merit Adjustment Fund	4000055	0	0.0	11,293,298	3.0	0	0.0	0	0.0	0	0.0
Budget Stabilization Trust	4000130	4,600,000	1.2	4,600,000	1.2	4,600,000	1.2	4,600,000	1.1	4,600,000	1.2
DFA Motor Vehicle Acquisition	4000184	260,070	0.1	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA	4000244	985,820	0.3	0	0.0	0	0.0	0	0.0	0	0.0
Gen Rev Allot Reserve	4000262	1,655,382	0.4	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	106,322	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from General Imprv	4000540	14,316,882	3.9	5,874,756	1.6	0	0.0	0	0.0	0	0.0
Transfer from Cash Fund	4000555	(4,500,000)	(1.2)	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		368,286,671	100.0	373,381,759	100.0	373,419,016	100.0	412,301,467	100.0	373,419,016	100.0
Excess Appropriation/(Funding)		(13,038,320)		(4,353,614)		33,542,328		5,196,465		33,542,328	
Grand Total		355,248,351		369,028,145		406,961,344		417,497,932		406,961,344	

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Refunds/Reimbursements	5110014	15,744,935	7,853,607	20,830,069	14,846,171	14,846,171	14,846,171
Total		15,744,935	7,853,607	20,830,069	14,846,171	14,846,171	14,846,171
Funding Sources							
Fund Balance	4000005	1,245,069	400,450		450	450	450
General Revenue	4000010	7,500,316	7,453,607		7,500,035	14,846,171	7,500,035
Transfer from General Imprv	4000540	7,400,000	0		0	0	0
Total Funding		16,145,385	7,854,057		7,500,485	14,846,621	7,500,485
Excess Appropriation/(Funding)		(400,450)	(450)		7,345,686	(450)	7,345,686
Grand Total		15,744,935	7,853,607		14,846,171	14,846,171	14,846,171

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	1,350,028	3,567,212	4,180,274	4,180,274	4,480,274	4,180,274
Conference & Travel Expenses	5050009	6,783	84,150	84,150	84,150	84,150	84,150
Professional Fees	5060010	40	500,000	1,000,000	1,000,000	1,000,000	1,000,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	576,695	0	1,553,000	1,553,000	1,553,000	1,553,000
Debt Service	5120019	0	0	500,000	500,000	500,000	500,000
Total		1,933,546	4,151,362	7,317,424	7,317,424	7,617,424	7,317,424
Funding Sources							
Fund Balance	4000005	8,136,610	4,127,305		1,020,420	1,020,420	1,020,420
Cash Fund	4000045	2,406,689	1,044,477		2,100,000	2,100,000	2,100,000
M & R Sales	4000340	17,552	0		0	0	0
Transfer from Cash Fund	4000555	(4,500,000)	0		0	0	0
Total Funding		6,060,851	5,171,782		3,120,420	3,120,420	3,120,420
Excess Appropriation/(Funding)		(4,127,305)	(1,020,420)		4,197,004	4,497,004	4,197,004
Grand Total		1,933,546	4,151,362		7,317,424	7,617,424	7,317,424

As Provided in A.C.A 19-5-302, a transfer from the Work Release Cash Fund was made in FY11 for payments toward banked employee holiday hours.

Analysis of Budget Request

Appropriation: 33K - Juvenile Sex Offender Assessment

Funding Sources: SSC - Sex and Child Offenders Registration Fund

This appropriation request is for Juvenile Sex Offender 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 ACA §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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 33K - Juvenile Sex Offender Assessment

Funding Sources: SSC - Sex and Child Offenders Registration Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	25,000	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		25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources							
Fund Balance	4000005	33,450	19,097		4,097	4,097	4,097
Special Revenue	4000030	10,647	10,000		15,000	15,000	15,000
Total Funding		44,097	29,097		19,097	19,097	19,097
Excess Appropriation/(Funding)		(19,097)	(4,097)		5,903	5,903	5,903
Grand Total		25,000	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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Construction	5090005	41,093	18,564	50,000	50,000	50,000	50,000
Total		41,093	18,564	50,000	50,000	50,000	50,000
Funding Sources							
Fund Balance	4000005	33,604	8,694		7,280	7,280	7,280
Cash Fund	4000045	16,183	17,150		35,000	35,000	35,000
Total Funding		49,787	25,844		42,280	42,280	42,280
Excess Appropriation/(Funding)		(8,694)	(7,280)		7,720	7,720	7,720
Grand Total		41,093	18,564		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

Funding for Inmate Care and Custody (ICC) is primarily from general revenue. 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	147,786,241	152,865,819	156,912,695	160,385,766	155,059,219	160,385,766
	#Positions	4,276	4,272	4,605	4,605	4,703	4,605
Extra Help	5010001	75,171	100,000	100,000	100,000	200,000	100,000
	#Extra Help	16	170	170	170	170	170
Personal Services Matching	5010003	53,121,503	55,824,592	58,659,527	59,404,985	59,225,154	59,404,985
Overtime	5010006	2,912,122	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Operating Expenses	5020002	44,273,164	47,835,403	52,370,945	52,370,945	64,454,955	52,370,945
Conference & Travel Expenses	5050009	144,671	150,000	200,000	200,000	536,561	200,000
Professional Fees	5060010	54,619,161	57,713,567	58,066,482	60,171,122	63,891,877	60,171,122
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	325,350	0	2,072,803	2,072,803	1,760,250	2,072,803
Jail Contracts	5900047	1,401,090	1,533,000	1,779,375	1,779,375	1,779,375	1,779,375
Total		304,658,473	317,572,381	331,711,827	338,034,996	348,457,391	338,034,996
Funding Sources							
General Revenue	4000010	290,303,309	296,737,360		309,998,352	341,546,542	309,998,352
Federal Revenue	4000020	421,249	500,000		500,000	500,000	500,000
Cash Fund	4000045	5,086,650	3,166,967		2,750,000	2,750,000	2,750,000
Merit Adjustment Fund	4000055	0	11,293,298		0	0	0
DFA Motor Vehicle Acquisition	4000184	189,162	0		0	0	0
Gen Rev Allot Reserve	4000262	1,655,382	0		0	0	0
M & R Sales	4000340	85,839	0		0	0	0
Transfer from General Imprv	4000540	6,916,882	5,874,756		0	0	0
Total Funding		304,658,473	317,572,381		313,248,352	344,796,542	313,248,352
Excess Appropriation/(Funding)		0	0		24,786,644	3,660,849	24,786,644
Grand Total		304,658,473	317,572,381		338,034,996	348,457,391	338,034,996

Analysis of Budget Request

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

The Prison Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. The primary goal of the Industries program is to administer and operate the various industry programs in an efficient and cost-effective manner that provides inmates with productive and significant training opportunities. More than 500 inmates participate in the various work programs. Principal operations include printing and graphic arts, digital imaging, engraving, janitorial product manufacturing, school bus/fire truck repair, furniture manufacturing, refinishing and upholstery, vinyl products and athletic equipment. Prison Industry Enhancement (PIE) Programs at the McPherson and Pine Bluff Units are a partnership with private sector companies operating within prison fences and employing inmates at prevailing wages.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	1,762,432	2,082,588	2,048,174	2,088,196	1,959,732	2,088,196
	#Positions	51	54	54	54	54	54
Personal Services Matching	5010003	624,299	735,879	734,030	743,367	718,153	743,367
Operating Expenses	5020002	4,478,336	7,026,056	7,649,295	7,649,295	7,649,295	7,649,295
Conference & Travel Expenses	5050009	6,166	24,380	31,880	33,760	33,760	33,760
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	444,811	331,095	331,095	142,200	142,200	142,200
Total		7,316,044	10,199,998	10,794,474	10,656,818	10,503,140	10,656,818
Funding Sources							
Fund Balance	4000005	3,087,178	3,106,394		206,396	206,396	206,396
Special Revenue	4000030	7,275,845	7,300,000		10,503,140	10,503,140	10,503,140
DFA Motor Vehicle Acquisition	4000184	56,484	0		0	0	0
M & R Sales	4000340	2,931	0		0	0	0
Total Funding		10,422,438	10,406,394		10,709,536	10,709,536	10,709,536
Excess Appropriation/(Funding)		(3,106,394)	(206,396)		(52,718)	(206,396)	(52,718)
Grand Total		7,316,044	10,199,998		10,656,818	10,503,140	10,656,818

The FY12 Budget amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

Analysis of Budget Request

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

The agricultural operation of the ADC is a self-supported division. The Agricultural Division is involved in almost every area of farming providing fresh and frozen vegetables, meat, milk and eggs which are consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. 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. A Vegetable Processing facility is located at the Varner Unit and annually provides approximately 1.2 million pounds of vegetables for inmate consumption. A Cold Storage facility located at the Cummins Unit provides beef and pork products to all units for consumption. A state of the art Creamery operation is also located at the Cummins Unit and provides milk and juice products. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. The Farm Program provides jobs for approximately 400 inmates. The Livestock Division consists of 2300 beef cows, a 225-cow dairy, swine production facilities, and egg layer operation as well as responsibility for all the horses being used in the cattle operation and at various units around the state for security and regional maintenance.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	2,345,474	2,559,512	2,501,943	2,552,521	2,565,318	2,552,521
	#Positions	58	59	60	60	65	60
Personal Services Matching	5010003	794,738	869,927	868,335	879,987	913,467	879,987
Operating Expenses	5020002	8,816,940	9,478,988	9,478,988	9,494,388	9,494,388	9,494,388
Conference & Travel Expenses	5050009	5,512	43,610	43,610	48,310	48,310	48,310
Professional Fees	5060010	49,885	128,354	128,354	128,354	128,354	128,354
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	318,004	1,369,609	1,777,500	1,442,000	1,442,000	1,442,000
Purchase Cattle/Meat	5900047	638,770	650,000	650,000	650,000	650,000	650,000
Total		12,969,323	15,100,000	15,448,730	15,195,560	15,241,837	15,195,560
Funding Sources							
Fund Balance	4000005	1,346,806	984,202		584,202	584,202	584,202
Special Revenue	4000030	7,992,295	10,100,000		10,295,031	10,295,031	10,295,031
Budget Stabilization Trust	4000130	4,600,000	4,600,000		4,600,000	4,600,000	4,600,000
DFA Motor Vehicle Acquisition	4000184	14,424	0		0	0	0
Total Funding		13,953,525	15,684,202		15,479,233	15,479,233	15,479,233
Excess Appropriation/(Funding)		(984,202)	(584,202)		(283,673)	(237,396)	(283,673)
Grand Total		12,969,323	15,100,000		15,195,560	15,241,837	15,195,560

The FY12 Budget amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

Analysis of Budget Request

Appropriation: 847 - Federal Programs

Funding Sources: FDC - Federal Programs

This federally funded appropriation provides for the operations of multiple Federal Program Grants.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 847 - Federal Programs

Funding Sources: FDC - Federal Programs

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	0	0	50,000	50,000	50,000	50,000
	#Positions	0	0	0	0	0	0
Personal Services Matching	5010003	0	0	28,475	28,475	16,600	28,475
Operating Expenses	5020002	0	0	2,500	2,500	2,500	2,500
Conference & Travel Expenses	5050009	0	0	2,000	2,000	2,000	2,000
Professional Fees	5060010	400	0	428,900	428,900	428,900	428,900
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
ARRA of 2009	5900052	985,820	0	0	0	0	0
Total		986,220	0	511,875	511,875	500,000	511,875
Funding Sources							
Federal Revenue	4000020	400	0		511,875	500,000	511,875
Federal Funds-ARRA	4000244	985,820	0		0	0	0
Total Funding		986,220	0		511,875	500,000	511,875
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		986,220	0		511,875	500,000	511,875

Although the Agency has no positions budgeted for this appropriation, it is requesting to maintain a level of appropriation in Regular Salaries and Personal Services matching in the event that it receives federal funding for positions. The Agency has one salary section in its appropriation act.

Analysis of Budget Request

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Self-supported Pen Store operations within institutions provide the opportunity for inmates to purchase various commissary supplies such as hygiene items, paper, and stamps as well as various snack foods. A centralized banking system manages inmate funds, and the profits from the stores are used to purchase items that benefit inmates such as tables and chairs for visitation, televisions, and recreational equipment for inmate use.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	0	833,051	827,497	846,497	791,159	846,497
	#Positions	0	28	28	28	28	28
Personal Services Matching	5010003	0	324,308	325,789	330,133	318,940	330,133
Operating Expenses	5020002	9,713,966	9,954,050	12,429,400	12,429,400	12,429,400	12,429,400
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	65,238	0	500,000	500,000	500,000	500,000
Total		9,779,204	11,111,409	14,082,686	14,106,030	14,039,499	14,106,030
Funding Sources							
Fund Balance	4000005	2,612,196	2,667,028		1,305,619	1,305,619	1,305,619
Cash Fund	4000045	9,834,036	9,750,000		14,039,499	14,039,499	14,039,499
Total Funding		12,446,232	12,417,028		15,345,118	15,345,118	15,345,118
Excess Appropriation/(Funding)		(2,667,028)	(1,305,619)		(1,239,088)	(1,305,619)	(1,239,088)
Grand Total		9,779,204	11,111,409		14,106,030	14,039,499	14,106,030

The FY12 Budget amount in Regular Salaries exceeds the FY12 authorized amount due to salary adjustments as well as the 27th pay period.

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 that was implemented in the 1995-97 biennium. 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	1,096,000	1,285,385	1,679,195	1,679,195	1,679,195	1,679,195
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	5,264	80,000	100,000	100,000	100,000	100,000
Construction	5090005	561,132	1,420,439	4,038,275	4,038,275	4,038,275	4,038,275
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	132,117	210,000	400,000	400,000	400,000	400,000
Total		1,794,513	2,995,824	6,217,470	6,217,470	6,217,470	6,217,470
Funding Sources							
Fund Balance	4000005	1,317,361	1,725,150		1,225,150	1,225,150	1,225,150
Cash Fund	4000045	2,202,302	2,495,824		6,217,470	6,217,470	6,217,470
Total Funding		3,519,663	4,220,974		7,442,620	7,442,620	7,442,620
Excess Appropriation/(Funding)		(1,725,150)	(1,225,150)		(1,225,150)	(1,225,150)	(1,225,150)
Grand Total		1,794,513	2,995,824		6,217,470	6,217,470	6,217,470

DEPARTMENT OF COMMUNITY CORRECTION

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF COMMUNITY CORRECTION
FOR THE YEAR ENDED JUNE 30, 2010

Findings

None.

Recommendations

None.

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Recommendations					
	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1BA Community Correction - Federal	7	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	1,116,893	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	8,564,543	101	11,887,096	118	11,887,096	113	11,695,853	113	11,338,463	113	11,695,853	113
2GK County Jail Reimbursement	1,953,476	0	2,000,000	0	3,453,572	0	3,453,572	0	3,453,572	0	3,453,572	0
510 Community Correction - State	68,281,500	1,153	73,594,789	1,158	88,338,513	1,266	87,721,285	1,263	77,148,863	1,293	87,721,285	1,263
86Y Best Practices	0	0	3,000,000	0	3,000,000	0	3,000,000	0	0	0	3,000,000	0
Total	79,916,419	1,255	96,501,791	1,276	112,699,087	1,379	111,890,616	1,376	97,960,804	1,406	111,890,616	1,376

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	11,842,029	13.1	10,593,168	10.4	5,424,048	5.5	5,424,048	5.4	5,424,048	5.5
General Revenue	4000010	68,365,147	75.5	72,484,604	71.1	76,376,289	77.0	79,988,871	80.2	76,376,289	77.0
Federal Revenue	4000020	7	0.0	4,137,882	4.1	4,137,882	4.2	4,137,882	4.1	4,137,882	4.2
Special Revenue	4000030	6,796,378	7.5	10,200,000	10.0	11,200,000	11.3	8,200,000	8.2	11,200,000	11.3
Cash Fund	4000045	1,601,124	1.8	1,850,000	1.8	2,013,564	2.0	2,013,564	2.0	2,013,564	2.0
Merit Adjustment Fund	4000055	0	0.0	1,967,509	1.9	0	0.0	0	0.0	0	0.0
DFA Motor Vehicle Acquisition	4000184	402,684	0.4	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	2,218	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from DHS-Div of Hlth	4000511	1,500,000	1.7	392,676	0.4	0	0.0	0	0.0	0	0.0
Transfer from General Imprv	4000540	0	0.0	300,000	0.3	0	0.0	0	0.0	0	0.0
Total Funds		90,509,587	100.0	101,925,839	100.0	99,151,783	100.0	99,764,365	100.0	99,151,783	100.0
Excess Appropriation/(Funding)		(10,593,168)		(5,424,048)		12,738,833		(1,803,561)		12,738,833	
Grand Total		79,916,419		96,501,791		111,890,616		97,960,804		111,890,616	

Budget Number of Positions for Funds Center 2GH may exceed the Authorized Number due to a single salary section in the appropriation act.

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 anticipates the grants to continue during the next biennium.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 1BA - Community Correction - Federal

Funding Sources: FPF - Federal Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	7	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	0	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		7	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882
Funding Sources							
Federal Revenue	4000020	7	4,137,882		4,137,882	4,137,882	4,137,882
Total Funding		7	4,137,882		4,137,882	4,137,882	4,137,882
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		7	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, primarily 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 and general operations.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 1BR - Residents Cash Treasury

Funding Sources: NCC - Cash in Treasury

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	1,115,387	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	1,506	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		1,116,893	1,882,024	1,882,024	1,882,024	1,882,024	1,882,024
Funding Sources							
Fund Balance	4000005	1,716,164	1,831,772		1,349,748	1,349,748	1,349,748
Cash Fund	4000045	1,232,501	1,400,000		1,400,000	1,400,000	1,400,000
Total Funding		2,948,665	3,231,772		2,749,748	2,749,748	2,749,748
Excess Appropriation/(Funding)		(1,831,772)	(1,349,748)		(867,724)	(867,724)	(867,724)
Grand Total		1,116,893	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, 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 \$35 each month.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

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

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	3,646,891	4,498,972	4,423,890	4,523,203	4,219,419	4,523,203
	#Positions	101	118	113	113	113	113
Personal Services Matching	5010003	738,687	1,566,310	1,442,219	1,462,523	1,409,817	1,462,523
Operating Expenses	5020002	26,899	50,942	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	475,922	663,825	663,825	352,965	352,965	352,965
WMSC Parking Srvs from Fees	5900046	0	10,000	10,000	10,000	10,000	10,000
Community Correction Program	5900047	3,676,144	5,096,047	5,192,745	5,192,745	5,191,845	5,192,745
Total		8,564,543	11,887,096	11,887,096	11,695,853	11,338,463	11,695,853
Funding Sources							
Fund Balance	4000005	10,125,865	8,761,396		4,074,300	4,074,300	4,074,300
Special Revenue	4000030	6,796,378	7,200,000		8,200,000	8,200,000	8,200,000
DFA Motor Vehicle Acquisition	4000184	402,684	0		0	0	0
M & R Sales	4000340	1,012	0		0	0	0
Total Funding		17,325,939	15,961,396		12,274,300	12,274,300	12,274,300
Excess Appropriation/(Funding)		(8,761,396)	(4,074,300)		(578,447)	(935,837)	(578,447)
Grand Total		8,564,543	11,887,096		11,695,853	11,338,463	11,695,853

The FY12 Budget amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period. Budget Number of Positions may exceed the Authorized Number due to single salary section in appropriation act.

Analysis of Budget Request

Appropriation: 2GK - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Arkansas Code §19-5-1045 provides for jail reimbursements to be paid to counties by the Department of Community Correction. Prior to this legislation, only the Department of Correction could provide jail reimbursements to the counties. The Department of Community Correction currently uses this appropriation to pay the counties at a daily reimbursement rate for the expenses of inmates they cannot accept from county jails due to insufficient bed space. Funding for this appropriation comes from general revenue.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Refunds/Reimbursements 5110014	1,953,476	2,000,000	3,453,572	3,453,572	3,453,572	3,453,572
Total	1,953,476	2,000,000	3,453,572	3,453,572	3,453,572	3,453,572
Funding Sources						
General Revenue 4000010	1,953,476	2,000,000		1,953,572	3,453,572	1,953,572
Total Funding	1,953,476	2,000,000		1,953,572	3,453,572	1,953,572
Excess Appropriation/(Funding)	0	0		1,500,000	0	1,500,000
Grand Total	1,953,476	2,000,000		3,453,572	3,453,572	3,453,572

Analysis of Budget Request

Appropriation: 510 - Community Correction - State

Funding Sources: HCP - Department of Community Correction Fund

The Department of Community Correction uses this appropriation for daily operations. Funding for this appropriation comes from general revenue and cash funds received from the rental of buildings at the Texarkana unit to other state agencies.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 510 - Community Correction - State

Funding Sources: HCP - Department of Community Correction Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	37,053,753	40,917,445	43,148,685	44,047,863	42,289,533	44,047,863
	#Positions	1,153	1,158	1,266	1,263	1,293	1,263
Extra Help	5010001	0	0	25,000	25,000	25,000	25,000
	#Extra Help	0	10	10	10	10	10
Personal Services Matching	5010003	13,266,191	14,643,713	14,886,870	15,070,998	14,915,906	15,070,998
Operating Expenses	5020002	10,095,258	11,221,365	11,338,733	11,081,800	10,822,800	11,081,800
Conference & Travel Expenses	5050009	21,693	0	21,807	21,807	21,807	21,807
Professional Fees	5060010	7,844,605	6,812,266	18,428,841	17,473,817	9,073,817	17,473,817
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	488,577	0	0	0
Total		68,281,500	73,594,789	88,338,513	87,721,285	77,148,863	87,721,285
Funding Sources							
General Revenue	4000010	66,411,671	70,484,604		74,422,717	76,535,299	74,422,717
Cash Fund	4000045	368,623	450,000		613,564	613,564	613,564
Merit Adjustment Fund	4000055	0	1,967,509		0	0	0
M & R Sales	4000340	1,206	0		0	0	0
Transfer from DHS-Div of Hlth	4000511	1,500,000	392,676		0	0	0
Transfer from General Imprv	4000540	0	300,000		0	0	0
Total Funding		68,281,500	73,594,789		75,036,281	77,148,863	75,036,281
Excess Appropriation/(Funding)		0	0		12,685,004	0	12,685,004
Grand Total		68,281,500	73,594,789		87,721,285	77,148,863	87,721,285

Analysis of Budget Request

Appropriation: 86Y - Best Practices

Funding Sources: TBP - Best Practices Fund

The Best Practices Program helps establish evidence-based practices within the Department of Community Correction adult probation and parole services. Expenditures are used to establish and maintain programs and services that implement practices that are proven to reduce the risk of having repeat offenders or recidivism, including programs that address treatment needs of offenders. Funding is provided from the \$10 increase in the probation/parole fee.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 86Y - Best Practices

Funding Sources: TBP - Best Practices Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Community Correction Prgm 5900046	0	3,000,000	3,000,000	3,000,000	0	3,000,000
Total	0	3,000,000	3,000,000	3,000,000	0	3,000,000
Funding Sources						
Special Revenue 4000030	0	3,000,000		3,000,000	0	3,000,000
Total Funding	0	3,000,000		3,000,000	0	3,000,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	3,000,000		3,000,000	0	3,000,000

DOE - Public School Fund

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2010

Findings

The Agency did not adequately design and implement internal controls related to the payment and issuance of professional licenses. Applicants that pay for a teaching license via the State's on-line web portal must pay with a credit card with the information captured by the Information Network of Arkansas (INA). The payment information is then transferred to the Department of Education's professional licensure section. All of the information necessary to create a linkage between payments through INA and the professional licensure section are not being captured to allow reconciliation between licenses issued and payments made.

The Agency did not adequately design and implement internal controls related to the process of approving grant award amounts for the distance learning program. This resulted in a lack of documentation to substantiate how awards paid to education service cooperatives and other local education agencies were determined.

The Agency did not maintain or did not receive documentation related to the monitoring of distance learning subrecipients. The Agency was unable to locate 18 end-of-year financial reports out of a sample of 28. End-of-year financial budget reports are submitted by education service cooperatives or other local education agencies. These reports are used to monitor grant expenditures and the carryover of grant funds from one fiscal year to the next.

Recommendations

Strengthen internal controls related to the payment of licenses issued by INA and their database administrator to ensure that the necessary information is captured to allow a reconciliation between licenses issued and payments received.

Strengthen internal controls, including documenting the processes of approving grant awards and the calculation of award amounts granted to education service cooperatives and other local education agencies.

Strengthen internal controls related to the monitoring of distance learning subrecipients by developing a system for recording when end-of-year budget reports are received as well as maintaining the reports for subsequent review.

Performance Audit Findings

*Review of State National School Lunch Act (State NSLA) Categorical Funding
Arkansas Department of Education (ADE)
(July 1, 2009 – June 30, 2010)*

Findings and Conclusions:

Findings and Conclusions:

- ADE did not report to the House and Senate Committees on Education the impact of State NSLA funding in closing the achievement gap of students from low socioeconomic backgrounds by May 31 as required by Ark. Code Ann. § 6-20-2305(4)(E)(i) and the transfer of State NSLA funds to other categorical funding programs allowed by ADE rules as required by Ark. Code Ann. § 6-20-2305(b)(4)(E).

Recommendations:

Recommendations:

- ADE take the necessary steps to ensure future compliance with Arkansas Code.

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
057 Smart Start/Smart Step	8,457,160	0	8,457,160	0	10,666,303	0	10,666,303	0	8,457,160	0	10,666,303	0
082 English Language Learners	10,143,571	0	11,115,341	0	11,115,341	0	12,162,924	0	10,144,383	0	12,162,924	0
088 At Risk	576,884	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	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	466,570	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
119 Tech Grants	3,599,689	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	24,413	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	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	27,500	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1QV Content & Curriculum	0	0	50,000	0	50,000	0	50,000	0	50,000	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	1,812,845,186	0	1,858,834,526	0	1,858,834,526	0	1,904,969,759	0	1,813,597,668	0	1,904,969,759	0
2HR National School Lunch	171,723,589	0	178,897,567	0	178,897,567	0	187,235,597	0	170,778,746	0	187,235,597	0
2HS Prof Development Fund	23,146,436	0	23,709,798	0	23,709,798	0	24,244,209	0	23,171,500	0	24,244,209	0
2HU Supplemental Millage	4,985,551	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	6,963,319	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0
2HY Education Renewal Zones	1,234,150	4	1,446,057	5	1,451,135	5	1,458,044	5	1,440,594	5	1,458,044	5
2JA Content Standards	69,524	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0
2JC Teacher Recruitment	2,099,998	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	74,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0
2ZS Special Needs Isolated Funding	7,700,607	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
311 Alternative Learning	21,019,743	0	21,149,603	0	21,149,603	0	21,775,797	0	20,529,609	0	21,775,797	0
326 General Facilities Funding	4,044,669	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0
331 Isolated Funding	3,195,384	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0
332 Student Growth	31,634,876	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0
336 Bonded Debt Assistance	17,133,399	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	0	0	807,907	0	807,907	0	807,907	0	807,907	0
34N 98% URT Actual Collection Adj	22,433,883	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0
380 Dept of Correction	5,597,675	0	5,597,675	0	5,881,973	0	6,024,799	0	5,597,675	0	6,024,799	0
394 Residential Ctrs/Juv Detention	15,188,191	0	15,188,254	0	16,115,234	0	16,345,087	0	15,188,254	0	16,345,087	0

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
421 Consolidation Incentive	9,413,982	0	4,358,183	0	9,415,127	0	9,415,127	0	9,415,127	0	9,415,127	0
434 Coop Education Tech Centers	0	0	0	0	1,200,000	0	1,200,000	0	0	0	1,200,000	0
437 Teacher Retirement Matching	8,060,328	0	6,655,000	0	6,655,000	0	6,655,000	0	6,655,000	0	6,655,000	0
438 Ntl Bd Prof Teaching Standards	8,650,746	0	9,106,160	0	10,516,160	0	12,016,160	0	9,106,160	0	12,016,160	0
440 Advanced Placement Incentive	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0
444 Criminal Background Checks	866	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	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	36,361,352	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	0	0	1,650,000	0	1,650,000	0	0	0	1,650,000	0
450 Surplus Commodities	0	0	780,000	0	780,000	0	780,000	0	780,000	0	780,000	0
451 Grants to School Districts	58,355	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0
452 Workers' Compensation	237,644	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
454 School Food-Legislative Audit	269,720	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
457 Gifted & Talented	1,085,381	0	1,085,381	0	1,085,381	0	1,085,381	0	1,085,381	0	1,085,381	0
458 School Worker Defense	127,094	0	0	0	390,000	0	390,000	0	0	0	390,000	0
459 Assessment/End Course Testing	19,912,703	0	22,401,677	0	24,409,349	0	24,375,349	0	24,375,349	0	24,375,349	0
460 Court Ordered Desegregation	70,589,689	0	0	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0
4HM Teacher of the Year	68,889	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
4HN Declining Enrollment	9,947,466	0	12,759,777	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0
565 Intervention Block Grants	227,000	0	227,000	0	302,000	0	302,000	0	227,000	0	302,000	0
566 Serious Offender	0	0	1,050,946	0	1,683,067	0	1,716,859	0	1,050,946	0	1,716,859	0
59V Coord School Health	1,921,900	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0
59W School Facility Joint Use	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
59X Add Public School Employee Ins	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
652 Better Chance Program	108,325,166	0	106,834,487	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0
668 Special Education Services	2,793,282	0	1,145,285	0	4,145,285	0	4,145,285	0	1,145,285	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	19,518,098	45	23,274,744	45	23,571,211	49	23,629,415	49	23,466,260	49	23,629,415	49
697 Early Childhood Special Educ	15,488,458	0	15,623,079	0	16,248,000	0	16,897,920	0	15,623,079	0	16,897,920	0
698 Distance Learning	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0
699 Teacher Licensing/Mentoring	4,376,203	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0
84U At-Risk Children & Youth	0	0	0	0	500,000	0	500,000	0	0	0	500,000	0

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Recommendations					
	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
86C Supplemental Transportation	0	0	0	0	500,000	0	500,000	0	0	0	500,000	0
86T Student Success Pilot	0	0	0	0	200,000	0	200,000	0	0	0	200,000	0
86U Public School Athletic Training Program	0	0	0	0	200,000	0	200,000	0	0	0	200,000	0
Total	2,533,950,579	49	2,551,215,039	50	2,673,375,067	54	2,732,644,022	54	2,603,938,183	54	2,732,644,022	54

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	40,604,967	1.6	60,211,366	2.3	46,085,183	1.7	46,085,183	1.7	46,085,183	1.7
Court Ordered Desegregation	4000180	70,573,767	2.7	0	0.0	69,814,372	2.5	69,814,372	2.6	69,814,372	2.5
DOE Public School Fund	4000195	1,849,659,072	71.3	1,904,970,389	73.3	1,961,682,446	70.7	1,858,272,575	70.1	1,961,682,446	70.7
E-Rate Credit	4000207	7,902,341	0.3	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4
Educational Adequacy Fund	4000210	462,761,621	17.8	434,031,542	16.7	462,761,621	16.7	462,761,621	17.5	462,761,621	16.7
Educational Excellence Fund	4000220	180,391,692	7.0	189,591,925	7.3	179,182,166	6.5	179,182,166	6.8	179,182,166	6.5
Federal Funds-ARRA	4000244	163,620	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	15,922	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Adjustments	4000345	5,807,702	0.2	0	0.0	0	0.0	0	0.0	0	0.0
TANF Transfer	4000478	11,500,000	0.4	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3
Trnfr frm DOE Pub School Fund	4000525	(36,395,877)	(1.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)
Transit Tax	4000700	1,177,118	0.0	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	45,360,232	1.6	25,412,449	1.0	45,360,232	1.6
Total Funds		2,594,161,945	100.0	2,597,300,222	100.0	2,773,381,020	100.0	2,650,023,366	100.0	2,773,381,020	100.0
Excess Appropriation/(Funding)		(60,211,366)		(46,085,183)		(40,736,998)		(46,085,183)		(40,736,998)	
Grand Total		2,533,950,579		2,551,215,039		2,732,644,022		2,603,938,183		2,732,644,022	

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2HY - Education Renewal Zones

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	220,667	255,323	258,773	264,536	250,036	264,536
	#Positions	4	5	5	5	5	5
Personal Services Matching	5010003	72,278	79,034	80,662	81,808	78,858	81,808
Operating Expenses	5020002	46,744	91,800	91,800	91,800	91,800	91,800
Conference & Travel Expenses	5050009	1,017	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	63,709	306,900	306,900	306,900	306,900	306,900
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	829,735	700,000	700,000	700,000	700,000	700,000
Capital Outlay	5120011	0	0	0	0	0	0
Total		1,234,150	1,446,057	1,451,135	1,458,044	1,440,594	1,458,044
Funding Sources							
DOE Public School Fund	4000195	1,234,150	1,446,057		1,440,594	1,440,594	1,440,594
Total Funding		1,234,150	1,446,057		1,440,594	1,440,594	1,440,594
Excess Appropriation/(Funding)		0	0		17,450	0	17,450
Grand Total		1,234,150	1,446,057		1,458,044	1,440,594	1,458,044

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	2,138,186	2,370,130	2,428,468	2,476,305	2,340,299	2,476,305
	#Positions	45	45	49	49	49	49
Personal Services Matching	5010003	683,962	727,051	765,180	775,547	748,398	775,547
Operating Expenses	5020002	16,601,082	19,870,313	19,870,313	19,870,313	19,870,313	19,870,313
Conference & Travel Expenses	5050009	350	7,250	7,250	7,250	7,250	7,250
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	94,518	0	200,000	200,000	200,000	200,000
Data Access Implementation	5900046	0	300,000	300,000	300,000	300,000	300,000
Total		19,518,098	23,274,744	23,571,211	23,629,415	23,466,260	23,629,415
Funding Sources							
DOE Public School Fund	4000195	11,466,421	13,074,744		16,069,603	16,353,811	16,069,603
E-Rate Credit	4000207	7,888,057	10,200,000		6,700,000	6,700,000	6,700,000
Federal Funds-ARRA	4000244	163,620	0		0	0	0
Unfunded Appropriation	4000715	0	0		696,657	412,449	696,657
Total Funding		19,518,098	23,274,744		23,466,260	23,466,260	23,466,260
Excess Appropriation/(Funding)		0	0		163,155	0	163,155
Grand Total		19,518,098	23,274,744		23,629,415	23,466,260	23,629,415

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 the current fiscal year 2012, the major funding sources for the Department of Education Public School Fund are projected as: General Revenue funding of approximately \$1.905 billion, the Educational Excellence Trust Fund will provide \$189.6 million, and the Educational Adequacy Fund will provide \$434 million.

The following analysis describes the requests and recommendations for each program in the Department of Education Public School Fund for FY13.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 to teach that have expertise and knowledge in a particular subject, but do not have the standard teaching certificate.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Additional Public School Employee Health Insurance (59X) - This program was added to the Education Public School Fund in FY10. This appropriation allows the Department of Education to pay up to \$15,000,000 in additional health insurance contributions for eligible

employees electing to participate in the public school employees' health insurance program administered by the State and Public School Life and Health Insurance Board. The Department of Education is authorized to make these payments if 98% of the URT used in the calculation for State Foundation Funding Aid exceeds \$920,731,819.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Declining Enrollment (4HN) - Beginning with Act 21 of the 1st Extraordinary Session of 2006 (A.C.A §6-20-2305(a)(3)), school districts were provided 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 the amount of per student foundation funding 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 a biennium. The Department of Education has special language allowing the transfer of this appropriation to address problem areas.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Professional Development Funding (2HS) - A.C.A. §6-20-2305(B)(5) calls for the program to provide \$52 for 2012-2013 school year and each school year thereafter multiplied by the previous year Average Daily Membership (ADM). 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Public School Athletic Training Program Certified (86U) - This program provides grants to public schools to provide access to athletic trainers and to promote the health and safety of students by the Department of Education. This appropriation was authorized under Act 1075 of 2011.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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. \$61 per month for each eligible employee electing to participate in the public school employee health insurance program.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 80% or more of public school students eligible for the free or reduced-price lunch program under the National School Lunch Act and has 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Teacher Licensure/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. In 2011-2012 there have been 152 mentor trainers certified statewide, and 9,775 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 209 assessors trained for this purpose.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Workers' Compensation (452) - Claims are paid by a fund transfer to the Worker's Compensation Revolving Fund and are determined by the previous year's claim amounts (A.C.A. 6-17-1403(C)). The administrative expenses are paid by a fund transfer to the Miscellaneous Agencies Fund Account and are based on the previous quarter expenses (A.C.A. 11-9-307(C)).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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(A.C.A. §6-20-2305(c)(2)(A)), student growth funding is comprised of four calculations. One quarter (1/4) of the per student foundation funding 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 1075 of 2011 amended A.C.A. §6-20-2305(a) to establish the Foundation Funding amount as \$6,144 in FY12 and \$6,267 in FY13 multiplied by the school district's average daily membership (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 (\$6,144 for FY12) 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Special Needs Isolated (2ZS) - Act 1452 of 2005 (A.C.A. §6-20-604) created this program for certain isolated schools and certain school districts with a low student density. The program allows for 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Student Success Pilot (86T) - Act 1075 of 2011 authorized this program to implement a pilot student research and data project which will allow easy access to multiple types of student, teacher, school and district data.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Supplemental Transportation (86C) - This program was authorized under Act 1075 of 2011 for the purpose of distributing supplemental transportation funds to address the extraordinary transportation needs of public school districts.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 available funding after final payments have been made for this program are then transferred to the Education Facilities Partnership Fund.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

At-Risk Children & Youth (84U) - Act 646 of 2011 authorized this program to provide grants for after-school, literacy and nutrition services for at-risk children and youth.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Content Standards and Curriculum Frameworks Revision (1QV) - Act 1075 of 2011 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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)(ii) establishes the ALE funding amount shall be \$4,228 multiplied by the number of identified ALE students enrolled during a school district's previous school year.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Advanced Placement Incentive (440) - This program 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 pays awards of up to \$50 to schools for each score of 3 or better on AP exams.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Alternative Pay (34K) - Act 847 of 2007 (A.C.A. §6-17-119) 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 students who have successfully completed the CPEP program. This program also utilizes assessment programs such as Explore, a program designed for 8th and 9th grade students planning to take the ACT; Plan, which is for 10th grade students and the Preliminary SAT/ National Merit Scholarship Qualifying Tests.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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) 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 remaining balance of funds once all payments have been made are then transferred to the Education Facilities Partnership Fund.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Master Principal Bonus (2ZM) - Act 44 of the 2nd Extraordinary Session of 2003 (A.C.A. §6-17-1601 et seq.) provided for incentive bonuses for principals achieving Master Principal status through the Arkansas Leadership Academy. It allows for \$9,000 annually for five years while serving as a full-time principal in a public school in Arkansas. The Act also provides for \$25,000 annually while working as a full time principal in an Arkansas “low-performing” school.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor’s Letters adopted and member amendments.

Leadership Academy - Master Principal (2ZK) - The Arkansas Leadership Academy is responsible for administering the Master School Principal Program. The program provides training 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor’s Letters adopted and member amendments.

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 (A.C.A. 6-20-601 et seq.) established 56 “isolated” school districts and set a per student dollar amount to be paid to each district.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor’s Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 \$15 for the State Police check and \$24 for the FBI.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Distressed School District Support (136) - The Arkansas Academic Distress Program is to improve the capacity of local school districts whose students are not achieving at academically desired levels through targeted assistance coordinated by the Department of Education (A.C.A §6-20-1901).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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(b)(3)(A) states that FY13 English language learners funding shall be \$305 for each identified English language learner.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Intervention Block Grants	5100004	227,000	227,000	302,000	302,000	227,000	302,000
Grants to School Districts	5100004	58,355	67,856	67,856	67,856	67,856	67,856
Tech Grants	5100004	3,599,689	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678
Non-Traditional Licensure	5100004	27,500	50,000	50,000	50,000	50,000	50,000
Economic Education	5100004	350,000	350,000	350,000	350,000	350,000	350,000
Better Chance Program	5100004	108,325,166	106,834,487	111,000,000	111,000,000	111,000,000	111,000,000
Add Public School Employee Ins	5100004	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Distance Learning Operations	5100004	6,963,319	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
Declining Enrollment	5100004	9,947,466	12,759,777	13,963,389	13,963,389	13,963,389	13,963,389
School Funding Contingency	5900046	0	0	25,000,000	25,000,000	25,000,000	25,000,000
School Food-Legislative Audit	5900046	269,720	75,000	75,000	75,000	75,000	75,000
School Food Services	5900046	1,650,000	0	1,650,000	1,650,000	0	1,650,000
School Worker Defense	5900046	127,094	0	390,000	390,000	0	390,000
Special Ed-Catastrophic	5900046	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Smart Start/Smart Step	5900046	8,457,160	8,457,160	10,666,303	10,666,303	8,457,160	10,666,303
Serious Offender	5900046	0	1,050,946	1,683,067	1,716,859	1,050,946	1,716,859
Prof Development Fund	5900046	23,146,436	23,709,798	23,709,798	24,244,209	23,171,500	24,244,209
Ntl Bd Prof Teaching Standards	5900046	8,650,746	9,106,160	10,516,160	12,016,160	9,106,160	12,016,160
National School Lunch	5900046	171,723,589	178,897,567	178,897,567	187,235,597	170,778,746	187,235,597
Public School Athletic Training Program	5900046	0	0	200,000	200,000	0	200,000
School Facility Joint Use	5900046	500,000	500,000	500,000	500,000	500,000	500,000
Residential Ctrs/Juv Detention	5900046	15,188,191	15,188,254	16,115,234	16,345,087	15,188,254	16,345,087
Public School Employee Ins	5900046	36,361,352	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600
Special Education Services	5900046	2,793,282	1,145,285	4,145,285	4,145,285	1,145,285	4,145,285
Teacher Recruitment	5900046	2,099,998	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Teacher of the Year	5900046	68,889	100,000	100,000	100,000	100,000	100,000
Teacher Licensing/Mentoring	5900046	4,376,203	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758
Teacher Retirement Matching	5900046	8,060,328	6,655,000	6,655,000	6,655,000	6,655,000	6,655,000
Youth Shelters	5900046	165,000	165,000	165,000	165,000	165,000	165,000
Workers' Compensation	5900046	237,644	450,000	450,000	450,000	450,000	450,000
Tech Improvements	5900046	466,570	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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Student Growth	5900046	31,634,876	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000
State Foundation Funding	5900046	1,812,845,186	1,858,834,526	1,858,834,526	1,904,969,759	1,813,597,668	1,904,969,759
Special Needs Isolated Funding	5900046	7,700,607	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Student Success Pilot	5900046	0	0	200,000	200,000	0	200,000
Surplus Commodities	5900046	0	780,000	780,000	780,000	780,000	780,000
Supplemental Transportation	5900046	0	0	500,000	500,000	0	500,000
Supplemental Millage	5900046	4,985,551	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Consolidation Incentive	5900046	9,413,982	4,358,183	9,415,127	9,415,127	9,415,127	9,415,127
Bonded Debt Assistance	5900046	17,133,399	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384
At-Risk Children & Youth	5900046	0	0	500,000	500,000	0	500,000
Content & Curriculum	5900046	0	50,000	50,000	50,000	50,000	50,000
Coord School Health	5900046	1,921,900	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Coop Education Tech Centers	5900046	0	0	1,200,000	1,200,000	0	1,200,000
Content Standards	5900046	69,524	161,000	161,000	161,000	161,000	161,000
Alternative Learning	5900046	21,019,743	21,149,603	21,149,603	21,775,797	20,529,609	21,775,797
Advanced Placement Incentive	5900046	825,000	825,000	825,000	825,000	825,000	825,000
98% URT Actual Collection Adj	5900046	22,433,883	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000
Alternative Pay	5900046	807,907	0	807,907	807,907	807,907	807,907
At Risk	5900046	576,884	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530
Assessment/End Course Testing	5900046	19,912,703	22,401,677	24,409,349	24,375,349	24,375,349	24,375,349
AR Easter Seals	5900046	193,113	193,113	193,113	193,113	193,113	193,113
Court Ordered Desegregation	5900046	70,589,689	0	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	1,085,381	1,085,381	1,085,381	1,085,381	1,085,381	1,085,381
General Facilities Funding	5900046	4,044,669	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
Master Principal Bonus	5900046	74,000	90,000	90,000	90,000	90,000	90,000
Leadership Acdmy-Mstr Principal	5900046	500,000	500,000	500,000	500,000	500,000	500,000
Isolated Funding	5900046	3,195,384	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000
Distance Learning	5900046	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000
Dept of Correction	5900046	5,597,675	5,597,675	5,881,973	6,024,799	5,597,675	6,024,799

Appropriation Summary

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Criminal Background Checks	5900046	866	25,000	25,000	25,000	25,000	25,000
Distressed School District Support	5900046	24,413	50,000	50,000	50,000	50,000	50,000
English Language Learners	5900046	10,143,571	11,115,341	11,115,341	12,162,924	10,144,383	12,162,924
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	15,488,458	15,623,079	16,248,000	16,897,920	15,623,079	16,897,920
Total		2,513,198,331	2,526,494,238	2,648,352,721	2,707,556,563	2,579,031,329	2,707,556,563

Funding Sources							
Fund Balance	4000005	40,604,967	60,211,366		46,085,183	46,085,183	46,085,183
Court Ordered Desegregation	4000180	70,573,767	0		69,814,372	69,814,372	69,814,372
DOE Public School Fund	4000195	1,836,958,501	1,890,449,588		1,944,172,249	1,840,478,170	1,944,172,249
E-Rate Credit	4000207	14,284	1,000,000		4,500,000	4,500,000	4,500,000
Educational Adequacy Fund	4000210	462,761,621	434,031,542		462,761,621	462,761,621	462,761,621
Educational Excellence Fund	4000220	180,391,692	189,591,925		179,182,166	179,182,166	179,182,166
M & R Sales	4000340	15,922	0		0	0	0
Miscellaneous Adjustments	4000345	5,807,702	0		0	0	0
TANF Transfer	4000478	11,500,000	7,500,000		7,500,000	7,500,000	7,500,000
Trnfr frm DOE Pub School Fund	4000525	(36,395,877)	(11,115,000)		(11,115,000)	(11,115,000)	(11,115,000)
Transit Tax	4000700	1,177,118	910,000		910,000	910,000	910,000
Unfunded Appropriation	4000715	0	0		44,663,575	25,000,000	44,663,575
Total Funding		2,573,409,697	2,572,579,421		2,748,474,166	2,625,116,512	2,748,474,166
Excess Appropriation/(Funding)		(60,211,366)	(46,085,183)		(40,917,603)	(46,085,183)	(40,917,603)
Grand Total		2,513,198,331	2,526,494,238		2,707,556,563	2,579,031,329	2,707,556,563

Due to pending court action the FY12 Budget does not reflect the \$69,814,372 in Court Ordered Desegregation funds.

ARKANSAS DEPARTMENT OF HEALTH

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HEALTH
FOR THE YEAR ENDED JUNE 30, 2010

Findings

Management did not retain all receipt documentation concerning the Vital Records Section, as required by the State's Record Retention Schedule. Although ADH uses a computerized system for receipting, manual receipts are available in case of system "down time." All manual receipt books used for the two-year period ended June 30, 2010, were destroyed. The number of receipt books destroyed was undeterminable because the master log of receipt books, which provides details of the books issued throughout the Agency, was incomplete.

Recommendations

Maintain original support documentation for audit purposes and destroy such documentation only upon approval of the Legislative Auditor.

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2010-2011		2011-2012		2011-2012		2012-2013					
	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	25,382	0	636,347	0	984,287	0	984,287	0	984,287	0	984,287	0
34C Rural Health Facilities	139,468	0	294,400	0	1,087,000	0	1,087,000	0	1,087,000	0	1,087,000	0
34D Emergency Medical Services	36,841	0	42,000	0	42,000	0	42,000	0	42,000	0	42,000	0
34E Rural Physician Incentives	40,000	0	37,516	0	990,000	0	990,000	0	990,000	0	990,000	0
34P Health Operations Paying	250,696,316	2,918	298,309,449	2,887	352,655,844	3,100	355,829,002	3,100	348,269,411	3,138	355,829,002	3,100
38D Nuclear Planning Grants	325,000	0	340,000	0	375,000	0	375,000	0	375,000	0	375,000	0
58H Birth Certificate Expenses	0	0	0	0	10,000	0	10,000	0	0	0	10,000	0
59T Trauma System	19,082,806	17	32,967,550	18	33,133,235	18	33,109,375	18	33,141,282	19	33,109,375	18
604 Tobacco Prevention & Cessation Programs	11,963,370	39	15,335,386	34	17,556,802	47	17,605,831	47	17,454,071	47	17,605,831	47
803 Health Building & Local Health Grant Trust	1,550,227	0	1,927,728	0	2,318,000	0	2,318,000	0	2,318,000	0	2,318,000	0
B72 WIC Food Instruments - Cash	66,411,997	0	74,539,274	0	100,774,497	0	100,774,497	0	100,774,497	0	100,774,497	0
B74 Breast Cancer - Cash	0	0	6,679	0	25,000	0	25,000	0	25,000	0	25,000	0
NOT REQUESTED FOR THE BIENNIUM												
38C Grants to Service Providers	17,432,033	0	0	0	0	0	0	0	0	0	0	0
Total	367,703,440	2,974	424,446,057	2,939	509,961,393	3,165	513,159,720	3,165	505,470,276	3,204	513,159,720	3,165

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	24,147,904	6.2	21,834,540	5.1	2,515,541	0.6	2,515,541	0.6	2,515,541	0.6
General Revenue	4000010	90,966,527	23.4	90,975,276	21.3	93,944,692	22.1	94,190,670	22.1	93,944,692	22.1
Federal Revenue	4000020	124,999,250	32.1	141,778,380	33.2	156,494,289	36.8	156,494,289	36.8	156,494,289	36.8
Special Revenue	4000030	2,222,123	0.6	2,289,292	0.5	3,998,716	0.9	3,998,716	0.9	3,998,716	0.9
Special Revenue Restricted	4000031	17,278,118	4.4	17,861,205	4.2	15,499,443	3.6	15,481,193	3.6	15,499,443	3.6
Cash Fund	4000045	7	0.0	0	0.0	6,872	0.0	6,872	0.0	6,872	0.0
Federal Funds-ARRA	4000244	1,232,739	0.3	2,123,475	0.5	7,257,978	1.7	7,257,978	1.7	7,257,978	1.7
General Improvement Fund	4000265	0	0.0	0	0.0	1,500,000	0.4	1,850,000	0.4	1,500,000	0.4
Manufacturer Rebate	4000341	19,420,773	5.0	23,310,554	5.5	24,079,635	5.7	24,079,635	5.7	24,079,635	5.7
Third Party Reimbursement	4000490	92,277,100	23.7	93,015,139	21.8	90,067,022	21.2	90,067,022	21.2	90,067,022	21.2
Tobacco Settlement	4000495	14,064,358	3.6	13,588,000	3.2	15,281,508	3.6	15,281,508	3.6	15,281,508	3.6
Transfer to Medicaid Match	4000660	(1,064,591)	(0.3)	(808,337)	(0.2)	(721,376)	(0.2)	(721,376)	(0.2)	(721,376)	(0.2)
Transfer to Operations	4000670	(145,249)	0.0	(156,316)	0.0	(109,917)	0.0	(109,917)	0.0	(109,917)	0.0
Transfers / Adjustments	4000683	(4,666,467)	(1.2)	(1,263,400)	(0.3)	(500,000)	(0.1)	(500,000)	(0.1)	(500,000)	(0.1)

Funding Sources		%		%		%		%		%
Various Program Support	4000730	8,805,388	2.3	22,413,790	5.2		15,706,242	3.7	15,706,242	3.7
Total Funds		389,537,980	100.0	426,961,598	100.0		425,020,645	100.0	425,598,373	100.0
Excess Appropriation/(Funding)		(21,834,540)		(2,515,541)			88,139,075		79,871,903	
Grand Total		367,703,440		424,446,057			513,159,720		505,470,276	

Fund transfer of \$145,249 to Operations by authority of A.C.A. 20-7-127 FC 803.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 106 - Emergency Medical Services & Trauma

Funding Sources: MES - EMS Enhancement Revolving Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Emerg Medical Srvs/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		9,728	9,728	9,728
Total Funding	0	9,728		9,728	9,728	9,728
Excess Appropriation/(Funding)	0	0		0	0	0
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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 167 - Information Technology Initiatives

Funding Sources: SHT - Health Department Technology Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Information Technology Initiatives	5900046	25,382	636,347	984,287	984,287	984,287	984,287
Total		25,382	636,347	984,287	984,287	984,287	984,287
Funding Sources							
Fund Balance	4000005	983,784	964,627		328,280	328,280	328,280
Transfers / Adjustments	4000683	6,225	0		0	0	0
Total Funding		990,009	964,627		328,280	328,280	328,280
Excess Appropriation/(Funding)		(964,627)	(328,280)		656,007	656,007	656,007
Grand Total		25,382	636,347		984,287	984,287	984,287

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 34C - Rural Health Facilities

Funding Sources: MRH - Rural Health Services Revolving Fund

Appropriation	2010-2011 Actual	2011-2012 Budget	2011-2012 Authorized	2012-2013		
				Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	139,468	294,400	1,087,000	1,087,000	1,087,000	1,087,000
Total	139,468	294,400	1,087,000	1,087,000	1,087,000	1,087,000
Funding Sources						
Fund Balance 4000005	433,868	294,400		0	0	0
General Improvement Fund 4000265	0	0		0	900,000	0
Total Funding	433,868	294,400		0	900,000	0
Excess Appropriation/(Funding)	(294,400)	0		1,087,000	187,000	1,087,000
Grand Total	139,468	294,400		1,087,000	1,087,000	1,087,000

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 34D - Emergency Medical Services

Funding Sources: MEM - Emergency Medical Services Revolving Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	36,841	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		36,841	42,000	42,000	42,000	42,000	42,000
Funding Sources							
Various Program Support	4000730	36,841	42,000		42,000	42,000	42,000
Total Funding		36,841	42,000		42,000	42,000	42,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		36,841	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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 34E - Rural Physician Incentives

Funding Sources: MRI - Rural Physician Incentives Revolving Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	40,000	37,516	990,000	990,000	990,000	990,000
Total	40,000	37,516	990,000	990,000	990,000	990,000
Funding Sources						
Fund Balance 4000005	117,516	77,516		40,000	40,000	40,000
General Improvement Fund 4000265	0	0		0	950,000	0
Total Funding	117,516	77,516		40,000	990,000	40,000
Excess Appropriation/(Funding)	(77,516)	(40,000)		950,000	0	950,000
Grand Total	40,000	37,516		990,000	990,000	990,000

Analysis of Budget Request

Appropriation: 34P - Health Operations Paying

Funding Sources: PHD - Administration Paying

The Department of Health is comprised of the Center for Health Protection, the Center for Health Advancement, the Center for Local Public Health, the Center for Public Health Practice, the Office of Minority Health and Health Disparities, the Arkansas Public Health Laboratory and Health Administration, which includes the Offices of the Director and Chief Financial Officer and the Office of System Technology. 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 healthcare 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 so they may remain at home instead of receiving extended hospitalization or nursing home placement.

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 Waterworks; 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 34P - Health Operations Paying

Funding Sources: PHD - Administration Paying

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	116,769,631	128,832,692	131,373,924	133,932,498	127,188,366	133,932,498
	#Positions	2,918	2,887	3,100	3,100	3,138	3,100
Extra Help	5010001	1,059,814	1,291,193	1,546,737	1,546,737	1,627,360	1,546,737
	#Extra Help	130	229	229	229	229	229
Personal Services Matching	5010003	37,136,699	42,499,147	42,056,353	42,576,395	41,613,950	42,576,395
Overtime	5010006	113,407	8,000	250,000	250,000	250,000	250,000
Operating Expenses	5020002	58,989,477	66,758,702	82,289,627	82,359,642	82,442,152	82,359,642
Conference & Travel Expenses	5050009	410,930	1,181,623	1,504,285	1,505,835	1,515,935	1,505,835
Professional Fees	5060010	33,186,304	33,854,344	57,070,160	57,070,160	57,070,160	57,070,160
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	0	21,526,973	27,791,897	27,791,897	27,791,897	27,791,897
Refunds/Reimbursements	5110014	6,739	11,613	11,613	11,613	11,613	11,613
Capital Outlay	5120011	1,790,580	522,722	1,500,000	1,500,000	1,500,000	1,500,000
Lead-Based Paint Hazard Prgm	5900046	0	0	0	18,250	0	18,250
ARRA 2009	5900052	1,232,735	1,822,440	7,261,248	7,265,975	7,257,978	7,265,975
Total		250,696,316	298,309,449	352,655,844	355,829,002	348,269,411	355,829,002

Funding Sources							
General Revenue	4000010	59,284,447	71,263,276		74,132,576	74,340,158	74,132,576
Federal Revenue	4000020	71,822,761	91,302,153		104,474,926	104,474,926	104,474,926
Special Revenue	4000030	1,151,874	1,190,476		2,948,799	2,948,799	2,948,799
Special Revenue Restricted	4000031	17,278,118	17,861,205		15,499,443	15,481,193	15,499,443
Federal Funds-ARRA	4000244	1,232,739	2,123,475		7,257,978	7,257,978	7,257,978
General Improvement Fund	4000265	0	0		1,500,000	0	1,500,000
Third Party Reimbursement	4000490	92,277,100	93,015,139		90,067,022	90,067,022	90,067,022
Transfer to Medicaid Match	4000660	(1,064,591)	(808,337)		(721,376)	(721,376)	(721,376)
Various Program Support	4000730	8,713,868	22,362,062		15,654,514	15,654,514	15,654,514
Total Funding		250,696,316	298,309,449		310,813,882	309,503,214	310,813,882
Excess Appropriation/(Funding)		0	0		45,015,120	38,766,197	45,015,120
Grand Total		250,696,316	298,309,449		355,829,002	348,269,411	355,829,002

The FY12 Budget amount in Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 38D - Nuclear Planning Grants

Funding Sources: SNP - Arkansas Nuclear Planning and Response Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	325,000	340,000	375,000	375,000	375,000	375,000
Total	325,000	340,000	375,000	375,000	375,000	375,000
Funding Sources						
Special Revenue 4000030	325,000	340,000		340,000	340,000	340,000
Total Funding	325,000	340,000		340,000	340,000	340,000
Excess Appropriation/(Funding)	0	0		35,000	35,000	35,000
Grand Total	325,000	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 through a state agency or a private non-profit organization, including but not limited to domestic violence and homeless shelters.

This appropriation has never been funded and the program has not been implemented. The funding was made payable from the Miscellaneous Agencies Fund Account.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 58H - Birth Certificate Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund Account

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Birth Certificate Expenses 5900046	0	0	10,000	10,000	0	10,000
Total	0	0	10,000	10,000	0	10,000
Funding Sources						
General Revenue 4000010	0	0		0	0	0
Total Funding	0	0		0	0	0
Excess Appropriation/(Funding)	0	0		10,000	0	10,000
Grand Total	0	0		10,000	0	10,000

Analysis of Budget Request

Appropriation: 59T - Trauma System

Funding Sources: BAA - Public Health Fund

The Trauma System appropriation provides for operations as established by Act 393 of 2009 (A.C.A. 20-13-801 et. seq.) in which the legislature created a comprehensive trauma care system under the auspices of the Department and Board of Health. This system provides guidelines for the care of trauma victims and is fully integrated with all available resources, including, but not limited to, existing emergency medical services providers, hospitals, or other health care providers that would like to participate in the program. Funding for this appropriation is 100% General Revenue.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 59T - Trauma System

Funding Sources: BAA - Public Health Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	701,841	1,018,682	989,174	996,935	1,019,260	996,935
	#Positions	17	18	18	18	19	18
Extra Help	5010001	0	0	75,000	75,000	75,000	75,000
	#Extra Help	0	0	2	2	2	2
Personal Services Matching	5010003	223,314	309,000	295,258	296,895	306,477	296,895
Operating Expenses	5020002	321,459	355,000	355,545	355,545	355,545	355,545
Conference & Travel Expenses	5050009	18,294	50,000	50,000	50,000	50,000	50,000
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	15,423	0	0	0	0	0
Trauma System Expenses	5900046	17,802,475	31,234,868	31,368,258	31,335,000	31,335,000	31,335,000
Total		19,082,806	32,967,550	33,133,235	33,109,375	33,141,282	33,109,375
Funding Sources							
Fund Balance	4000005	13,235,879	13,926,210		670,660	670,660	670,660
General Revenue	4000010	19,739,000	19,712,000		19,812,116	19,850,512	19,812,116
Transfers / Adjustments	4000683	34,137	0		0	0	0
Total Funding		33,009,016	33,638,210		20,482,776	20,521,172	20,482,776
Excess Appropriation/(Funding)		(13,926,210)	(670,660)		12,626,599	12,620,110	12,626,599
Grand Total		19,082,806	32,967,550		33,109,375	33,141,282	33,109,375

Fund transfers consist of Workers Comp transfer per A.C.A. 11-9-307 and transfers of General Revenue between appropriate funds per A.C.A. 19-5-106.

The FY12 Budget amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

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 - Prevention and Cessation Program Account).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 604 - Tobacco Prevention & Cessation Programs

Funding Sources: TSD - Tobacco Prevention & Cessation Program Account

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	1,673,532	1,604,341	2,087,069	2,123,256	2,010,293	2,123,256
	#Positions	39	34	47	47	47	47
Extra Help	5010001	21,812	50,000	75,000	75,000	75,000	75,000
	#Extra Help	2	4	4	4	4	4
Personal Services Matching	5010003	493,847	485,253	626,058	632,971	612,747	632,971
Operating Expenses	5020002	134,097	325,000	325,000	325,000	325,000	325,000
Conference & Travel Expenses	5050009	4,928	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	1,512,848	2,133,288	2,279,633	2,279,633	2,279,633	2,279,633
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Tobacco Prev & Cessation Exp	5900046	7,500,700	10,155,398	11,415,398	11,415,398	11,415,398	11,415,398
Exp Nutrition & Physical Activity	5900047	621,606	557,106	723,644	729,573	711,000	729,573
Total		11,963,370	15,335,386	17,556,802	17,605,831	17,454,071	17,605,831
Funding Sources							
Fund Balance	4000005	7,093,226	4,487,385		1,476,599	1,476,599	1,476,599
Tobacco Settlement	4000495	14,064,358	13,588,000		15,281,508	15,281,508	15,281,508
Transfers / Adjustments	4000683	(4,706,829)	(1,263,400)		(500,000)	(500,000)	(500,000)
Total Funding		16,450,755	16,811,985		16,258,107	16,258,107	16,258,107
Excess Appropriation/(Funding)		(4,487,385)	(1,476,599)		1,347,724	1,195,964	1,347,724
Grand Total		11,963,370	15,335,386		17,605,831	17,454,071	17,605,831

FY2011 transfers include \$500,000 to the Breast Cancer Control Fund per Act 950 of 2011, \$1,500,000 to the Department of Community Correction for the Drug Court Substance Abuse Treatment per A.C.A. 19-5-106 and \$1,000,000 to the Department of Human Services for the Juvenile Drug Court Treatment Program. Workers Comp transfers per A.C.A. 11-9-307 and various other transfers as allowed by A.C.A. 19-5-106. FY2012 transfers include \$500,000 to the Breast Cancer Control Fund per Act 950 of 2011 and various other transfers as allowed by A.C.A. 19-5-106.

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 proscribed 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 803 - Health Building & Local Health Grant Trust

Funding Sources: THL - Health Bldg and Local Grant Trust

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	1,550,227	1,927,728	2,318,000	2,318,000	2,318,000	2,318,000
Total		1,550,227	1,927,728	2,318,000	2,318,000	2,318,000	2,318,000
Funding Sources							
Fund Balance	4000005	2,275,455	1,325,228		0	0	0
Special Revenue	4000030	745,249	758,816		709,917	709,917	709,917
Transfer to Operations	4000670	(145,249)	(156,316)		(109,917)	(109,917)	(109,917)
Total Funding		2,875,455	1,927,728		600,000	600,000	600,000
Excess Appropriation/(Funding)		(1,325,228)	0		1,718,000	1,718,000	1,718,000
Grand Total		1,550,227	1,927,728		2,318,000	2,318,000	2,318,000

Transfer 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: B72 - WIC Food Instruments - Cash

Funding Sources: 163 - Cash Funds

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
WIC Food Instruments	5900040	66,411,997	74,539,274	100,774,497	100,774,497	100,774,497	100,774,497
Total		66,411,997	74,539,274	100,774,497	100,774,497	100,774,497	100,774,497
Funding Sources							
Fund Balance	4000005	1,502	752,493		0	0	0
Federal Revenue	4000020	47,742,215	50,476,227		52,019,363	52,019,363	52,019,363
Manufacturer Rebate	4000341	19,420,773	23,310,554		24,079,635	24,079,635	24,079,635
Total Funding		67,164,490	74,539,274		76,098,998	76,098,998	76,098,998
Excess Appropriation/(Funding)		(752,493)	0		24,675,499	24,675,499	24,675,499
Grand Total		66,411,997	74,539,274		100,774,497	100,774,497	100,774,497

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: B74 - Breast Cancer - Cash

Funding Sources: 163 - Cash Funds

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
ADH Breast Cancer 5900046	0	6,679	25,000	25,000	25,000	25,000
Total	0	6,679	25,000	25,000	25,000	25,000
Funding Sources						
Fund Balance 4000005	6,674	6,681		2	2	2
Cash Fund 4000045	7	0		6,872	6,872	6,872
Total Funding	6,681	6,681		6,874	6,874	6,874
Excess Appropriation/(Funding)	(6,681)	(2)		18,126	18,126	18,126
Grand Total	0	6,679		25,000	25,000	25,000

Appropriation Summary

Appropriation: 38C - Grants to Service Providers

Funding Sources: PHG - Grants Paying

Appropriation	2010-2011 Actual	2011-2012 Budget	2011-2012 Authorized	2012-2013		
				Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	17,432,033	0	0	0	0	0
Total	17,432,033	0	0	0	0	0
Funding Sources						
General Revenue 4000010	11,943,080	0		0	0	0
Federal Revenue 4000020	5,434,274	0		0	0	0
Various Program Support 4000730	54,679	0		0	0	0
Total Funding	17,432,033	0		0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	17,432,033	0		0	0	0

Appropriation Grants to Service Providers was transferred to Health Operations Paying Commitment Item Grants and Aid by Act 1102 of 11.

Department Appropriation Summary - All DHS Divisions

Appropriation		Historical Data						Agency Request and Recommendations					
		2010-2011		2011-2012		2011-2012		2012-2013					
		Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
147	Special Olympics	167,757	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0
193	State Operations	19,764,077	0	20,046,817	0	26,995,487	0	26,995,487	0	21,747,988	0	26,995,487	0
196	Community Mental Health Centers	8,663,532	0	8,602,384	0	8,780,603	0	8,780,603	0	8,602,384	0	8,780,603	0
1DE	Various Building Construction	2,723,676	0	7,688,100	0	7,688,100	0	7,688,100	0	7,688,100	0	7,688,100	0
1DK	Cty-Shelter Plus Care Program	1,702,930	0	1,851,390	0	1,874,574	0	1,930,811	0	1,930,811	0	1,930,811	0
1EN	Community Alcohol Safety	3,225,404	2	3,615,410	2	3,635,525	2	3,637,792	2	3,631,152	3	3,637,792	2
1ET	Alcohol & Drug Abuse Prevention	19,339,981	0	19,997,255	0	21,114,814	0	21,114,814	0	21,114,814	0	21,114,814	0
2MN	Mental Health Block Grant	6,205,765	0	5,951,312	0	6,068,799	0	6,068,799	0	6,068,799	0	6,068,799	0
2QZ	Community Based Sanctions	2,274,347	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	403,272	0	984,004	0	1,970,215	0	1,970,215	0	1,970,215	0	1,970,215	0
2RB	Community Services	12,073,317	0	17,753,893	0	20,502,140	0	20,502,140	0	17,502,140	0	20,502,140	0
2RC	Federal Child & Youth Service Grants	3,716,188	0	4,664,389	0	5,623,293	0	5,623,293	0	5,623,293	0	5,623,293	0
2YH	Residential Services	27,991,846	0	25,285,979	0	30,326,648	0	30,326,648	0	30,326,648	0	30,326,648	0
320	Child Care Development-Discretionary	18,587,553	0	22,643,890	0	21,469,372	0	21,469,372	0	21,469,372	0	21,469,372	0
35M	Ms. Senior Pageant	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	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	1,722,805	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	772,005	0	1,377,338	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0
409	Cty-Weatherization Program	19,906,387	0	29,190,069	0	13,898,049	0	8,000,000	0	8,000,000	0	8,000,000	0
410	Cty-Emergency Food Program	901,267	0	686,826	0	793,566	0	793,566	0	793,566	0	793,566	0
411	Cty-Low Income Energy Assistance Prgm	28,000,700	0	33,587,775	0	39,735,151	0	39,735,151	0	39,735,151	0	39,735,151	0
412	Cty-Refugee Resettlement Program	2,106	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
414	Consolidated Cost	653,850	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0
418	Meals on Wheels	2,511,829	0	2,400,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
426	Cty-Homeless Assistance Grant	6,965,404	0	3,545,000	0	4,345,000	0	1,445,000	0	1,445,000	0	1,445,000	0
4KS	Nursing Home Quality	149,576	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	36,343,177	108	21,619,313	0	21,619,313	0	0	0	0	0	0	0
59H	Hunger Coalition	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0
59J	Autism Treat/Coord	1,432,610	0	1,492,500	0	1,492,500	0	1,492,500	0	1,492,500	0	1,492,500	0
642	Medicaid Expansion-Aging	0	0	0	0	0	0	0	0	1,143,531	22	0	0
642	Medicaid Expansion-Medical Srvs	103,576	2	121,981	2	118,132	2	120,253	2	113,189	2	120,253	2
642	Medicaid Expansion-County Ops	1,146,287	24	2,886,045	60	2,765,472	60	2,781,886	60	1,622,397	39	2,781,886	60
648	Medicaid Exp-Prescription Drugs	2,054,567	0	3,393,491	0	4,230,636	0	5,367,414	0	5,367,414	0	5,367,414	0

Department Appropriation Summary - All DHS Divisions

Appropriation		Historical Data				Agency Request and Recommendations							
		2010-2011		2011-2012		2011-2012		2012-2013		2012-2013		2012-2013	
		Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
648	Medicaid Exp-Hospital & Medical Services	46,531,955	0	66,916,252	0	74,770,861	0	93,463,577	0	93,463,577	0	93,463,577	0
653	DDS-State Operations	6,969,456	0	7,944,834	0	9,328,003	0	7,099,242	0	7,099,242	0	7,099,242	0
655	Acute Mental Health Services-Per Capita	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0
657	Community Programs	44,276	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
658	Grants to Community Providers	15,793,573	0	15,892,045	0	16,971,245	0	18,590,045	0	15,892,045	0	18,590,045	0
86V	Autism Treatment	0	0	20,000	0	20,000	0	20,000	0	0	0	20,000	0
876	Nursing Home Closure Costs	23,800	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	1,442,950	0	1,341,305	0	1,341,305	0	1,341,305	0	1,341,305	0	1,341,305	0
883	Foster Care	26,290,426	0	23,815,859	0	23,815,859	0	23,815,859	0	23,815,859	0	23,815,859	0
890	Food Program	51,678,271	0	52,291,250	0	52,291,250	0	52,291,250	0	52,291,250	0	52,291,250	0
896	Director's Office	1,138,991	9	1,099,629	6	1,099,629	6	1,094,845	6	1,343,036	9	1,094,845	6
896	Office of Chief Counsel	10,524,935	171	11,788,912	168	11,609,241	168	11,845,901	168	11,535,748	175	11,845,901	168
896	Division of Aging & Adult Services	13,768,958	199	14,165,532	167	16,546,171	204	16,798,389	204	16,090,576	204	16,798,389	204
896	Division of Children & Family Services	70,318,583	1,108	71,875,505	988	82,171,688	1,166	83,223,135	1,166	79,391,909	1,175	83,223,135	1,166
896	Division of Child Care/Early Childhood	15,965,106	167	18,028,403	171	17,780,570	171	17,941,107	171	18,249,432	187	17,941,107	171
896	Division of Behavioral Health Services	87,397,839	1,124	91,585,801	1,014	102,201,103	1,156	103,833,404	1,156	101,464,448	1,165	103,833,404	1,156
896	Division of Medical Services	23,170,819	317	25,694,218	303	26,367,097	333	26,734,182	333	25,639,564	333	26,734,182	333
896	Division of County Operations	113,921,182	1,890	127,435,073	1,820	126,853,213	1,889	127,025,429	1,882	121,886,141	1,882	127,025,429	1,882
896	Division of Administrative Services	28,253,586	307	29,579,440	272	34,318,749	338	34,556,971	338	33,319,663	355	34,556,971	338
896	Division of Developmental Disabilities Svcs	133,426,755	2,691	133,676,482	2,382	155,323,121	2,725	157,484,805	2,725	150,427,520	2,725	157,484,805	2,725
896	Division of Services for the Blind	4,537,233	85	6,228,659	74	6,256,596	74	6,123,217	74	5,928,680	74	6,123,217	74
896	Community Svcs/Non-Profit Support	1,378,976	24	1,514,579	24	1,489,683	24	1,515,165	24	1,572,014	24	1,515,165	24
896	Division of Youth Services	7,161,433	87	7,584,031	66	11,561,316	88	11,635,560	88	11,397,014	161	11,635,560	88
897	ARKIDS B Program	97,220,615	0	104,985,342	0	115,642,425	0	118,873,417	0	118,873,417	0	118,873,417	0
897	Hospital & Medical Services	3,087,380,870	0	3,435,007,323	0	3,610,690,170	0	3,818,425,306	0	3,776,570,716	0	3,818,425,306	0
897	Prescription Drugs	308,632,856	0	342,885,205	0	378,738,146	0	385,275,742	0	385,275,742	0	385,275,742	0
897	Private Nursing Home Care	581,966,392	0	622,174,854	0	639,794,311	0	670,810,091	0	670,810,091	0	670,810,091	0
897	TANF Block Grant	17,991,813	0	20,715,000	0	24,565,650	0	24,565,650	0	24,565,650	0	24,565,650	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	23,264,484	0	26,359,437	0	26,359,437	0	26,359,437	0	26,359,437	0	26,359,437	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	14,814,417	0	9,349,869	0	9,437,390	0	9,437,390	0	9,437,390	0	9,437,390	0

Department Appropriation Summary - All DHS Divisions

		Historical Data				Agency Request and Recommendations							
Appropriation		2010-2011		2011-2012		2011-2012		2012-2013					
		Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
898	Delta Service Corps Grants	2,248,044	0	2,277,344	0	2,410,704	0	2,410,704	0	2,410,704	0	2,410,704	0
898	Infant Infirmary	22,294,448	0	23,243,134	0	25,389,673	0	26,100,584	0	26,100,584	0	26,100,584	0
898	Nursing Home Care Alternatives	6,267,047	0	6,193,872	0	6,193,872	0	6,193,872	0	6,193,872	0	6,193,872	0
898	Nutrition Program	8,491,583	0	10,624,649	0	11,424,649	0	11,424,649	0	11,424,649	0	11,424,649	0
898	Older Worker Program Grants	1,052,664	0	1,052,664	0	1,593,644	0	1,641,453	0	1,052,664	0	1,641,453	0
898	Project Grants	11,493,341	0	11,247,528	0	14,331,764	0	14,331,764	0	14,331,764	0	14,331,764	0
898	Public Nursing Home Care	171,710,433	0	194,481,194	0	224,482,374	0	235,116,182	0	221,982,063	0	235,116,182	0
898	Purchase of Services	2,851,825	0	3,493,558	0	3,393,558	0	3,784,558	0	3,784,558	0	3,784,558	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	5,000,000	0	5,000,000	0	6,746,003	0	7,147,584	0	5,000,000	0	7,147,584	0
898	TANF/Foster Care	41,942,072	0	40,291,976	0	40,291,976	0	40,291,976	0	42,271,111	0	40,291,976	0
929	Child Care-Treasury Paying	0	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0
930	Cty-Commodity Distrib & Salvage Container	122,120	0	97,990	0	275,586	0	274,086	0	274,086	0	274,086	0
935	Community Srv/Non-Profit Support - Cash in Treasury	6,028	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
937	Canteen - Cash in Treasury	154,625	0	174,048	0	174,048	0	174,048	0	174,048	0	174,048	0
938	Patient Benefits-Cash in Treasury	47,080	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	77,444	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	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		5,301,068,501	8,314	5,823,999,824	7,519	6,180,117,541	8,406	6,435,933,797	8,399	6,347,448,105	8,535	6,435,933,797	8,399

Funding Sources			%		%		%		%		%
Fund Balance	4000005	6,687,128	0.1	5,442,393	0.1	308,540	0.0	308,540	0.0	308,540	0.0
General Revenue	4000010	1,012,219,360	19.1	1,014,368,936	17.4	1,231,815,383	21.2	1,287,351,559	21.4	1,231,815,383	21.2
Federal Revenue	4000020	3,488,019,920	65.7	3,854,619,176	66.2	3,858,176,946	66.3	4,021,766,799	66.7	3,858,176,946	66.3
Special Revenue	4000030	64,276	0.0	324,275	0.0	324,275	0.0	324,275	0.0	324,275	0.0
Cash Fund	4000045	329,853	0.0	686,575	0.0	862,671	0.0	842,671	0.0	862,671	0.0
Trust Fund	4000050	576,648	0.0	239,521,167	4.1	176,267,215	3.0	176,267,215	2.9	176,267,215	3.0
Merit Adjustment Fund	4000055	0	0.0	5,711,028	0.1	0	0.0	0	0.0	0	0.0
Cigarette Tax	4000140	2,511,829	0.0	2,400,000	0.0	3,000,000	0.1	3,000,000	0.0	3,000,000	0.1
Drug Rebates	4000200	29,700,793	0.6	33,779,200	0.6	26,279,090	0.5	26,279,090	0.4	26,279,090	0.5
Federal Funds-ARRA	4000244	336,888,700	6.3	26,686,124	0.5	125,000	0.0	125,000	0.0	125,000	0.0

Funding Sources			%		%		%		%		%		
Hospital Assessment Fee	4000281	32,707,325	0.6	75,319,119	1.3			38,881,700	0.7	38,881,700	0.6	38,881,700	0.7
ICF/MR Provider Fee	4000282	8,716,135	0.2	15,206,865	0.3			10,002,390	0.2	10,002,390	0.2	10,002,390	0.2
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	66,495,033	1.3	69,200,015	1.2			71,628,346	1.2	71,628,346	1.2	71,628,346	1.2
Reallocation of Resources	4000410	0	0.0	0	0.0			0	0.0	0	0.0	0	0.0
Refunds	4000415	3,658,858	0.1	2,791,366	0.0			2,950,000	0.1	2,950,000	0.0	2,950,000	0.1
Reimbursement	4000425	37,822,118	0.7	24,273,560	0.4			7,479,560	0.1	7,479,560	0.1	7,479,560	0.1
Tobacco Settlement	4000495	12,841,929	0.2	22,354,114	0.4			56,349,001	1.0	56,321,262	0.9	56,349,001	1.0
Transfer From DWS	4000527	728,500	0.0	0	0.0			0	0.0	0	0.0	0	0.0
Transfer to Ar Pub Defender	4000603	(86,467)	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	(11,553,252)	(0.2)	(11,950,317)	(0.2)			(11,650,317)	(0.2)	(11,650,317)	(0.2)	(11,650,317)	(0.2)
Transfer to State Police	4000675	(1,689,311)	0.0	(1,699,208)	0.0			(1,699,208)	0.0	(1,699,208)	0.0	(1,699,208)	0.0
Various Program Support	4000730	280,156,519	5.3	445,798,976	7.7			344,713,641	5.9	338,380,048	5.6	344,713,641	5.9
Total Funds		5,306,510,894	100.0	5,824,308,364	100.0			5,815,289,233	100.0	6,028,033,930	100.0	5,815,289,233	100.0
Excess Appropriation/(Funding)		(5,442,393)		(308,540)				620,644,564		319,414,175		620,644,564	
Grand Total		5,301,068,501		5,823,999,824				6,435,933,797		6,347,448,105		6,435,933,797	

Chief Counsel (896) FY12 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.
Aging and Adult Services (642) Executive Recommendation does not provide for this appropriation in the 2011-2013 biennium.
Child Care (896) Budgeted amount in Regular Salaries and Personal Services Matching exceeds the FY12 Authorized amount due to salary and matching rate adjustments as well as the 27th pay period.
Child Care (320) Budgeted amount in Child Care Dev-Discretionary - ARRA 2009 exceeds the FY12 Authorized amount due to a transfer from the Miscellaneous Federal Grant Holding Account.
Medical Services (642) FY12 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.
Services for the Blind (896) FY12 Budgeted amount in Personal Services Matching exceeds the FY12 authorized amount due to matching rate adjustments.
Services for the Blind (898) Budget exceeds Authorized Appropriation due to transfers from the Miscellaneous Federal Grant Holding Account.
Community Services (896) FY12 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.
County Operations (642; 896) FY12 Budgeted amount in Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.
County Operations (409; 896) Budget exceeds Authorized Appropriation due to transfers from the Miscellaneous Federal Grant Holding Account.

DHS - Director's Office/Office Of Chief Counsel

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2010

Findings

The **Office of Financial Management** exhibited the following internal control deficiencies related to bank accounts:

- A review of Foster Care Trust Fund activity revealed the Agency failed to maintain a listing of individual client balances that could be reconciled to the ending bank and investment balances.
- A review of local cash assistance county accounts revealed that Baxter County failed to maintain supporting documentation for disbursements and Poinsett County did not use prenumbered receipt books issued by DHS Office of Financial Management.
- Arkansas State Hospital (ASH) failed to reconcile its Patient Money Fund client ledger to the ending bank account balance. ASH has since implemented procedures to reconcile the client ledger to the bank account.

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

A review of Agency receipting and deposit procedures revealed that **Division of County Operations (DCO) - Commodity Distribution, Division of Disabilities Services (DDS), Division of Children and Family Services - Adoption Registry, and Division of Services for the Blind (DSB)** exhibited inadequate management oversight and internal controls of cash receipts, which contributed to the following deficiencies:

- DCO, DDS, and DSB did not properly receipt monies when received. The DHS Administrative Procedures states that all monies should be receipted in prenumbered receipt books or an approved cash receipts log. None of these divisions followed these procedures.

Recommendations

Review and follow the required procedures as set out in the DHS Administrative Procedures Manual and the State Financial Management Guide.

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 OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2010

Findings

- The Division of Children and Family Services - Adoption Registry did not submit timely receipts for deposit.

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

A review of capital assets revealed that the **Office of Financial Management** exhibited inadequate management oversight and internal controls over capital assets, which contributed to the following deficiencies:

- Sixty-four capital equipment items valued at \$184,163, out of a sample of 552 capital equipment items valued at \$2,219,844, could not be located for observation. Of these, six were telephone systems valued at \$98,288 that had been replaced but not removed from capital asset records.
- The Agency did not adequately tag all capital assets to ensure proper identification. Twenty-two items valued at \$56,082 were located but could not be matched to records.

Stronger internal controls and adequate management oversight would ensure proper accountability of capital assets.

Recommendations

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

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Recommendations					
	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
896 Director's Office	1,138,991	9	1,099,629	6	1,099,629	6	1,094,845	6	1,343,036	9	1,094,845	6
896 Office of Chief Counsel	10,524,935	171	11,788,912	168	11,609,241	168	11,845,901	168	11,535,748	175	11,845,901	168
Total	11,663,926	180	12,888,541	174	12,708,870	174	12,940,746	174	12,878,784	184	12,940,746	174

Funding Sources		%		%		%		%		%	
General Revenue	4000010	4,097,271	35.1	4,097,271	31.8	4,307,905	33.3	4,168,923	32.8	4,307,905	33.3
Federal Revenue	4000020	5,531,684	47.4	6,159,741	47.8	6,483,950	50.1	5,706,483	44.9	6,483,950	50.1
Merit Adjustment Fund	4000055	0	0.0	206,982	1.6	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	51,633	0.4	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	1,983,338	17.0	2,424,547	18.8	2,148,891	16.6	2,825,451	22.2	2,148,891	16.6
Total Funds		11,663,926	100.0	12,888,541	100.0	12,940,746	100.0	12,700,857	100.0	12,940,746	100.0
Excess Appropriation/(Funding)		0		0		0		177,927		0	
Grand Total		11,663,926		12,888,541		12,940,746		12,878,784		12,940,746	

Chief Counsel (896) FY12 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

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 7,200 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 is involved in virtually every facet of life in the state. 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 are as follows:

- General Counsel Section provides legal assistance on administrative, litigation pertaining to delivery of services, program administration, personnel, civil rights and overpayment collections.

- Child and Adult Protection Section provides legal support in all counties and provides assistance primarily in areas of child welfare and adult protective services. Attorneys also provide assistance in Family In Need of Services (FINS) cases when the children are placed in foster care and assisting the Division of Youth Services in transitioning youth from their facilities when they cannot return home.
- Appeals and Hearings administers the appeal process on adverse actions which include those related to all categories of Medicaid, TANF, Child Maltreatment.
- Audit Section 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 Investigations is responsible for investigating and referring for prosecution allegations of recipient fraud or intentional program violation (IPV) 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 unit also conducts investigations of suspected Food Stamp trafficking by both recipients and retailers, and/or program divisions with investigations involving service providers who contract with the agency to perform services for a defined recipient population. The Internal Affairs section of the unit conducts investigations involving allegations of internal misconduct.

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's cost allocation plan. Other funding which is indicated as various program support can also include sources such as federal awards, fees, Fraud/Courts overpayment receipts 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	8,041,690	8,649,962	8,578,684	8,771,879	8,668,586	8,771,879
	#Positions	180	174	174	174	184	174
Extra Help	5010001	40,413	200,348	200,348	200,348	200,348	200,348
	#Extra Help	6	6	10	10	10	10
Personal Services Matching	5010003	2,449,961	2,739,349	2,630,956	2,669,637	2,710,968	2,669,637
Operating Expenses	5020002	1,086,665	1,243,110	1,243,110	1,243,110	1,243,110	1,243,110
Conference & Travel Expenses	5050009	20,504	32,472	32,472	32,472	32,472	32,472
Professional Fees	5060010	810	11,000	11,000	11,000	11,000	11,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	14,546	0	0	0	0	0
Data Processing Services	5900044	9,337	12,300	12,300	12,300	12,300	12,300
Total		11,663,926	12,888,541	12,708,870	12,940,746	12,878,784	12,940,746
Funding Sources							
General Revenue	4000010	4,097,271	4,097,271		4,307,905	4,168,923	4,307,905
Federal Revenue	4000020	5,531,684	6,159,741		6,483,950	5,706,483	6,483,950
Merit Adjustment Fund	4000055	0	206,982		0	0	0
Reallocation of Resources	4000410	51,633	0		0	0	0
Various Program Support	4000730	1,983,338	2,424,547		2,148,891	2,825,451	2,148,891
Total Funding		11,663,926	12,888,541		12,940,746	12,700,857	12,940,746
Excess Appropriation/(Funding)		0	0		0	177,927	0
Grand Total		11,663,926	12,888,541		12,940,746	12,878,784	12,940,746

The FY12 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

DHS - Administrative Services

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2010

Findings

Recommendations

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

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2011
Required by A.C.A. 25-36-104

AGENCY: 0710 DHS - Administrative Services

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Andrea Goodman	\$39,600	X					
Arkansas Health Care Personnel Inc	\$27,263				X		
Flemco of Arkansas	\$375,507				X		
Stoney Developers	\$2,611,168	X					
United Family Services	\$1,560,050	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>5</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$13,849,469</u>
% OF MINORITY CONTRACTS AWARDED	<u>33.31 %</u>

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1DE Various Building Construction	2,723,676	0	7,688,100	0	7,688,100	0	7,688,100	0	7,688,100	0	7,688,100	0
414 Consolidated Cost	653,850	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0
896 Division of Administrative Services	28,253,586	307	29,579,440	272	34,318,749	338	34,556,971	338	33,319,663	355	34,556,971	338
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
NOT REQUESTED FOR THE BIENNIUM												
58G ARRA of 2009	36,343,177	108	21,619,313	0	21,619,313	0	0	0	0	0	0	0
Total	67,974,289	415	59,968,086	272	64,707,395	338	43,326,304	338	42,088,996	355	43,326,304	338

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	6,687,128	9.1	5,442,393	9.0	308,540	0.8	308,540	0.8	308,540	0.8
General Revenue	4000010	11,031,265	15.0	11,086,659	18.4	11,442,182	28.3	11,655,175	29.1	11,442,182	28.3
Federal Revenue	4000020	11,786,210	16.1	11,322,438	18.8	15,111,512	37.4	14,665,506	36.7	15,111,512	37.4
Cash Fund	4000045	0	0.0	120,000	0.2	120,000	0.3	120,000	0.3	120,000	0.3
Merit Adjustment Fund	4000055	0	0.0	356,473	0.6	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA	4000244	0	0.0	0	0.0	25,000	0.1	25,000	0.1	25,000	0.1
Reallocation of Resources	4000410	(6,958)	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reimbursement	4000425	37,822,118	51.5	24,173,560	40.1	7,379,560	18.3	7,379,560	18.5	7,379,560	18.3
Various Program Support	4000730	6,096,919	8.3	7,775,103	12.9	5,992,009	14.8	5,837,060	14.6	5,992,009	14.8
Total Funds		73,416,682	100.0	60,276,626	100.0	40,378,803	100.0	39,990,841	100.0	40,378,803	100.0
Excess Appropriation/(Funding)		(5,442,393)		(308,540)		2,947,501		2,098,155		2,947,501	
Grand Total		67,974,289		59,968,086		43,326,304		42,088,996		43,326,304	

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 1DE - Various Building Construction

Funding Sources: DHR - Human Services Renovation Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Construction	5090005	2,723,676	7,688,100	7,688,100	7,688,100	7,688,100	7,688,100
Total		2,723,676	7,688,100	7,688,100	7,688,100	7,688,100	7,688,100
Funding Sources							
Fund Balance	4000005	6,687,128	5,442,393		308,540	308,540	308,540
Reimbursement	4000425	1,478,941	2,554,247		7,379,560	7,379,560	7,379,560
Total Funding		8,166,069	7,996,640		7,688,100	7,688,100	7,688,100
Excess Appropriation/(Funding)		(5,442,393)	(308,540)		0	0	0
Grand Total		2,723,676	7,688,100		7,688,100	7,688,100	7,688,100

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, as 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 414 - Consolidated Cost

Funding Sources: MCC - Consolidated Cost Revolving Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	653,850	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		653,850	821,500	821,500	821,500	821,500	821,500
Funding Sources							
Various Program Support	4000730	653,850	821,500		821,500	821,500	821,500
Total Funding		653,850	821,500		821,500	821,500	821,500
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		653,850	821,500		821,500	821,500	821,500

Revenue transferred based on Cost Allocation derived from the program 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: 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 improved communications, cooperation and coordination between administrative functions and decreased 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 contract and grant obligated funds, management of state owned/leased property, construction and maintenance, payroll, accounts payable, budget/banking, cost accounting/research and statistics, reporting and forecasting, funds and grants management and accounts receivable.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	11,316,914	11,736,085	14,100,311	14,358,321	13,323,966	14,358,321
	#Positions	307	272	338	338	355	338
Extra Help	5010001	23,516	64,480	64,480	64,480	64,480	64,480
	#Extra Help	5	20	20	20	20	20
Personal Services Matching	5010003	3,627,430	3,878,405	4,641,803	4,695,491	4,492,538	4,695,491
Overtime	5010006	0	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	2,378,030	2,897,567	3,104,383	3,104,383	3,104,383	3,104,383
Conference & Travel Expenses	5050009	26,584	20,000	20,000	20,000	20,000	20,000
Professional Fees	5060010	8,936,843	9,005,303	10,385,172	10,311,696	10,311,696	10,311,696
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Data Processing Services	5900044	1,944,269	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600
ARRA of 2009	5900052	0	0	25,000	25,000	25,000	25,000
Total		28,253,586	29,579,440	34,318,749	34,556,971	33,319,663	34,556,971
Funding Sources							
General Revenue	4000010	11,031,265	11,086,659		11,442,182	11,655,175	11,442,182
Federal Revenue	4000020	11,786,210	11,182,705		14,971,779	14,525,773	14,971,779
Merit Adjustment Fund	4000055	0	356,473		0	0	0
Federal Funds-ARRA	4000244	0	0		25,000	25,000	25,000
Reallocation of Resources	4000410	(6,958)	0		0	0	0
Various Program Support	4000730	5,443,069	6,953,603		5,170,509	5,015,560	5,170,509
Total Funding		28,253,586	29,579,440		31,609,470	31,221,508	31,609,470
Excess Appropriation/(Funding)		0	0		2,947,501	2,098,155	2,947,501
Grand Total		28,253,586	29,579,440		34,556,971	33,319,663	34,556,971

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	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 FY2011 and \$120,000 is budgeted in FY2012.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: C99 - Client Specific Emergency Services–Cash

Funding Sources: 120 - Client Specific Emergency Services-Cash

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	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

Appropriation Summary

Appropriation: 58G - ARRA of 2009

Funding Sources: PWP - Administration Paying

Appropriation	2010-2011 Actual	2011-2012 Budget	2011-2012 Authorized	2012-2013		
				Legislative Recommendation	Agency Request	Executive Recommendation
ARRA OF 2009 5900052	36,343,177	21,619,313	21,619,313	0	0	0
Total	36,343,177	21,619,313	21,619,313	0	0	0
Funding Sources						
Reimbursement 4000425	36,343,177	21,619,313		0	0	0
Total Funding	36,343,177	21,619,313		0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	36,343,177	21,619,313		0	0	0

APPROPRIATION NOT REQUESTED FOR FISCAL YEAR 2013

DHS - Community Srvs/Nonprofit Support

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2010

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					
	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
896 Community Svcs/Non-Profit Support	1,378,976	24	1,514,579	24	1,489,683	24	1,515,165	24	1,572,014	24	1,515,165	24
898 Delta Service Corps Grants	2,248,044	0	2,277,344	0	2,410,704	0	2,410,704	0	2,410,704	0	2,410,704	0
935 Community Srv/Non-Profit Support – Cash in Treasury	6,028	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
Total	3,633,048	24	3,803,923	24	3,912,387	24	3,937,869	24	3,994,718	24	3,937,869	24

Funding Sources		%		%		%		%		%
General Revenue 4000010	411,313	11.3	453,791	11.9	477,660	12.7	453,791	12.3	477,660	12.7
Federal Revenue 4000020	2,707,671	74.5	3,009,042	79.1	2,978,814	79.4	2,941,410	80.0	2,978,814	79.4
Cash Fund 4000045	6,028	0.2	12,000	0.3	12,000	0.3	12,000	0.3	12,000	0.3
Merit Adjustment Fund 4000055	0	0.0	22,891	0.6	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA 4000244	232,712	6.4	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support 4000730	275,324	7.6	306,199	8.0	284,395	7.6	270,180	7.3	284,395	7.6
Total Funds	3,633,048	100.0	3,803,923	100.0	3,752,869	100.0	3,677,381	100.0	3,752,869	100.0
Excess Appropriation/(Funding)	0		0		185,000		317,337		185,000	
Grand Total	3,633,048		3,803,923		3,937,869		3,994,718		3,937,869	

Community Services (896) FY12 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

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. Act 42 of 2011 changed the name from the Division of Volunteerism to the Division of Community Service and Nonprofit Support. The Division of Community Service & Nonprofit Support (DCSNS) strengthens community resources, volunteerism and national service in Arkansas. The Division has been offering training, technical assistance, and information to all Arkansans since 1974 and is the oldest state office of volunteerism in the nation. This is accomplished through various programs and community service activities.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	843,075	966,147	945,074	966,119	902,064	966,119
	#Positions	24	24	24	24	24	24
Personal Services Matching	5010003	283,120	324,393	310,679	315,116	303,683	315,116
Overtime	5010006	0	1,000	1,000	1,000	1,000	1,000
Operating Expenses	5020002	214,325	183,039	192,730	192,730	302,567	192,730
Conference & Travel Expenses	5050009	21,786	22,000	22,000	22,000	34,500	22,000
Professional Fees	5060010	9,540	9,800	10,000	10,000	20,000	10,000
Data Processing	5090012	0	0	0	0	0	0
Delta Service Corps Grants	5100004	2,015,332	2,277,344	2,410,704	2,410,704	2,410,704	2,410,704
Capital Outlay	5120011	0	0	0	0	0	0
Data Processing Services	5900044	7,130	8,200	8,200	8,200	8,200	8,200
Delta Srvs Corps Grants-ARRA	5900052	232,712	0	0	0	0	0
Total		3,627,020	3,791,923	3,900,387	3,925,869	3,982,718	3,925,869
Funding Sources							
General Revenue	4000010	411,313	453,791		477,660	453,791	477,660
Federal Revenue	4000020	2,707,671	3,009,042		2,978,814	2,941,410	2,978,814
Merit Adjustment Fund	4000055	0	22,891		0	0	0
Federal Funds-ARRA	4000244	232,712	0		0	0	0
Various Program Support	4000730	275,324	306,199		284,395	270,180	284,395
Total Funding		3,627,020	3,791,923		3,740,869	3,665,381	3,740,869
Excess Appropriation/(Funding)		0	0		185,000	317,337	185,000
Grand Total		3,627,020	3,791,923		3,925,869	3,982,718	3,925,869

The FY12 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

Analysis of Budget Request

Appropriation: 935 - Community Srv/Non-Profit Support – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

This appropriation provides the Division of Community Service and Nonprofit Support 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.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 935 - Community Srv/Non-Profit Support – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	6,028	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		6,028	12,000	12,000	12,000	12,000	12,000
Funding Sources							
Cash Fund	4000045	6,028	12,000		12,000	12,000	12,000
Total Funding		6,028	12,000		12,000	12,000	12,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		6,028	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, 2010

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	2010-2011		2011-2012		2011-2012		2012-2013					
	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	2,511,829	0	2,400,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
642 Medicaid Expansion-Aging	0	0	0	0	0	0	0	0	1,143,531	22	0	0
896 Division of Aging & Adult Services	13,768,958	199	14,165,532	167	16,546,171	204	16,798,389	204	16,090,576	204	16,798,389	204
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	6,267,047	0	6,193,872	0	6,193,872	0	6,193,872	0	6,193,872	0	6,193,872	0
898 Nutrition Program	8,491,583	0	10,624,649	0	11,424,649	0	11,424,649	0	11,424,649	0	11,424,649	0
898 Older Worker Program Grants	1,052,664	0	1,052,664	0	1,593,644	0	1,641,453	0	1,052,664	0	1,641,453	0
898 Project Grants	11,493,341	0	11,247,528	0	14,331,764	0	14,331,764	0	14,331,764	0	14,331,764	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	5,000,000	0	5,000,000	0	6,746,003	0	7,147,584	0	5,000,000	0	7,147,584	0
978 Senior Olympics	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0
Total	48,750,422	199	50,849,245	167	60,091,103	204	60,792,711	204	58,492,056	226	60,792,711	204

Funding Sources		%		%		%		%		%	
General Revenue	4000010	17,382,467	35.7	17,391,126	34.2	20,431,222	36.9	17,391,126	32.8	20,431,222	36.9
Federal Revenue	4000020	28,895,728	59.3	30,650,696	60.3	31,872,237	57.5	32,039,912	60.3	31,872,237	57.5
Merit Adjustment Fund	4000055	0	0.0	302,205	0.6	0	0.0	0	0.0	0	0.0
Cigarette Tax	4000140	2,511,829	5.2	2,400,000	4.7	3,000,000	5.4	3,000,000	5.6	3,000,000	5.4
Federal Funds-ARRA	4000244	94,817	0.2	0	0.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	(199,742)	(0.4)	0	0.0	0	0.0	0	0.0	0	0.0
Tobacco Settlement	4000495	0	0.0	0	0.0	0	0.0	571,766	1.1	0	0.0
Transfer to Medicaid Match	4000660	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)
Various Program Support	4000730	97,905	0.2	137,800	0.3	130,000	0.2	130,000	0.2	130,000	0.2
Total Funds		48,750,422	100.0	50,849,245	100.0	55,400,877	100.0	53,100,222	100.0	55,400,877	100.0
Excess Appropriation/(Funding)		0		0		5,391,834		5,391,834		5,391,834	
Grand Total		48,750,422		50,849,245		60,792,711		58,492,056		60,792,711	

Aging and Adult Services (642) Executive Recommendation does not provide for this appropriation in the 2011-2013 biennium.

Analysis of Budget Request

Appropriation: 35M - Ms. Senior Pageant

Funding Sources: DHP - Aging and Adult Services Fund Account

The Ms. Senior Pageant appropriation was first established by Act 1278 of 2007. 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 the pageant 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 35M - Ms. Senior Pageant

Funding Sources: DHP - Aging and Adult Services Fund Account

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 418 - Meals on Wheels

Funding Sources: DHP - Aging and Adult Services Fund Account

Appropriation	2010-2011 Actual	2011-2012 Budget	2011-2012 Authorized	2012-2013		
				Legislative Recommendation	Agency Request	Executive Recommendation
Transportation Services 5900046	2,511,829	2,400,000	3,000,000	3,000,000	3,000,000	3,000,000
Total	2,511,829	2,400,000	3,000,000	3,000,000	3,000,000	3,000,000
Funding Sources						
Cigarette Tax 4000140	2,511,829	2,400,000		3,000,000	3,000,000	3,000,000
Total Funding	2,511,829	2,400,000		3,000,000	3,000,000	3,000,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	2,511,829	2,400,000		3,000,000	3,000,000	3,000,000

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 Aging and Adult Services 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	0	0	0	0	623,457	0
	#Positions	0	0	0	0	22	0
Personal Services Matching	5010003	0	0	0	0	235,074	0
Operating Expenses	5020002	0	0	0	0	220,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	25,000	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Data Processing Services	5900044	0	0	0	0	40,000	0
Total		0	0	0	0	1,143,531	0
Funding Sources							
Federal Revenue	4000020	0	0		0	571,765	0
Tobacco Settlement	4000495	0	0		0	571,766	0
Total Funding		0	0		0	1,143,531	0
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		0	0		0	1,143,531	0

The Executive Recommendation does not provide for this appropriation in the 2011-2013 biennium.

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

The operations appropriation provides for the administration 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 protective services, advocacy for long-term care recipient rights, non-criminal legal assistance, 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 Community-Based Care and Nursing Home Alternative appropriations of DAAS encompass three programs: Alternatives, Assisted Living, and Eldercare. All three are Medicaid home and community-based programs that provide services to Arkansas residents of several age ranges.

- *Alternatives* provides attendant care and environmental modification services to individuals age 21 through 64 who meet the criteria for intermediate nursing home care. The individuals income should be less than 300% of poverty meet the resource limits for Medicaid. Those who qualify may also receive regular Medicaid Benefits
- *Assisted Living's* waiver program provides 24-hour supervision and supportive services, including limited nursing services in a congregate setting to persons aged 21 and older who have an income of no more than 300% of SSI and limited resources.
- *ElderChoices* provides in-home services to individuals 65 and over. These services are designed to delay or prevent institutionalization by maintaining, strengthening or restoring an eligible client's functioning in his or her own home, the home of a caregiver or foster facility. Services may include adult day care, adult day healthcare, adult foster care, chore, home delivered meals, homemaker services, personal emergency response system, and respite care.

DAAS's Nutrition Programs appropriation is designed to provide meals to clients who are age 60 or older (or spouse or disabled dependent of person age 60 or older), homebound, and unable to prepare nutritionally adequate meals, and living in an area where the meal can be delivered.

The Older Worker Program appropriation for DAAS provides for low-income persons age 55 and over who have poor employment prospects.

Program participants receive assignments at community and government agencies and are paid the federal or state minimum wage, whichever is higher. Participants may also receive assistance in developing job search skills and in locating a permanent job. Participants are placed in non-profit or public service type host agencies. They receive on-the-job training and work experience. During their training, participants work with their local Employment and Training Coordinator to achieve permanent part time or full time unsubsidized employment either at their host agency or with other employment sources in their area. Some of the benefits participants receive while in the program are: temporary paid work experience; improvement of marketable skills; development of new skills and an opportunity to establish a current work history.

The Retired and Senior Volunteer Program (RSVP) appropriation is part of the national, non-profit organization sponsored locally by one of eight regional programs. It provides people age 55 and older with an opportunity to use the skills they spent a lifetime acquiring, in meaningful volunteer activities. RSVP also conducts recognition events for members of the program as a means to recognize the people who donate their time and talents to help their Arkansas communities, providing an opportunity for our members to socialize with other active seniors.

The Senior Citizens Centers appropriation provides DAAS with local hubs for administering the many programs offered to the service areas covered by the more than 200 Centers across the state. They serve as resources for information and assistance regarding eligibility and applications, places of congregation, as well as offering RSVP opportunities.

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 which is indicated as various program support is derived from many sources including Disaster Assistance, Community Health Worker and State Income Tax Check Off funding.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	8,635,901	7,843,173	9,508,621	9,717,758	9,121,424	9,717,758
	#Positions	199	167	204	204	204	204
Extra Help	5010001	53,159	45,000	120,434	120,434	120,434	120,434
	#Extra Help	6	18	18	18	18	18
Personal Services Matching	5010003	2,709,980	2,521,770	2,966,495	3,009,576	2,898,097	3,009,576
Operating Expenses	5020002	2,123,064	3,010,735	3,189,106	3,189,106	3,189,106	3,189,106
Conference & Travel Expenses	5050009	66,205	135,100	135,100	135,100	135,100	135,100
Professional Fees	5060010	180,649	609,754	626,415	626,415	626,415	626,415
Data Processing	5090012	0	0	0	0	0	0
Project Grants	5100004	11,398,524	11,247,528	14,331,764	14,331,764	14,331,764	14,331,764
Retired & Sr Volunteer Prgm	5100004	75,000	75,000	75,000	75,000	75,000	75,000
Sr Citizen Centers	5100004	5,000,000	5,000,000	6,746,003	7,147,584	5,000,000	7,147,584
Older Wkrs Prgm Grant	5100004	1,052,664	1,052,664	1,593,644	1,641,453	1,052,664	1,641,453
Community Based Care	5100004	0	0	90,000	90,000	90,000	90,000
Nursing Hm Care Alternatives	5100004	6,267,047	6,193,872	6,193,872	6,193,872	6,193,872	6,193,872
Nutrition Programs	5100004	8,491,583	10,624,649	11,424,649	11,424,649	11,424,649	11,424,649
Capital Outlay	5120011	0	0	0	0	0	0
Project Grants-ARRA of 2009	5900052	94,817	0	0	0	0	0
Total		46,148,593	48,359,245	57,001,103	57,702,711	54,258,525	57,702,711
Funding Sources							
General Revenue	4000010	17,292,467	17,301,126		20,341,222	17,301,126	20,341,222
Federal Revenue	4000020	28,895,728	30,650,696		31,872,237	31,468,147	31,872,237
Merit Adjustment Fund	4000055	0	302,205		0	0	0
Federal Funds-ARRA	4000244	94,817	0		0	0	0
Reallocation of Resources	4000410	(199,742)	0		0	0	0
Transfer to Medicaid Match	4000660	(32,582)	(32,582)		(32,582)	(32,582)	(32,582)
Various Program Support	4000730	97,905	137,800		130,000	130,000	130,000
Total Funding		46,148,593	48,359,245		52,310,877	48,866,691	52,310,877
Excess Appropriation/(Funding)		0	0		5,391,834	5,391,834	5,391,834
Grand Total		46,148,593	48,359,245		57,702,711	54,258,525	57,702,711

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 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 978 - Senior Olympics

Funding Sources: DHP - Aging and Adult Services Fund Account

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	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, 2010

Findings

Recommendations

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

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2011
Required by A.C.A. 25-36-104

AGENCY: 0710 DHS - Children & Family Services

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Arkansas Spanish Interpreters	\$1,360,000		X				
Back to Basics Counseling Services	\$123,679	X					
Brenda L Baker	\$147,600				X		
Counseling & Education Center	\$1,812,187				X		
Janet Taylor	\$83,250				X		
Olde Tyme Tutors	\$115,000		X				
Suzanne Pipkin	\$471,880				X		

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 7

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$42,411,853

% OF MINORITY CONTRACTS AWARDED 9.52 %

Department Appropriation Summary

Appropriation		Historical Data						Agency Request and Recommendations					
		2010-2011		2011-2012		2011-2012		2012-2013					
		Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
882	State Residential Treatment	1,442,950	0	1,341,305	0	1,341,305	0	1,341,305	0	1,341,305	0	1,341,305	0
883	Foster Care	26,290,426	0	23,815,859	0	23,815,859	0	23,815,859	0	23,815,859	0	23,815,859	0
896	Division of Children & Family Services	70,318,583	1,108	71,875,505	988	82,171,688	1,166	83,223,135	1,166	79,391,909	1,175	83,223,135	1,166
898	TANF/Foster Care	41,942,072	0	40,291,976	0	40,291,976	0	40,291,976	0	42,271,111	0	40,291,976	0
Total		139,994,031	1,108	137,324,645	988	147,620,828	1,166	148,672,275	1,166	146,820,184	1,175	148,672,275	1,166
Funding Sources			%		%		%		%		%		%
General Revenue		4000010	49,455,370	35.3	49,511,800	36.1	51,386,327	37.2	49,968,716	37.1	51,386,327	37.2	
Federal Revenue		4000020	71,484,745	51.1	67,994,544	49.5	70,601,948	51.1	69,075,435	51.3	70,601,948	51.1	
Merit Adjustment Fund		4000055	0	0.0	817,894	0.6	0	0.0	0	0.0	0	0.0	
Federal Funds-ARRA		4000244	1,376,451	1.0	0	0.0	0	0.0	0	0.0	0	0.0	
Reallocation of Resources		4000410	(129,656)	(0.1)	0	0.0	0	0.0	0	0.0	0	0.0	
Refunds		4000415	3,658,858	2.6	2,791,366	2.0	2,950,000	2.1	2,950,000	2.2	2,950,000	2.1	
Transfer to Medicaid Match		4000660	0	0.0	(300,000)	(0.2)	0	0.0	0	0.0	0	0.0	
Transfer to State Police		4000675	(1,689,311)	(1.2)	(1,699,208)	(1.2)	(1,699,208)	(1.2)	(1,699,208)	(1.3)	(1,699,208)	(1.2)	
Various Program Support		4000730	15,837,574	11.3	18,208,249	13.3	14,847,799	10.8	14,264,708	10.6	14,847,799	10.8	
Total Funds			139,994,031	100.0	137,324,645	100.0	138,086,866	100.0	134,559,651	100.0	138,086,866	100.0	
Excess Appropriation/(Funding)			0		0		10,585,409		12,260,533		10,585,409		
Grand Total			139,994,031		137,324,645		148,672,275		146,820,184		148,672,275		

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 primarily general revenue (DCF - Children and Family Services Fund Account).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 882 - State Residential Treatment

Funding Sources: DCF - Children and Family Services Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	1,442,950	1,341,305	1,341,305	1,341,305	1,341,305	1,341,305
Total		1,442,950	1,341,305	1,341,305	1,341,305	1,341,305	1,341,305
Funding Sources							
General Revenue	4000010	1,341,564	1,336,305		1,341,305	1,341,305	1,341,305
Various Program Support	4000730	101,386	5,000		0	0	0
Total Funding		1,442,950	1,341,305		1,341,305	1,341,305	1,341,305
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		1,442,950	1,341,305		1,341,305	1,341,305	1,341,305

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 883 - Foster Care

Funding Sources: DCF - Children and Family Services Fund Account

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	26,290,426	23,815,859	23,815,859	23,815,859	23,815,859	23,815,859
Total		26,290,426	23,815,859	23,815,859	23,815,859	23,815,859	23,815,859
Funding Sources							
General Revenue	4000010	22,631,568	21,024,493		15,715,859	15,715,859	15,715,859
Refunds	4000415	3,658,858	2,791,366		2,950,000	2,950,000	2,950,000
Total Funding		26,290,426	23,815,859		18,665,859	18,665,859	18,665,859
Excess Appropriation/(Funding)		0	0		5,150,000	5,150,000	5,150,000
Grand Total		26,290,426	23,815,859		23,815,859	23,815,859	23,815,859

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

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 had been operating under a Child Welfare Reform Federal Consent Decree prior to 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	37,508,497	36,080,896	42,662,788	43,533,938	40,373,299	43,533,938
	#Positions	1,108	988	1,166	1,166	1,175	1,166
Extra Help	5010001	270,718	90,000	175,000	175,000	175,000	175,000
	#Extra Help	28	7	65	65	65	65
Personal Services Matching	5010003	12,427,713	12,183,787	14,560,846	14,741,143	14,070,556	14,741,143
Overtime	5010006	2,645	500	5,000	5,000	5,000	5,000
Operating Expenses	5020002	8,899,049	12,024,266	12,024,266	12,024,266	12,024,266	12,024,266
Conference & Travel Expenses	5050009	21,456	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	11,115,775	11,466,056	12,713,788	12,713,788	12,713,788	12,713,788
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	72,730	0	0	0	0	0
Total		70,318,583	71,875,505	82,171,688	83,223,135	79,391,909	83,223,135
Funding Sources							
General Revenue	4000010	14,435,105	15,232,486		22,322,069	20,836,078	22,322,069
Federal Revenue	4000020	42,454,228	40,081,084		42,417,066	40,779,798	42,417,066
Merit Adjustment Fund	4000055	0	817,894		0	0	0
Reallocation of Resources	4000410	(129,656)	0		0	0	0
Transfer to Medicaid Match	4000660	0	(300,000)		0	0	0
Transfer to State Police	4000675	(1,689,311)	(1,699,208)		(1,699,208)	(1,699,208)	(1,699,208)
Various Program Support	4000730	15,248,217	17,743,249		14,747,799	14,164,708	14,747,799
Total Funding		70,318,583	71,875,505		77,787,726	74,081,376	77,787,726
Excess Appropriation/(Funding)		0	0		5,435,409	5,310,533	5,435,409
Grand Total		70,318,583	71,875,505		83,223,135	79,391,909	83,223,135

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) and federal revenues. Federal revenues include Title IV-E Adoption Subsidies and Foster Care funding, Title IV-B Family Preservation Funding and an Adoption Opportunities Federal Grant.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	40,565,621	40,291,976	40,291,976	40,291,976	42,271,111	40,291,976
TANF/Foster Care-ARRA 2009	5900052	1,376,451	0	0	0	0	0
Total		41,942,072	40,291,976	40,291,976	40,291,976	42,271,111	40,291,976
Funding Sources							
General Revenue	4000010	11,047,133	11,918,516		12,007,094	12,075,474	12,007,094
Federal Revenue	4000020	29,030,517	27,913,460		28,184,882	28,295,637	28,184,882
Federal Funds-ARRA	4000244	1,376,451	0		0	0	0
Various Program Support	4000730	487,971	460,000		100,000	100,000	100,000
Total Funding		41,942,072	40,291,976		40,291,976	40,471,111	40,291,976
Excess Appropriation/(Funding)		0	0		0	1,800,000	0
Grand Total		41,942,072	40,291,976		40,291,976	42,271,111	40,291,976

DHS - Child Care/Early Childhood Education

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2010

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					
	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
320 Child Care Development-Discretionary	18,587,553	0	22,643,890	0	21,469,372	0	21,469,372	0	21,469,372	0	21,469,372	0
890 Food Program	51,678,271	0	52,291,250	0	52,291,250	0	52,291,250	0	52,291,250	0	52,291,250	0
896 Division of Child Care/Early Childhood	15,965,106	167	18,028,403	171	17,780,570	171	17,941,107	171	18,249,432	187	17,941,107	171
898 Child Care Grant/Aids	23,264,484	0	26,359,437	0	26,359,437	0	26,359,437	0	26,359,437	0	26,359,437	0
929 Child Care-Treasury Paying	0	0	187,537	0	187,537	0	187,537	0	187,537	0	187,537	0
Total	109,495,414	167	119,510,517	171	118,088,166	171	118,248,703	171	118,557,028	187	118,248,703	171

Funding Sources		%		%		%		%		%	
General Revenue	4000010	6,470,113	5.9	6,828,452	5.7	6,843,469	6.3	7,499,452	6.8	6,843,469	6.3
Federal Revenue	4000020	98,277,430	89.8	108,674,289	90.9	98,873,075	91.0	99,198,869	90.5	98,873,075	91.0
Special Revenue	4000030	20,000	0.0	274,275	0.2	274,275	0.3	274,275	0.3	274,275	0.3
Cash Fund	4000045	0	0.0	187,537	0.2	187,537	0.2	187,537	0.2	187,537	0.2
Federal Funds-ARRA	4000244	2,721,485	2.5	1,174,518	1.0	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	2,006,386	1.8	2,371,446	2.0	2,460,764	2.3	2,396,895	2.2	2,460,764	2.3
Total Funds		109,495,414	100.0	119,510,517	100.0	108,639,120	100.0	109,557,028	100.0	108,639,120	100.0
Excess Appropriation/(Funding)		0		0		9,609,583		9,000,000		9,609,583	
Grand Total		109,495,414		119,510,517		118,248,703		118,557,028		118,248,703	

Child Care (896) Budgeted amount in Regular Salaries and Personal Services Matching exceeds the FY12 Authorized amount due to salary and matching rate adjustments as well as the 27th pay period.
 Child Care (320) Budgeted amount in Child Care Dev-Discretionary - ARRA 2009 exceeds the FY12 Authorized amount due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 320 - Child Care Development-Discretionary

Funding Sources: FWF - DHS Federal

The Child Care and Development Block Grant (CCDF) consolidates childcare assistance programs and requires states to develop an integrated service delivery system to meet the needs of low income families. This appropriation is for the Discretionary category of funds. Specifically, these funds are targeted for low income working families and those transitioning 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 320 - Child Care Development-Discretionary

Funding Sources: FWF - DHS Federal

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	17,262,263	21,469,372	21,469,372	21,469,372	21,469,372	21,469,372
Child Care Dev-Discretionary - ARRA 2009	5900052	1,325,290	1,174,518	0	0	0	0
Total		18,587,553	22,643,890	21,469,372	21,469,372	21,469,372	21,469,372
Funding Sources							
Federal Revenue	4000020	17,262,263	21,469,372		18,469,372	18,469,372	18,469,372
Federal Funds-ARRA	4000244	1,325,290	1,174,518		0	0	0
Total Funding		18,587,553	22,643,890		18,469,372	18,469,372	18,469,372
Excess Appropriation/(Funding)		0	0		3,000,000	3,000,000	3,000,000
Grand Total		18,587,553	22,643,890		21,469,372	21,469,372	21,469,372

The FY12 Budgeted amount in Child Care Dev-Discretionary - ARRA 2009 exceeds the FY12 Authorized amount due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 890 - Food Program

Funding Sources: FWF - DHS Federal

The Child Care and Adult Food Program provides nutritious meals in public and non-profit licensed child care center, adult day care centers, day care homes and outside school hours centers. Private for-profit organizations may qualify if they receive payments under Title XX of the Social Security Act for at least 25% of their clients. Residential programs are not eligible for participation in this food program. The National School Lunch Program provides reimbursement to schools and licensed child care institutions serving lunches to eligible children. The Special Milk Program provides reimbursement to schools and non-profit child care institutions for serving milk to eligible children. The Summer Food Service Program reimburses organizations for providing nutritious meals and snacks to children during the summer months.

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

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 890 - Food Program

Funding Sources: FWF - DHS Federal

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	50,282,076	52,291,250	52,291,250	52,291,250	52,291,250	52,291,250
ARRA of 2009	5900052	1,396,195	0	0	0	0	0
Total		51,678,271	52,291,250	52,291,250	52,291,250	52,291,250	52,291,250
Funding Sources							
Federal Revenue	4000020	50,282,076	52,291,250		52,291,250	52,291,250	52,291,250
Federal Funds-ARRA	4000244	1,396,195	0		0	0	0
Total Funding		51,678,271	52,291,250		52,291,250	52,291,250	52,291,250
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		51,678,271	52,291,250		52,291,250	52,291,250	52,291,250

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

This appropriation provides administrative support for the Division of Child Care and Early Childhood Education (DCCECE). The purpose of DCCECE is to enhance the coordination of child care and early childhood education programs within Arkansas. The Division was created to accommodate the transfer of the Early Childhood Commission and the administrative component of the Arkansas Better Chance (ABC) Program from the Department of Education. Additionally, programs related to childcare within the Division of Children and Family Services (DCFS) were also transferred to the new Division, including day care eligibility, special nutrition and childcare licensing.

Funding for this appropriation consists of general revenue (DCC - Childcare and Early Childhood Education Fund Account), federal revenue and other 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	5,808,848	6,479,518	6,325,916	6,459,447	6,638,266	6,459,447
	#Positions	167	171	171	171	187	171
Extra Help	5010001	136,424	153,795	153,795	153,795	153,795	153,795
	#Extra Help	10	13	13	13	13	13
Personal Services Matching	5010003	1,972,038	2,234,034	2,139,803	2,166,809	2,296,315	2,166,809
Overtime	5010006	0	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	2,854,382	4,189,209	4,189,209	4,189,209	4,189,209	4,189,209
Conference & Travel Expenses	5050009	49,574	65,000	65,000	65,000	65,000	65,000
Professional Fees	5060010	3,414,951	4,901,847	4,901,847	4,901,847	4,901,847	4,901,847
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	13,476	0	0	0	0	0
ARRA of 2009	5900052	1,715,413	0	0	0	0	0
Total		15,965,106	18,028,403	17,780,570	17,941,107	18,249,432	17,941,107
Funding Sources							
General Revenue	4000010	522,458	563,454		578,471	1,234,454	578,471
Federal Revenue	4000020	13,436,262	15,093,503		14,292,289	14,618,083	14,292,289
Various Program Support	4000730	2,006,386	2,371,446		2,460,764	2,396,895	2,460,764
Total Funding		15,965,106	18,028,403		17,331,524	18,249,432	17,331,524
Excess Appropriation/(Funding)		0	0		609,583	0	609,583
Grand Total		15,965,106	18,028,403		17,941,107	18,249,432	17,941,107

The FY12 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the FY12 Authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	23,264,484	26,359,437	26,359,437	26,359,437	26,359,437	26,359,437
Total		23,264,484	26,359,437	26,359,437	26,359,437	26,359,437	26,359,437
Funding Sources							
General Revenue	4000010	5,947,655	6,264,998		6,264,998	6,264,998	6,264,998
Federal Revenue	4000020	17,296,829	19,820,164		13,820,164	13,820,164	13,820,164
Special Revenue	4000030	20,000	274,275		274,275	274,275	274,275
Total Funding		23,264,484	26,359,437		20,359,437	20,359,437	20,359,437
Excess Appropriation/(Funding)		0	0		6,000,000	6,000,000	6,000,000
Grand Total		23,264,484	26,359,437		26,359,437	26,359,437	26,359,437

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 929 - Child Care-Treasury Paying

Funding Sources: NHS - Cash in Treasury

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Loan Guarantee/Grants 5900046	0	187,537	187,537	187,537	187,537	187,537
Total	0	187,537	187,537	187,537	187,537	187,537
Funding Sources						
Cash Fund 4000045	0	187,537		187,537	187,537	187,537
Total Funding	0	187,537		187,537	187,537	187,537
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	187,537		187,537	187,537	187,537

DHS - Behavioral Health Services

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2010

Findings

Recommendations

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

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2011
Required by A.C.A. 25-36-104

AGENCY: 0710 DHS - Behavioral Health Services

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Annettes Nursing Service Inc	\$42,277,783				X		
Arkansas Healthcare Personnel Inc	\$46,557,154				X		
Arkansas Spanish Interpreters	\$39,767		X				
South Arkansas Youth Assoc	\$25,000	X					
Undre Brunson	\$199,680	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>5</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$90,134,987</u>
% OF MINORITY CONTRACTS AWARDED	<u>98.85 %</u>

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
193 State Operations	19,764,077	0	20,046,817	0	26,995,487	0	26,995,487	0	21,747,988	0	26,995,487	0
196 Community Mental Health Centers	8,663,532	0	8,602,384	0	8,780,603	0	8,780,603	0	8,602,384	0	8,780,603	0
1EN Community Alcohol Safety	3,225,404	2	3,615,410	2	3,635,525	2	3,637,792	2	3,631,152	3	3,637,792	2
1ET Alcohol & Drug Abuse Prevention	19,339,981	0	19,997,255	0	21,114,814	0	21,114,814	0	21,114,814	0	21,114,814	0
2MN Mental Health Block Grant	6,205,765	0	5,951,312	0	6,068,799	0	6,068,799	0	6,068,799	0	6,068,799	0
655 Acute Mental Health Services-Per Capita	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0
896 Division of Behavioral Health Services	87,397,839	1,124	91,585,801	1,014	102,201,103	1,156	103,833,404	1,156	101,464,448	1,165	103,833,404	1,156
937 Canteen - Cash in Treasury	154,625	0	174,048	0	174,048	0	174,048	0	174,048	0	174,048	0
938 Patient Benefits-Cash in Treasury	47,080	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
Total	150,431,596	1,126	155,681,320	1,016	174,678,672	1,158	176,313,240	1,158	168,511,926	1,168	176,313,240	1,158

Funding Sources		%		%		%		%		%
General Revenue 4000010	75,296,008	50.1	75,577,870	48.5	86,374,494	52.6	80,576,953	51.3	86,374,494	52.6
Federal Revenue 4000020	19,585,789	13.0	23,378,562	15.0	24,230,974	14.8	24,196,771	15.4	24,230,974	14.8
Cash Fund 4000045	201,705	0.1	249,048	0.2	249,048	0.2	249,048	0.2	249,048	0.2
Various Program Support 4000730	55,348,094	36.8	56,475,840	36.3	53,414,163	32.5	52,059,320	33.1	53,414,163	32.5
Total Funds	150,431,596	100.0	155,681,320	100.0	164,268,679	100.0	157,082,092	100.0	164,268,679	100.0
Excess Appropriation/(Funding)	0		0		12,044,561		11,429,834		12,044,561	
Grand Total	150,431,596		155,681,320		176,313,240		168,511,926		176,313,240	

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 14 of Act 1067 of 2011 sets the apportionment of funds on the basis of three dollars and six cents (\$3.06) per capita for the current biennium. Section 11 provides an Allocation Restrictions for the maximum allocation of funds per CMHC. Section 12 provides a methodology for changing the Allocation Restrictions maximum allocation in the event that unforeseen circumstances occur. Section 13 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 15 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.

This appropriation is a 100% general revenue payable appropriation (DBA - Mental Health Services Fund Account).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 196 - Community Mental Health Centers

Funding Sources: DBA - Mental Health Services Fund Account

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	8,663,532	8,602,384	8,780,603	8,780,603	8,602,384	8,780,603
Total	8,663,532	8,602,384	8,780,603	8,780,603	8,602,384	8,780,603
Funding Sources						
General Revenue 4000010	8,663,532	8,602,384		8,602,384	8,602,384	8,602,384
Total Funding	8,663,532	8,602,384		8,602,384	8,602,384	8,602,384
Excess Appropriation/(Funding)	0	0		178,219	0	178,219
Grand Total	8,663,532	8,602,384		8,780,603	8,602,384	8,780,603

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 1EN - Community Alcohol Safety

Funding Sources: MHS - Highway Safety Special Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	83,396	87,695	101,259	103,129	97,511	103,129
	#Positions	2	2	2	2	3	2
Personal Services Matching	5010003	27,031	28,777	35,328	35,725	34,703	35,725
Operating Expenses	5020002	37,025	95,195	95,195	95,195	95,195	95,195
Conference & Travel Expenses	5050009	1,589	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	3,076,363	3,395,445	3,395,445	3,395,445	3,395,445	3,395,445
Capital Outlay	5120011	0	0	0	0	0	0
Total		3,225,404	3,615,410	3,635,525	3,637,792	3,631,152	3,637,792
Funding Sources							
Various Program Support	4000730	3,225,404	3,615,410		3,556,659	3,550,019	3,556,659
Total Funding		3,225,404	3,615,410		3,556,659	3,550,019	3,556,659
Excess Appropriation/(Funding)		0	0		81,133	81,133	81,133
Grand Total		3,225,404	3,615,410		3,637,792	3,631,152	3,637,792

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, court costs and fees.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 1ET - Alcohol & Drug Abuse Prevention

Funding Sources: MDA - Drug Abuse Prevention and Treatment Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	19,339,981	19,997,255	21,114,814	21,114,814	21,114,814	21,114,814
Total		19,339,981	19,997,255	21,114,814	21,114,814	21,114,814	21,114,814
Funding Sources							
General Revenue	4000010	2,395,324	2,231,943		2,395,324	2,395,324	2,395,324
Federal Revenue	4000020	12,071,702	16,254,834		16,732,592	16,732,592	16,732,592
Various Program Support	4000730	4,872,955	1,510,478		1,986,898	1,986,898	1,986,898
Total Funding		19,339,981	19,997,255		21,114,814	21,114,814	21,114,814
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		19,339,981	19,997,255		21,114,814	21,114,814	21,114,814

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2MN - Mental Health Block Grant

Funding Sources: FWF - DHS Federal

Appropriation	2010-2011 Actual	2011-2012 Budget	2011-2012 Authorized	2012-2013		
				Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	6,205,765	5,951,312	6,068,799	6,068,799	6,068,799	6,068,799
Total	6,205,765	5,951,312	6,068,799	6,068,799	6,068,799	6,068,799
Funding Sources						
Federal Revenue 4000020	5,999,765	5,951,312		6,068,799	6,068,799	6,068,799
Various Program Support 4000730	206,000	0		0	0	0
Total Funding	6,205,765	5,951,312		6,068,799	6,068,799	6,068,799
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	6,205,765	5,951,312		6,068,799	6,068,799	6,068,799

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 23 of Act 1067 of 2011. Section 24 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 25 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).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

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

Funding Sources: DBA - Mental Health Services Fund Account

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293
Total	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293	5,633,293
Funding Sources						
General Revenue 4000010	5,633,293	5,633,293		5,633,293	5,633,293	5,633,293
Total Funding	5,633,293	5,633,293		5,633,293	5,633,293	5,633,293
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	5,633,293	5,633,293		5,633,293	5,633,293	5,633,293

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 status, 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	38,442,967	38,023,912	43,198,864	43,912,490	41,797,971	43,912,490
	#Positions	1,124	1,014	1,156	1,156	1,165	1,156
Extra Help	5010001	5,070,684	4,834,437	5,468,889	5,768,889	5,768,889	5,768,889
	#Extra Help	300	335	336	336	336	336
Personal Services Matching	5010003	13,993,408	14,228,020	15,699,117	15,912,792	15,538,355	15,912,792
Overtime	5010006	3,324,361	2,967,265	3,386,342	3,586,342	3,586,342	3,586,342
Operating Expenses	5020002	19,225,349	22,001,391	24,917,115	24,917,115	25,037,115	24,917,115
Conference & Travel Expenses	5050009	86,540	105,515	105,515	105,515	105,515	105,515
Professional Fees	5060010	7,104,397	9,425,261	9,425,261	9,630,261	9,630,261	9,630,261
Data Processing	5090012	0	0	0	0	0	0
Grants/Patient Services	5100004	17,119,695	17,447,434	24,396,104	24,396,104	19,148,605	24,396,104
Capital Outlay	5120011	150,133	0	0	0	0	0
Mental Hlth Center Transfer	5900046	2,644,382	2,599,383	2,599,383	2,599,383	2,599,383	2,599,383
Total		107,161,916	111,632,618	129,196,590	130,828,891	123,212,436	130,828,891
Funding Sources							
General Revenue	4000010	58,603,859	59,110,250		69,743,493	63,945,952	69,743,493
Federal Revenue	4000020	1,514,322	1,172,416		1,429,583	1,395,380	1,429,583
Various Program Support	4000730	47,043,735	51,349,952		47,870,606	46,522,403	47,870,606
Total Funding		107,161,916	111,632,618		119,043,682	111,863,735	119,043,682
Excess Appropriation/(Funding)		0	0		11,785,209	11,348,701	11,785,209
Grand Total		107,161,916	111,632,618		130,828,891	123,212,436	130,828,891

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 937 - Canteen – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	154,625	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		154,625	174,048	174,048	174,048	174,048	174,048
Funding Sources							
Cash Fund	4000045	154,625	174,048		174,048	174,048	174,048
Total Funding		154,625	174,048		174,048	174,048	174,048
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		154,625	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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 938 - Patient Benefits–Cash in Treasury

Funding Sources: NHS - Cash in Treasury

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Patient Benefit Fund 5900046	47,080	75,000	75,000	75,000	75,000	75,000
Total	47,080	75,000	75,000	75,000	75,000	75,000
Funding Sources						
Cash Fund 4000045	47,080	75,000		75,000	75,000	75,000
Total Funding	47,080	75,000		75,000	75,000	75,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	47,080	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, 2010

Findings

Recommendations

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

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2011
Required by A.C.A. 25-36-104

AGENCY: 0710 DHS - Medical Services

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Tri County Rural Health Network	\$8,562,996	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>1</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$80,945,674</u>
% OF MINORITY CONTRACTS AWARDED	<u>9.65 %</u>

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
4KS Nursing Home Quality	149,576	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
642 Medicaid Expansion-Medical Svcs	103,576	2	121,981	2	118,132	2	120,253	2	113,189	2	120,253	2
648 Medicaid Exp-Prescription Drugs	2,054,567	0	3,393,491	0	4,230,636	0	5,367,414	0	5,367,414	0	5,367,414	0
648 Medicaid Exp-Hospital & Medical Services	46,531,955	0	66,916,252	0	74,770,861	0	93,463,577	0	93,463,577	0	93,463,577	0
876 Nursing Home Closure Costs	23,800	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	23,170,819	317	25,694,218	303	26,367,097	333	26,734,182	333	25,639,564	333	26,734,182	333
897 ARKIDS B Program	97,220,615	0	104,985,342	0	115,642,425	0	118,873,417	0	118,873,417	0	118,873,417	0
897 Hospital & Medical Services	3,087,380,870	0	3,435,007,323	0	3,610,690,170	0	3,818,425,306	0	3,776,570,716	0	3,818,425,306	0
897 Prescription Drugs	308,632,856	0	342,885,205	0	378,738,146	0	385,275,742	0	385,275,742	0	385,275,742	0
897 Private Nursing Home Care	581,966,392	0	622,174,854	0	639,794,311	0	670,810,091	0	670,810,091	0	670,810,091	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	22,294,448	0	23,243,134	0	25,389,673	0	26,100,584	0	26,100,584	0	26,100,584	0
898 Public Nursing Home Care	171,710,433	0	194,481,194	0	224,482,374	0	235,116,182	0	221,982,063	0	235,116,182	0
Total	4,341,239,907	319	4,822,652,994	305	5,103,973,825	335	5,384,036,748	335	5,327,946,357	335	5,384,036,748	335

Funding Sources		%		%		%		%		%	
General Revenue	4000010	689,920,297	15.9	688,434,268	14.3	877,509,555	18.1	950,066,640	18.7	877,509,555	18.1
Federal Revenue	4000020	3,099,932,799	71.4	3,424,182,476	71.0	3,430,078,458	70.9	3,599,881,270	70.8	3,430,078,458	70.9
Trust Fund	4000050	173,376	0.0	238,537,163	4.9	174,797,000	3.6	174,797,000	3.4	174,797,000	3.6
Merit Adjustment Fund	4000055	0	0.0	238,410	0.0	0	0.0	0	0.0	0	0.0
Drug Rebates	4000200	29,700,793	0.7	33,779,200	0.7	26,279,090	0.5	26,279,090	0.5	26,279,090	0.5
Federal Funds-ARRA	4000244	299,925,460	6.9	0	0.0	0	0.0	0	0.0	0	0.0
Hospital Assessment Fee	4000281	32,707,325	0.8	75,319,119	1.6	38,881,700	0.8	38,881,700	0.8	38,881,700	0.8
ICF/MR Provider Fee	4000282	8,716,135	0.2	15,206,865	0.3	10,002,390	0.2	10,002,390	0.2	10,002,390	0.2
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	66,495,033	1.5	69,200,015	1.4	71,628,346	1.5	71,628,346	1.4	71,628,346	1.5
Reimbursement	4000425	0	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0
Tobacco Settlement	4000495	12,268,785	0.3	20,911,091	0.4	54,958,058	1.1	54,954,526	1.1	54,958,058	1.1

Funding Sources		%		%		%		%		%	
Various Program Support 4000730	101,284,904	2.3	256,629,387	5.3		154,772,497	3.2	154,582,034	3.0	154,772,497	3.2
Total Funds	4,341,239,907	100.0	4,822,652,994	100.0		4,839,122,094	100.0	5,081,287,996	100.0	4,839,122,094	100.0
Excess Appropriation/(Funding)	0		0			544,914,654		246,658,361		544,914,654	
Grand Total	4,341,239,907		4,822,652,994			5,384,036,748		5,327,946,357		5,384,036,748	

Medical Services (642) FY12 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

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 style 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 4KS - Nursing Home Quality

Funding Sources: TLT - Long Term Care Trust Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	149,576	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total	149,576	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Funding Sources						
Trust Fund 4000050	149,576	1,500,000		1,500,000	1,500,000	1,500,000
Total Funding	149,576	1,500,000		1,500,000	1,500,000	1,500,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	149,576	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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	73,477	77,491	75,203	76,953	70,844	76,953
	#Positions	2	2	2	2	2	2
Personal Services Matching	5010003	24,956	26,517	24,956	25,327	24,372	25,327
Operating Expenses	5020002	5,143	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		103,576	121,981	118,132	120,253	113,189	120,253
Funding Sources							
Federal Revenue	4000020	51,789	60,990		60,127	56,595	60,127
Tobacco Settlement	4000495	51,787	60,991		60,126	56,594	60,126
Total Funding		103,576	121,981		120,253	113,189	120,253
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		103,576	121,981		120,253	113,189	120,253

The FY12 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

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 265

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Medicaid Expansion Program - Hospital and Medical Services referenced on page 266

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

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

Funding Sources: PTD - Medicaid Expansion Program Account

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Medicaid Exp-Prescrip Drugs	5100004	2,038,496	3,393,491	4,230,636	5,367,414	5,367,414	5,367,414
Medicaid Exp-Prescrip Drugs-ARRA 2009	5900052	16,071	0	0	0	0	0
Total		2,054,567	3,393,491	4,230,636	5,367,414	5,367,414	5,367,414
Funding Sources							
Federal Revenue	4000020	151,635	158,603		193,810	193,810	193,810
Federal Funds-ARRA	4000244	16,071	0		0	0	0
Tobacco Settlement	4000495	1,886,861	3,234,888		3,173,604	3,173,604	3,173,604
Total Funding		2,054,567	3,393,491		3,367,414	3,367,414	3,367,414
Excess Appropriation/(Funding)		0	0		2,000,000	2,000,000	2,000,000
Grand Total		2,054,567	3,393,491		5,367,414	5,367,414	5,367,414

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying/Medicaid Exp - Hospital/Medical Services

Funding Sources: PTD - Medicaid Expansion Program Account

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Medicaid Exp-Hosp/Med Svcs	5100004	44,149,254	66,916,252	74,770,861	93,463,577	93,463,577	93,463,577
Medicaid Exp-Hosp/Med Svcs-ARRA 2009	5900052	2,382,701	0	0	0	0	0
Total		46,531,955	66,916,252	74,770,861	93,463,577	93,463,577	93,463,577
Funding Sources							
Federal Revenue	4000020	33,819,117	49,301,040		58,138,041	58,138,041	58,138,041
Federal Funds-ARRA	4000244	2,382,701	0		0	0	0
Tobacco Settlement	4000495	10,330,137	17,615,212		20,325,536	20,325,536	20,325,536
Total Funding		46,531,955	66,916,252		78,463,577	78,463,577	78,463,577
Excess Appropriation/(Funding)		0	0		15,000,000	15,000,000	15,000,000
Grand Total		46,531,955	66,916,252		93,463,577	93,463,577	93,463,577

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 876 - Nursing Home Closure Costs

Funding Sources: TLT - Long Term Care Trust Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Expenses 5900046	23,800	50,000	50,000	50,000	50,000	50,000
Total	23,800	50,000	50,000	50,000	50,000	50,000
Funding Sources						
Trust Fund 4000050	23,800	50,000		50,000	50,000	50,000
Total Funding	23,800	50,000		50,000	50,000	50,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	23,800	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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 878 - Long Term Care Facility Receivership

Funding Sources: DLT - Long Term Care Facility Receivership Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	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 (RHC)
- Transportation to and from medical providers (is also a federal requirement when the transportation is medically necessary)

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
- ✓ 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
- ✓ Hospice Services
- ✓ Hyperalimentation Services
- ✓ Independent Choices
- ✓ Inpatient Psychiatric Services Under Age 21
- ✓ Intermediate Care Facility Services for Mentally Retarded
- ✓ Licensed Mental Health Practitioner Services (Under Age 21)
- ✓ Medical Supplies
- ✓ Medicare Crossovers
- ✓ Nursing Facility Services (Under Age 21)

- ✓ Occupational, Physical, Speech Therapy Services (Under Age 21)
- ✓ Orthotic Appliances
- ✓ Program of All-Inclusive Care for the Elderly (PACE)
- ✓ 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 HealthNetWorks
- ❖ 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 co-insurance, 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 six (6) 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 administering the Medicaid Management Information System (MMIS) which processes all Medicaid claims. 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.

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 state's 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.

Policy, Program and Contract Oversight: The Policy, Program and Contract Oversight 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 fifty-seven (57) different Medicaid provider policy manuals, which include information on covered services, benefit limits, prior approvals, and billing procedures. 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. The Contract Oversight unit is responsible for assisting program and contract staff in developing performance indicators for contracts and monitoring the performance of all Division of Medical Services contractors.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	14,791,532	16,077,449	16,610,131	16,914,610	15,987,356	16,914,610
	#Positions	317	303	333	333	333	333
Extra Help	5010001	24,104	63,446	126,892	126,892	126,892	126,892
	#Extra Help	5	7	7	7	7	7
Personal Services Matching	5010003	4,396,355	4,984,144	5,060,895	5,123,501	4,956,137	5,123,501
Overtime	5010006	0	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,178,878	3,468,107	3,468,107	3,468,107	3,468,107	3,468,107
Conference & Travel Expenses	5050009	174,678	246,340	246,340	246,340	246,340	246,340
Professional Fees	5060010	485,332	355,132	355,132	355,132	355,132	355,132
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	44,481	195,000	195,000	195,000	195,000	195,000
Data Processing Services	5900044	75,459	299,600	299,600	299,600	299,600	299,600
Total		23,170,819	25,694,218	26,367,097	26,734,182	25,639,564	26,734,182
Funding Sources							
General Revenue	4000010	4,997,626	4,958,217		5,179,330	4,958,217	5,179,330
Federal Revenue	4000020	14,417,458	15,889,789		16,083,364	15,400,322	16,083,364
Merit Adjustment Fund	4000055	0	238,410		0	0	0
Various Program Support	4000730	3,755,735	4,607,802		4,469,127	4,278,664	4,469,127
Total Funding		23,170,819	25,694,218		25,731,821	24,637,203	25,731,821
Excess Appropriation/(Funding)		0	0		1,002,361	1,002,361	1,002,361
Grand Total		23,170,819	25,694,218		26,734,182	25,639,564	26,734,182

Analysis of Budget Request

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Private Nursing Home Care Appropriation referenced on page 283

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, miscellaneous transfers derived from Arkansas Code Annotated §17-24-305(b)(1)(A), and the Medicaid Trust Fund.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Prescription Drugs Appropriation referenced on page 284

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, Medicaid Trust Fund, and various program support which can include Medicaid match.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Hospital and Medical Services Appropriation referenced on page 285

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, intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, hospital assessment fee per Act 562 of 2009 and as expended by Act 19 of 2011, and as 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 Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

ARKIDS B Program Appropriation referenced on page 286

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), 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 represent Medicaid Trust Funds.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

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

Funding Sources: PWD - Grants Paying

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Private Nursing Home Care	5100004	538,263,858	622,174,854	639,794,311	670,810,091	670,810,091	670,810,091
Private Nursing Hm Care-ARRA 2009	5900052	43,702,534	0	0	0	0	0
Total		581,966,392	622,174,854	639,794,311	670,810,091	670,810,091	670,810,091
Funding Sources							
General Revenue	4000010	55,898,356	65,979,254		121,050,057	121,050,057	121,050,057
Federal Revenue	4000020	414,029,641	440,711,297		462,724,925	462,724,925	462,724,925
Trust Fund	4000050	0	47,126,274		0	0	0
Federal Funds-ARRA	4000244	43,702,534	0		0	0	0
Miscellaneous Transfers	4000355	115,000	115,000		115,000	115,000	115,000
Quality Assurance Fee	4000395	65,826,174	68,184,456		70,661,536	70,661,536	70,661,536
Various Program Support	4000730	2,394,687	58,573		58,573	58,573	58,573
Total Funding		581,966,392	622,174,854		654,610,091	654,610,091	654,610,091
Excess Appropriation/(Funding)		0	0		16,200,000	16,200,000	16,200,000
Grand Total		581,966,392	622,174,854		670,810,091	670,810,091	670,810,091

Appropriation Summary

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

Funding Sources: PWD - Grants Paying

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Prescription Drugs	5100004	287,568,458	342,885,205	378,738,146	385,275,742	385,275,742	385,275,742
Prescription Drugs-ARRA 2009	5900052	21,064,398	0	0	0	0	0
Total		308,632,856	342,885,205	378,738,146	385,275,742	385,275,742	385,275,742
Funding Sources							
General Revenue	4000010	55,265,895	61,641,942		108,648,554	108,648,554	108,648,554
Federal Revenue	4000020	202,467,123	215,541,009		228,748,098	228,748,098	228,748,098
Trust Fund	4000050	0	31,923,054		0	0	0
Drug Rebates	4000200	29,700,793	33,779,200		26,279,090	26,279,090	26,279,090
Federal Funds-ARRA	4000244	21,064,398	0		0	0	0
Various Program Support	4000730	134,647	0		0	0	0
Total Funding		308,632,856	342,885,205		363,675,742	363,675,742	363,675,742
Excess Appropriation/(Funding)		0	0		21,600,000	21,600,000	21,600,000
Grand Total		308,632,856	342,885,205		385,275,742	385,275,742	385,275,742

Appropriation Summary

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

Funding Sources: PWD - Grants Paying

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Hospital and Medical Services	5100004	2,869,475,957	3,435,007,323	3,610,690,170	3,818,425,306	3,776,570,716	3,818,425,306
Hospital & Medical Srvs-ARRA 2009	5900052	217,904,913	0	0	0	0	0
Total		3,087,380,870	3,435,007,323	3,610,690,170	3,818,425,306	3,776,570,716	3,818,425,306
Funding Sources							
General Revenue	4000010	539,012,457	525,065,185		602,073,185	678,610,368	602,073,185
Federal Revenue	4000020	2,212,376,156	2,464,607,416		2,407,160,619	2,587,025,139	2,407,160,619
Trust Fund	4000050	0	151,770,661		173,247,000	173,247,000	173,247,000
Federal Funds-ARRA	4000244	217,904,913	0		0	0	0
Hospital Assessment Fee	4000281	32,707,325	75,319,119		38,881,700	38,881,700	38,881,700
ICF/MR Provider Fee	4000282	5,118,736	12,636,660		10,002,390	10,002,390	10,002,390
Tobacco Settlement	4000495	0	0		31,398,792	31,398,792	31,398,792
Various Program Support	4000730	80,261,283	205,608,282		95,405,327	95,405,327	95,405,327
Total Funding		3,087,380,870	3,435,007,323		3,358,169,013	3,614,570,716	3,358,169,013
Excess Appropriation/(Funding)		0	0		460,256,293	162,000,000	460,256,293
Grand Total		3,087,380,870	3,435,007,323		3,818,425,306	3,776,570,716	3,818,425,306

Appropriation Summary

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

Funding Sources: PWD - Grants Paying

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
ARKids B Program	5100004	96,799,539	104,985,342	115,642,425	118,873,417	118,873,417	118,873,417
ARKids B Program-ARRA 2009	5900052	421,076	0	0	0	0	0
Total		97,220,615	104,985,342	115,642,425	118,873,417	118,873,417	118,873,417
Funding Sources							
General Revenue	4000010	25,782,706	17,140,989		21,654,884	21,654,884	21,654,884
Federal Revenue	4000020	71,016,833	83,589,329		81,218,533	81,218,533	81,218,533
Trust Fund	4000050	0	4,255,024		0	0	0
Federal Funds-ARRA	4000244	421,076	0		0	0	0
Total Funding		97,220,615	104,985,342		102,873,417	102,873,417	102,873,417
Excess Appropriation/(Funding)		0	0		16,000,000	16,000,000	16,000,000
Grand Total		97,220,615	104,985,342		118,873,417	118,873,417	118,873,417

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Child and Family Life Institute Appropriation referenced on page 289

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Infant Infirmary Appropriation referenced on page 290

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), 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 intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, and the Medicaid Trust Fund.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Public Nursing Home Care Appropriation referenced on page 291

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, intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

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

Funding Sources: PWE - Grants Paying

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Infant Infirmary	5100004	20,612,106	23,243,134	25,389,673	26,100,584	26,100,584	26,100,584
Infant Infirmary-ARRA 2009	5900052	1,682,342	0	0	0	0	0
Total		22,294,448	23,243,134	25,389,673	26,100,584	26,100,584	26,100,584
Funding Sources							
General Revenue	4000010	4,288,068	4,531,347		7,037,850	7,037,850	7,037,850
Federal Revenue	4000020	15,726,107	16,474,733		17,006,734	17,006,734	17,006,734
Trust Fund	4000050	0	1,912,150		0	0	0
Federal Funds-ARRA	4000244	1,682,342	0		0	0	0
ICF/MR Provider Fee	4000282	597,931	324,904		0	0	0
Total Funding		22,294,448	23,243,134		24,044,584	24,044,584	24,044,584
Excess Appropriation/(Funding)		0	0		2,056,000	2,056,000	2,056,000
Grand Total		22,294,448	23,243,134		26,100,584	26,100,584	26,100,584

Appropriation Summary

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

Funding Sources: PWE - Grants Paying

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Public Nursing Home Care	5100004	158,959,008	194,481,194	224,482,374	235,116,182	221,982,063	235,116,182
Public Nursing Home Care-ARRA 2009	5900052	12,751,425	0	0	0	0	0
Total		171,710,433	194,481,194	224,482,374	235,116,182	221,982,063	235,116,182
Funding Sources							
General Revenue	4000010	4,675,189	7,017,334		9,765,695	6,006,710	9,765,695
Federal Revenue	4000020	135,876,940	137,848,270		158,744,207	149,369,073	158,744,207
Federal Funds-ARRA	4000244	12,751,425	0		0	0	0
ICF/MR Provider Fee	4000282	2,999,468	2,245,301		0	0	0
Quality Assurance Fee	4000395	668,859	1,015,559		966,810	966,810	966,810
Various Program Support	4000730	14,738,552	46,354,730		54,839,470	54,839,470	54,839,470
Total Funding		171,710,433	194,481,194		224,316,182	211,182,063	224,316,182
Excess Appropriation/(Funding)		0	0		10,800,000	10,800,000	10,800,000
Grand Total		171,710,433	194,481,194		235,116,182	221,982,063	235,116,182

DHS - County Operations

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2010

Findings

Recommendations

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

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2011
Required by A.C.A. 25-36-104

AGENCY: 0710 DHS - County Operations

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Andrea Goodman	\$171,486	X					
Arkansas Spanish Interpreters	\$52,676,724		X				
Avant Janitorial	\$217,047	X					
Betty Caruthers	\$145,854				X		
Betty Riley	\$136,741				X		
Black Community Developers	\$116,000	X					
Presort Processors	\$97,395				X		
Professional Protection Services	\$479,237				X		
S & D Janitorial Services	\$1,133,174	X					
Southwest Security Co	\$291,500	X					
Tecumshia s Desmuke	\$144,368	X					
Tina White	\$110,880				X		

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 12

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$62,440,900

% OF MINORITY CONTRACTS AWARDED 86.64 %

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1DK Cty-Shelter Plus Care Program	1,702,930	0	1,851,390	0	1,874,574	0	1,930,811	0	1,930,811	0	1,930,811	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	19,906,387	0	29,190,069	0	13,898,049	0	8,000,000	0	8,000,000	0	8,000,000	0
410 Cty-Emergency Food Program	901,267	0	686,826	0	793,566	0	793,566	0	793,566	0	793,566	0
411 Cty-Low Income Energy Assistance Prgm	28,000,700	0	33,587,775	0	39,735,151	0	39,735,151	0	39,735,151	0	39,735,151	0
412 Cty-Refugee Resettlement Program	2,106	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
426 Cty-Homeless Assistance Grant	6,965,404	0	3,545,000	0	4,345,000	0	1,445,000	0	1,445,000	0	1,445,000	0
59H Hunger Coalition	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0
642 Medicaid Expansion-County Ops	1,146,287	24	2,886,045	60	2,765,472	60	2,781,886	60	1,622,397	39	2,781,886	60
896 Division of County Operations	113,921,182	1,890	127,435,073	1,820	126,853,213	1,889	127,025,429	1,882	121,886,141	1,882	127,025,429	1,882
897 TANF Block Grant	17,991,813	0	20,715,000	0	24,565,650	0	24,565,650	0	24,565,650	0	24,565,650	0
898 Community Svcs. Block Grant	14,814,417	0	9,349,869	0	9,437,390	0	9,437,390	0	9,437,390	0	9,437,390	0
930 Cty-Commodity Distrib & Salvage Container	122,120	0	97,990	0	275,586	0	274,086	0	274,086	0	274,086	0
Total	206,469,726	1,914	230,356,150	1,880	225,554,764	1,949	217,000,082	1,942	210,701,305	1,921	217,000,082	1,942

Funding Sources		%		%		%		%		%	
General Revenue	4000010	47,286,709	22.9	47,348,467	20.6	49,318,964	23.5	47,988,551	23.5	49,318,964	23.5
Federal Revenue	4000020	125,547,634	60.8	143,598,553	62.3	146,580,689	69.8	143,323,106	70.1	146,580,689	69.8
Cash Fund	4000045	122,120	0.1	97,990	0.0	274,086	0.1	274,086	0.1	274,086	0.1
Merit Adjustment Fund	4000055	0	0.0	1,982,459	0.9	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA	4000244	28,984,484	14.0	23,737,134	10.3	100,000	0.0	100,000	0.0	100,000	0.0
Reallocation of Resources	4000410	366,734	0.2	0	0.0	0	0.0	0	0.0	0	0.0
Tobacco Settlement	4000495	573,144	0.3	1,443,023	0.6	1,390,943	0.7	794,970	0.4	1,390,943	0.7
Transfer From DWS	4000527	728,500	0.4	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	2,860,401	1.4	12,148,524	5.3	12,473,826	5.9	11,963,718	5.9	12,473,826	5.9
Total Funds		206,469,726	100.0	230,356,150	100.0	210,138,508	100.0	204,444,431	100.0	210,138,508	100.0
Excess Appropriation/(Funding)		0		0		6,861,574		6,256,874		6,861,574	
Grand Total		206,469,726		230,356,150		217,000,082		210,701,305		217,000,082	

County Operations (642; 896) FY12 Budgeted amount in Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

County Operations (409; 896) Budget exceeds Authorized Appropriation due to transfers from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 1DK - Cty-Shelter Plus Care Program

Funding Sources: FWF - DHS Federal

The Shelter Plus Care Program initially began in 1995 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 one (1) sub-grantee that has a total of four (4) 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 outreach, support and coordination of housing and services and monitoring.

Funding for this appropriation is 100% funded from federal sources such as the federal Department of Housing and Urban Development.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 1DK - Cty-Shelter Plus Care Program

Funding Sources: FWF - DHS Federal

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	1,702,930	1,851,390	1,874,574	1,930,811	1,930,811	1,930,811
Total	1,702,930	1,851,390	1,874,574	1,930,811	1,930,811	1,930,811
Funding Sources						
Federal Revenue 4000020	1,702,930	1,851,390		1,930,811	1,930,811	1,930,811
Total Funding	1,702,930	1,851,390		1,930,811	1,930,811	1,930,811
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	1,702,930	1,851,390		1,930,811	1,930,811	1,930,811

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

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

Funding Sources: DGF - DHS Grants Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	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 low-income families 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 409 - Cty-Weatherization Program

Funding Sources: FWF - DHS Federal

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	4,893,045	10,480,017	8,000,000	8,000,000	8,000,000	8,000,000
Weatherization Program - ARRA 2009	5900052	15,013,342	18,710,052	5,898,049	0	0	0
Total		19,906,387	29,190,069	13,898,049	8,000,000	8,000,000	8,000,000
Funding Sources							
Federal Revenue	4000020	4,893,045	10,480,017		8,000,000	8,000,000	8,000,000
Federal Funds-ARRA	4000244	15,013,342	18,710,052		0	0	0
Total Funding		19,906,387	29,190,069		8,000,000	8,000,000	8,000,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		19,906,387	29,190,069		8,000,000	8,000,000	8,000,000

Budget exceeds Authorized Appropriation due to transfers 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 410 - Cty-Emergency Food Program

Funding Sources: FWF - DHS Federal

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	621,466	686,826	793,566	793,566	793,566	793,566
Emergency Food Program - ARRA 2009	5900052	279,801	0	0	0	0	0
Total		901,267	686,826	793,566	793,566	793,566	793,566
Funding Sources							
Federal Revenue	4000020	621,466	686,826		793,566	793,566	793,566
Federal Funds-ARRA	4000244	279,801	0		0	0	0
Total Funding		901,267	686,826		793,566	793,566	793,566
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		901,267	686,826		793,566	793,566	793,566

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 the cost of their home energy expenses such as gas, electricity, propane, etc. The agency administers 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 411 - Cty-Low Income Energy Assistance Prgm

Funding Sources: FWF - DHS Federal

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	28,000,700	33,587,775	39,735,151	39,735,151	39,735,151	39,735,151
Total	28,000,700	33,587,775	39,735,151	39,735,151	39,735,151	39,735,151
Funding Sources						
Federal Revenue 4000020	28,000,700	33,587,775		39,735,151	39,735,151	39,735,151
Total Funding	28,000,700	33,587,775		39,735,151	39,735,151	39,735,151
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	28,000,700	33,587,775		39,735,151	39,735,151	39,735,151

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 following entry. Social services may be provided to refugees for up to five years. Refugees may apply for cash, medical and the supplemental nutrition assistance program (SNAP) 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. The federal Office of Refugee Resettlement contracts directly with an agency outside of DHS for the social services aspects of the program.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 412 - Cty-Refugee Resettlement Program

Funding Sources: FWF - DHS Federal

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	2,106	12,000	12,000	12,000	12,000	12,000
Total	2,106	12,000	12,000	12,000	12,000	12,000
Funding Sources						
Federal Revenue 4000020	2,106	12,000		12,000	12,000	12,000
Total Funding	2,106	12,000		12,000	12,000	12,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	2,106	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. The estimated homeless count in the State of Arkansas for 2011 is 19,135. Funding for this appropriation is 100% federal.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 426 - Cty-Homeless Assistance Grant

Funding Sources: FWF - DHS Federal

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	1,109,706	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000
Homeless Assistance Grant - ARRA 2009	5900052	5,855,698	2,200,000	3,000,000	100,000	100,000	100,000
Total		6,965,404	3,545,000	4,345,000	1,445,000	1,445,000	1,445,000
Funding Sources							
Federal Revenue	4000020	1,109,706	1,345,000		1,345,000	1,345,000	1,345,000
Federal Funds-ARRA	4000244	5,855,698	2,200,000		100,000	100,000	100,000
Total Funding		6,965,404	3,545,000		1,445,000	1,445,000	1,445,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		6,965,404	3,545,000		1,445,000	1,445,000	1,445,000

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 for this appropriation is 100% General Revenue (DCO - County Operations Fund Account).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 59H - Hunger Coalition

Funding Sources: DCO - County Operations Account

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	995,113	995,113	995,113	995,113	995,113	995,113
Total	995,113	995,113	995,113	995,113	995,113	995,113
Funding Sources						
General Revenue 4000010	995,113	995,113		995,113	995,113	995,113
Total Funding	995,113	995,113		995,113	995,113	995,113
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	995,113	995,113		995,113	995,113	995,113

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	627,136	1,849,877	1,765,975	1,779,730	1,137,948	1,779,730
	#Positions	24	60	60	60	39	60
Personal Services Matching	5010003	406,825	690,373	653,702	656,361	423,654	656,361
Operating Expenses	5020002	97,857	195,795	195,795	195,795	50,795	195,795
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	100,000	100,000	100,000	0	100,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Data Processing Services	5900044	14,469	50,000	50,000	50,000	10,000	50,000
Total		1,146,287	2,886,045	2,765,472	2,781,886	1,622,397	2,781,886
Funding Sources							
Federal Revenue	4000020	573,143	1,443,022		1,390,943	794,971	1,390,943
Tobacco Settlement	4000495	573,144	1,443,023		1,390,943	794,970	1,390,943
Total Funding		1,146,287	2,886,045		2,781,886	1,589,941	2,781,886
Excess Appropriation/(Funding)		0	0		0	32,456	0
Grand Total		1,146,287	2,886,045		2,781,886	1,622,397	2,781,886

The FY12 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period.

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, renamed 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 (now called Supplemental Nutrition Assistance Program - SNAP), 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) and also created the Work Pays program, which is an extension of the TEA program for former TEA recipients who are working. 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, a new Access Arkansas Center is being constructed in Batesville and will process approximately 28,000 applications and reevaluations each month, many of which are being filed online. The Division of County Operations is responsible for administering the SNAP, TEA, Medicaid and ARKids Programs to citizens across Arkansas. Additional programs administered at the county level though local organizations include the 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, SNAP, 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 Title XIX match, miscellaneous collections, 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	60,495,302	62,940,749	64,766,225	66,162,827	61,774,546	66,162,827
	#Positions	1,890	1,820	1,889	1,882	1,882	1,882
Extra Help	5010001	185,952	234,052	234,052	234,052	234,052	234,052
	#Extra Help	22	37	37	37	37	37
Personal Services Matching	5010003	20,021,871	22,440,818	22,379,567	22,665,088	21,916,569	22,665,088
Overtime	5010006	1,154	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	19,734,159	22,728,030	22,728,030	22,818,816	22,818,816	22,818,816
Conference & Travel Expenses	5050009	109,166	178,831	178,831	178,831	178,831	178,831
Professional Fees	5060010	7,329,618	8,977,146	9,608,569	9,906,249	9,906,249	9,906,249
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	64,597	1,776,846	26,846	1,800	1,800	1,800
Data Processing Services	5900044	4,170,948	5,306,519	4,981,064	4,981,064	4,981,064	4,981,064
ARRA of 2009	5900052	1,808,415	2,827,082	1,925,029	51,702	49,214	51,702
Total		113,921,182	127,435,073	126,853,213	127,025,429	121,886,141	127,025,429
Funding Sources							
General Revenue	4000010	46,207,412	46,195,915		48,166,412	46,835,999	48,166,412
Federal Revenue	4000020	62,754,910	64,281,093		63,164,267	60,502,656	63,164,267
Merit Adjustment Fund	4000055	0	1,982,459		0	0	0
Federal Funds-ARRA	4000244	1,808,415	2,827,082		0	0	0
Reallocation of Resources	4000410	366,734	0		0	0	0
Various Program Support	4000730	2,783,711	12,148,524		12,473,826	11,963,718	12,473,826
Total Funding		113,921,182	127,435,073		123,804,505	119,302,373	123,804,505
Excess Appropriation/(Funding)		0	0		3,220,924	2,583,768	3,220,924
Grand Total		113,921,182	127,435,073		127,025,429	121,886,141	127,025,429

The FY12 Budgeted amount in Personal Services Matching exceeds the FY12 authorized amount due to salary and matching rate adjustments as well as the 27th pay period. Budget exceeds Authorized Appropriation due to transfers from the Miscellaneous Federal Grant Holding Account.

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 declaring 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.

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 ongoing 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 65% 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 Section 9 of Act 32 of 2010 for FY2011 and Section 9 of Act 952 of 2011 for FY2012. Other funding which is indicated as various program support can also include sources such as the payback of the federal share of overpayment collections on AFDC and interest on TEA cash assistance.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
TANF Block Grant	5100004	17,991,813	20,715,000	24,565,650	24,565,650	24,565,650	24,565,650
Total		17,991,813	20,715,000	24,565,650	24,565,650	24,565,650	24,565,650
Funding Sources							
Federal Revenue	4000020	17,186,623	20,715,000		20,925,000	20,925,000	20,925,000
Transfer From DWS	4000527	728,500	0		0	0	0
Various Program Support	4000730	76,690	0		0	0	0
Total Funding		17,991,813	20,715,000		20,925,000	20,925,000	20,925,000
Excess Appropriation/(Funding)		0	0		3,640,650	3,640,650	3,640,650
Grand Total		17,991,813	20,715,000		24,565,650	24,565,650	24,565,650

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).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Community Svcs. Block Grant	5100004	8,787,189	9,349,869	9,437,390	9,437,390	9,437,390	9,437,390
Community Svcs. Block Grant-ARRA 2009	5900052	6,027,228	0	0	0	0	0
Total		14,814,417	9,349,869	9,437,390	9,437,390	9,437,390	9,437,390
Funding Sources							
General Revenue	4000010	84,184	153,439		153,439	153,439	153,439
Federal Revenue	4000020	8,703,005	9,196,430		9,283,951	9,283,951	9,283,951
Federal Funds-ARRA	4000244	6,027,228	0		0	0	0
Total Funding		14,814,417	9,349,869		9,437,390	9,437,390	9,437,390
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		14,814,417	9,349,869		9,437,390	9,437,390	9,437,390

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 USDA, 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 930 - Cty-Commodity Distrib & Salvage Container

Funding Sources: NHS - Cash in Treasury

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	114,855	87,000	264,596	264,596	264,596	264,596
Conference & Travel Expenses	5050009	7,265	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	1,500	1,500	0	0	0
Total		122,120	97,990	275,586	274,086	274,086	274,086
Funding Sources							
Cash Fund	4000045	122,120	97,990		274,086	274,086	274,086
Total Funding		122,120	97,990		274,086	274,086	274,086
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		122,120	97,990		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, 2010

Findings

Recommendations

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

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2011
Required by A.C.A. 25-36-104

AGENCY: 0710 DHS - Developmental Disabilities Services

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Ali M Hashmi	\$643,930	X					
Althea Theresa Conley	\$317,625	X					
Arkansas Healthcare Personnel	\$21,737,500				X		
Erwin Cortez	\$96,000		X				
Helen McFadden	\$192,500	X					
K Hall & Sons Enterprises	\$306,244	X					
RGT Inc	\$1,955,862				X		

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 7

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$27,020,511

% OF MINORITY CONTRACTS AWARDED 93.45 %

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
147 Special Olympics	167,757	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0
397 Children's Medical Services	1,722,805	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	772,005	0	1,377,338	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0
59J Autism Treat/Coord	1,432,610	0	1,492,500	0	1,492,500	0	1,492,500	0	1,492,500	0	1,492,500	0
653 DDS-State Operations	6,969,456	0	7,944,834	0	9,328,003	0	7,099,242	0	7,099,242	0	7,099,242	0
657 Community Programs	44,276	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
658 Grants to Community Providers	15,793,573	0	15,892,045	0	16,971,245	0	18,590,045	0	15,892,045	0	18,590,045	0
86V Autism Treatment	0	0	20,000	0	20,000	0	20,000	0	0	0	20,000	0
896 Division of Developmental Disabilities Svcs	133,426,755	2,691	133,676,482	2,382	155,323,121	2,725	157,484,805	2,725	150,427,520	2,725	157,484,805	2,725
982 Inter-Divisional Programs	77,444	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0
Total	160,406,681	2,691	162,469,890	2,382	186,647,765	2,725	188,199,488	2,725	178,424,203	2,725	188,199,488	2,725

Funding Sources		%		%		%		%		%	
General Revenue	4000010	63,021,752	39.3	63,502,943	39.1	66,835,503	39.6	63,502,943	39.5	66,835,503	39.6
Federal Revenue	4000020	14,944,840	9.3	22,812,785	14.0	17,985,456	10.7	17,537,470	10.9	17,985,456	10.7
Special Revenue	4000030	44,276	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0
Cash Fund	4000045	0	0.0	20,000	0.0	20,000	0.0	0	0.0	20,000	0.0
Merit Adjustment Fund	4000055	0	0.0	1,495,544	0.9	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA	4000244	3,276,388	2.0	1,594,472	1.0	0	0.0	0	0.0	0	0.0
Reallocation of Resources	4000410	(11,710)	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Medicaid Match	4000660	(11,520,670)	(7.2)	(11,617,735)	(7.2)	(11,617,735)	(6.9)	(11,617,735)	(7.2)	(11,617,735)	(6.9)
Various Program Support	4000730	90,651,805	56.5	84,611,881	52.1	95,394,378	56.6	91,257,767	56.8	95,394,378	56.6
Total Funds		160,406,681	100.0	162,469,890	100.0	168,667,602	100.0	160,730,445	100.0	168,667,602	100.0
Excess Appropriation/(Funding)		0		0		19,531,886		17,693,758		19,531,886	
Grand Total		160,406,681		162,469,890		188,199,488		178,424,203		188,199,488	

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 primarily general revenue (DEA-Developmental Disabilities Services Fund Account).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 147 - Special Olympics

Funding Sources: DEA - Developmental Disabilities Services Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	167,757	178,768	178,768	178,768	178,768	178,768
Total		167,757	178,768	178,768	178,768	178,768	178,768
Funding Sources							
General Revenue	4000010	162,483	178,768		178,768	178,768	178,768
Various Program Support	4000730	5,274	0		0	0	0
Total Funding		167,757	178,768		178,768	178,768	178,768
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		167,757	178,768		178,768	178,768	178,768

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 members 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 397 - Children's Medical Services

Funding Sources: DGF - DHS Grants Fund

Appropriation	2010-2011 Actual	2011-2012 Budget	2011-2012 Authorized	2012-2013		
				Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	1,722,805	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279
Total	1,722,805	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279
Funding Sources						
General Revenue 4000010	1,722,805	1,729,279		1,729,279	1,729,279	1,729,279
Total Funding	1,722,805	1,729,279		1,729,279	1,729,279	1,729,279
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	1,722,805	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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 408 - Children's Medical Services-Federal

Funding Sources: FWF - DHS Federal

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	772,005	1,377,338	1,446,205	1,446,205	1,446,205	1,446,205
Total	772,005	1,377,338	1,446,205	1,446,205	1,446,205	1,446,205
Funding Sources						
Federal Revenue 4000020	772,005	1,377,338		1,377,338	1,377,338	1,377,338
Total Funding	772,005	1,377,338		1,377,338	1,377,338	1,377,338
Excess Appropriation/(Funding)	0	0		68,867	68,867	68,867
Grand Total	772,005	1,377,338		1,446,205	1,446,205	1,446,205

Analysis of Budget Request

Appropriation: 59J - Autism Treat/Coord

Funding Sources: DEA - Developmental Disabilities Services Fund Account

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 Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 59J - Autism Treat/Coord

Funding Sources: DEA - Developmental Disabilities Services Fund Account

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	1,432,610	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500
Total	1,432,610	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500
Funding Sources						
General Revenue 4000010	1,432,610	1,492,500		1,492,500	1,492,500	1,492,500
Total Funding	1,432,610	1,492,500		1,492,500	1,492,500	1,492,500
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	1,432,610	1,492,500		1,492,500	1,492,500	1,492,500

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 for community programs of the Division of Developmental Disabilities Services.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 657 - Community Programs

Funding Sources: SDT - DDS Dog Track Special Revenue Fund

Appropriation	2010-2011 Actual	2011-2012 Budget	2011-2012 Authorized	2012-2013		
				Legislative Recommendation	Agency Request	Executive Recommendation
Community Programs 5900046	44,276	50,000	50,000	50,000	50,000	50,000
Total	44,276	50,000	50,000	50,000	50,000	50,000
Funding Sources						
Special Revenue 4000030	44,276	50,000		50,000	50,000	50,000
Total Funding	44,276	50,000		50,000	50,000	50,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	44,276	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 primarily general revenue (DEA - Developmental Disabilities Services Fund Account).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 658 - Grants to Community Providers

Funding Sources: DEA - Developmental Disabilities Services Fund Account

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	15,793,573	15,892,045	16,971,245	18,590,045	15,892,045	18,590,045
Total		15,793,573	15,892,045	16,971,245	18,590,045	15,892,045	18,590,045
Funding Sources							
General Revenue	4000010	15,509,847	15,892,045		17,241,045	15,892,045	17,241,045
Various Program Support	4000730	283,726	0		0	0	0
Total Funding		15,793,573	15,892,045		17,241,045	15,892,045	17,241,045
Excess Appropriation/(Funding)		0	0		1,349,000	0	1,349,000
Grand Total		15,793,573	15,892,045		18,590,045	15,892,045	18,590,045

Analysis of Budget Request

Appropriation: 86V - Autism Treatment

Funding Sources: NHS - Cash in Treasury

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, Act 1070 of 2011 require a licensure application fee to all Applied Behavior Analysts. Proceeds from this fee are declared as cash funds.

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.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 86V - Autism Treatment

Funding Sources: NHS - Cash in Treasury

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	0	20,000	20,000	20,000	0	20,000
Total	0	20,000	20,000	20,000	0	20,000
Funding Sources						
Cash Fund 4000045	0	20,000		20,000	0	20,000
Total Funding	0	20,000		20,000	0	20,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	20,000		20,000	0	20,000

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.

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.

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. This facility has been closed to new patients, while existing patients are being reassigned to alternative placements.

The Grants/Patient Services appropriation is designed to meet The primary goal providing funding, support, technical assistance and monitoring for the 92 DDS community-based programs in Arkansas. DDS Grants Administration works with the community programs to assure that persons with developmental disabilities receive appropriate and quality community services based on their needs and desires.

The Foster Grandparents Stipends appropriation provides older Arkansans the opportunity to put their life experiences to work for local communities. Foster Grandparents serve as mentors, tutors, and caregivers for at-risk children and youth with special needs. They serve a minimum of 20 hours per week in child care centers, schools, Headstart centers and centers for children with disabilities. Foster Grandparents help young people achieve academically, physically, emotionally and socially, thereby, helping them to attain self-confidence and personal independence so they can learn to overcome their problems and become productive members of society.

Child and Adolescent Services appropriation provides support for a myriad of DDS services that includes the following 16 federally mandated components: identification; evaluation; procedural safeguards; case management; speech, physical and occupational therapies; audiological services; developmental therapy; family training, health/medical services; nutrition services; psychological services; social work services and transportation. Additionally, this program works closely with both the State and Local Interagency Coordinating Councils, whose responsibility is to provide advice and assistance regarding early intervention services in the local community.

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	73,148,902	71,720,425	81,682,658	83,354,367	78,214,162	83,354,367
	#Positions	2,691	2,382	2,725	2,725	2,725	2,725
Extra Help	5010001	1,681,456	1,681,699	1,889,645	1,889,645	1,889,645	1,889,645
	#Extra Help	178	196	200	200	200	200
Personal Services Matching	5010003	26,819,957	27,274,761	30,519,067	30,858,561	29,970,053	30,858,561
Overtime	5010006	784,362	485,000	2,310,000	2,310,000	2,310,000	2,310,000
Extra Salaries	5010008	0	27,000	27,000	27,000	27,000	27,000
Operating Expenses	5020002	20,872,097	21,044,786	25,248,474	26,745,210	26,745,210	26,745,210
Conference & Travel Expenses	5050009	62,762	103,253	103,253	103,253	103,253	103,253
Professional Fees	5060010	1,147,465	918,147	918,147	918,147	918,147	918,147
DDS-State Operations	5060010	55,386	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Grants/Patient Services	5100004	4,502,360	6,752,051	6,752,051	6,752,051	6,752,051	6,752,051
Capital Outlay	5120011	281,458	225,000	419,985	392,417	392,417	392,417
Foster Grandparent Stipends	5900038	257,518	280,000	280,000	280,000	280,000	280,000
Data Processing Services	5900044	310,779	350,000	719,883	719,883	719,883	719,883
Vocational Trainees	5900046	215,840	221,000	315,000	316,000	316,000	316,000
Purchase of Services	5900047	6,979,480	8,876,531	9,378,892	9,850,322	8,821,750	9,850,322
Children & Adolescent Svcs	5900047	0	67,191	67,191	67,191	67,191	67,191
Grants/Patient Svcs-ARRA 2009	5900052	2,154,192	845,592	2,228,761	0	0	0
ARRA 2009	5900052	1,122,197	748,880	1,791,117	0	0	0
Total		140,396,211	141,621,316	164,651,124	164,584,047	157,526,762	164,584,047
Funding Sources							
General Revenue	4000010	44,116,563	44,101,707		46,085,267	44,101,707	46,085,267
Federal Revenue	4000020	14,172,835	21,435,447		16,608,118	16,160,132	16,608,118
Merit Adjustment Fund	4000055	0	1,495,544		0	0	0
Federal Funds-ARRA	4000244	3,276,388	1,594,472		0	0	0
Reallocation of Resources	4000410	(11,710)	0		0	0	0
Transfer to Medicaid Match	4000660	(11,520,670)	(11,617,735)		(11,617,735)	(11,617,735)	(11,617,735)
Various Program Support	4000730	90,362,805	84,611,881		95,394,378	91,257,767	95,394,378

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Total Funding	140,396,211	141,621,316		146,470,028	139,901,871	146,470,028
Excess Appropriation/(Funding)	0	0		18,114,019	17,624,891	18,114,019
Grand Total	140,396,211	141,621,316		164,584,047	157,526,762	164,584,047

Analysis of Budget Request

Appropriation: 982 - Inter-Divisional Programs

Funding Sources: DEA - Developmental Disabilities Services Fund Account

The DHS Inter-Divisional Program 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 coordinates 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 982 - Inter-Divisional Programs

Funding Sources: DEA - Developmental Disabilities Services Fund Account

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	77,444	108,644	108,644	108,644	108,644	108,644
Total	77,444	108,644	108,644	108,644	108,644	108,644
Funding Sources						
General Revenue 4000010	77,444	108,644		108,644	108,644	108,644
Total Funding	77,444	108,644		108,644	108,644	108,644
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	77,444	108,644		108,644	108,644	108,644

DHS - Services For The Blind

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2010

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					
	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
896 Division of Services for the Blind	4,537,233	85	6,228,659	74	6,256,596	74	6,123,217	74	5,928,680	74	6,123,217	74
898 Purchase of Services	2,851,825	0	3,493,558	0	3,393,558	0	3,784,558	0	3,784,558	0	3,784,558	0
Total	7,389,058	85	9,722,217	74	9,650,154	74	9,907,775	74	9,713,238	74	9,907,775	74

Funding Sources		%		%		%		%		%
General Revenue 4000010	1,884,896	25.5	1,880,943	19.3	1,911,719	19.3	1,880,943	19.4	1,911,719	19.3
Federal Revenue 4000020	5,227,259	70.7	7,626,062	78.4	7,996,056	80.7	7,832,295	80.6	7,996,056	80.7
Merit Adjustment Fund 4000055	0	0.0	35,212	0.4	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA 4000244	276,903	3.7	180,000	1.9	0	0.0	0	0.0	0	0.0
Total Funds	7,389,058	100.0	9,722,217	100.0	9,907,775	100.0	9,713,238	100.0	9,907,775	100.0
Excess Appropriation/(Funding)	0		0		0		0		0	
Grand Total	7,389,058		9,722,217		9,907,775		9,713,238		9,907,775	

Services for the Blind (898) Budget exceeds Authorized Appropriation due to transfers from the Miscellaneous Federal Grant Holding Account.

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. 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 funding sources include revenues derived from the federal Department of Education - Rehabilitation Services Administration, Social Security Administration; as well as, federal grant funding such as the Social Services Block Grant.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	2,766,094	2,993,538	3,063,236	3,111,658	2,944,388	3,111,658
	#Positions	85	74	74	74	74	74
Extra Help	5010001	89,426	40,000	40,000	40,000	40,000	40,000
	#Extra Help	11	12	14	14	14	14
Personal Services Matching	5010003	870,816	1,012,571	990,810	1,001,007	973,740	1,001,007
Operating Expenses	5020002	505,144	734,050	734,050	742,052	742,052	742,052
Conference & Travel Expenses	5050009	24,150	40,000	40,000	40,000	40,000	40,000
Professional Fees	5060010	39,114	1,363,500	1,363,500	1,163,500	1,163,500	1,163,500
Data Processing	5090012	0	0	0	0	0	0
Purchase of Services	5100004	2,814,623	3,333,558	3,333,558	3,784,558	3,784,558	3,784,558
Capital Outlay	5120011	2,788	25,000	25,000	25,000	25,000	25,000
Purchase of Srvs-ARRA 2009	5900052	37,202	160,000	60,000	0	0	0
ARRA of 2009	5900052	239,701	20,000	0	0	0	0
Total		7,389,058	9,722,217	9,650,154	9,907,775	9,713,238	9,907,775

Funding Sources							
General Revenue	4000010	1,884,896	1,880,943		1,911,719	1,880,943	1,911,719
Federal Revenue	4000020	5,227,259	7,626,062		7,996,056	7,832,295	7,996,056
Merit Adjustment Fund	4000055	0	35,212		0	0	0
Federal Funds-ARRA	4000244	276,903	180,000		0	0	0
Total Funding		7,389,058	9,722,217		9,907,775	9,713,238	9,907,775
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		7,389,058	9,722,217		9,907,775	9,713,238	9,907,775

The FY12 Budgeted amount in Personal Services Matching exceeds the FY12 authorized amount due to matching rate adjustments.
Budget exceeds Authorized Appropriation due to transfers 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, 2010

Findings

Recommendations

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

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
 Fiscal Year 2011
 Required by A.C.A. 25-36-104

AGENCY: 0710 DHS - Youth Services

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
United Family Services	\$28,223,430	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>1</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$47,319,512</u>
% OF MINORITY CONTRACTS AWARDED	<u>59.64 %</u>

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
2QZ Community Based Sanctions	2,274,347	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	403,272	0	984,004	0	1,970,215	0	1,970,215	0	1,970,215	0	1,970,215	0
2RB Community Services	12,073,317	0	17,753,893	0	20,502,140	0	20,502,140	0	17,502,140	0	20,502,140	0
2RC Federal Child & Youth Service Grants	3,716,188	0	4,664,389	0	5,623,293	0	5,623,293	0	5,623,293	0	5,623,293	0
2YH Residential Services	27,991,846	0	25,285,979	0	30,326,648	0	30,326,648	0	30,326,648	0	30,326,648	0
896 Division of Youth Services	7,161,433	87	7,584,031	66	11,561,316	88	11,635,560	88	11,397,014	161	11,635,560	88
Total	53,620,403	87	58,772,296	66	72,483,612	88	72,557,856	88	69,319,310	161	72,557,856	88

Funding Sources		%		%		%		%		%
General Revenue 4000010	45,961,899	85.7	48,255,346	82.1	54,976,383	85.9	52,198,346	85.3	54,976,383	85.9
Federal Revenue 4000020	4,098,131	7.6	5,209,988	8.9	5,383,777	8.4	5,368,272	8.8	5,383,777	8.4
Trust Fund 4000050	403,272	0.8	984,004	1.7	1,470,215	2.3	1,470,215	2.4	1,470,215	2.3
Merit Adjustment Fund 4000055	0	0.0	252,958	0.4	0	0.0	0	0.0	0	0.0
Reallocation of Resources 4000410	(70,301)	(0.1)	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Ar Pub Defender 4000603	(86,467)	(0.2)	(240,000)	(0.4)	(240,000)	(0.4)	(240,000)	(0.4)	(240,000)	(0.4)
Transfer to DFA Disbursing 4000610	(400,000)	(0.7)	(400,000)	(0.7)	(400,000)	(0.6)	(400,000)	(0.7)	(400,000)	(0.6)
Various Program Support 4000730	3,713,869	6.9	4,710,000	8.0	2,794,919	4.4	2,792,915	4.6	2,794,919	4.4
Total Funds	53,620,403	100.0	58,772,296	100.0	63,985,294	100.0	61,189,748	100.0	63,985,294	100.0
Excess Appropriation/(Funding)	0		0		8,572,562		8,129,562		8,572,562	
Grand Total	53,620,403		58,772,296		72,557,856		69,319,310		72,557,856	

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2QZ - Community Based Sanctions

Funding Sources: DYS - Youth Services Fund Account

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	2,274,347	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total	2,274,347	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Funding Sources						
General Revenue 4000010	2,274,347	2,500,000		2,500,000	2,500,000	2,500,000
Total Funding	2,274,347	2,500,000		2,500,000	2,500,000	2,500,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	2,274,347	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
- Interagency 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and

Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2RA - Juvenile Account Incentive Block Grant

Funding Sources: TYS - Juvenile Accountability Incentive Block Grant (JAIBG) Trust Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	403,272	984,004	1,970,215	1,970,215	1,970,215	1,970,215
Total	403,272	984,004	1,970,215	1,970,215	1,970,215	1,970,215
Funding Sources						
Trust Fund 4000050	403,272	984,004		1,470,215	1,470,215	1,470,215
Total Funding	403,272	984,004		1,470,215	1,470,215	1,470,215
Excess Appropriation/(Funding)	0	0		500,000	500,000	500,000
Grand Total	403,272	984,004		1,970,215	1,970,215	1,970,215

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, nonprofit 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 is general revenue (DYS-Youth Services Fund Account) and various program support that becomes available.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2RB - Community Services

Funding Sources: DYS - Youth Services Fund Account

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	12,073,317	17,753,893	20,502,140	20,502,140	17,502,140	20,502,140
Total		12,073,317	17,753,893	20,502,140	20,502,140	17,502,140	20,502,140
Funding Sources							
General Revenue	4000010	11,883,593	15,653,893		18,115,540	15,115,540	18,115,540
Various Program Support	4000730	189,724	2,100,000		386,600	386,600	386,600
Total Funding		12,073,317	17,753,893		18,502,140	15,502,140	18,502,140
Excess Appropriation/(Funding)		0	0		2,000,000	2,000,000	2,000,000
Grand Total		12,073,317	17,753,893		20,502,140	17,502,140	20,502,140

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 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2RC - Federal Child & Youth Service Grants

Funding Sources: FWF - DHS Federal

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	3,716,188	4,664,389	5,623,293	5,623,293	5,623,293	5,623,293
Total	3,716,188	4,664,389	5,623,293	5,623,293	5,623,293	5,623,293
Funding Sources						
Federal Revenue 4000020	3,716,188	4,664,389		4,923,293	4,923,293	4,923,293
Total Funding	3,716,188	4,664,389		4,923,293	4,923,293	4,923,293
Excess Appropriation/(Funding)	0	0		700,000	700,000	700,000
Grand Total	3,716,188	4,664,389		5,623,293	5,623,293	5,623,293

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 103 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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2YH - Residential Services

Funding Sources: DYS - Youth Services Fund Account

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	27,991,846	25,285,979	30,326,648	30,326,648	30,326,648	30,326,648
Total		27,991,846	25,285,979	30,326,648	30,326,648	30,326,648	30,326,648
Funding Sources							
General Revenue	4000010	24,693,916	22,675,979		25,514,548	25,792,548	25,514,548
Various Program Support	4000730	3,297,930	2,610,000		2,334,100	2,334,100	2,334,100
Total Funding		27,991,846	25,285,979		27,848,648	28,126,648	27,848,648
Excess Appropriation/(Funding)		0	0		2,478,000	2,200,000	2,478,000
Grand Total		27,991,846	25,285,979		30,326,648	30,326,648	30,326,648

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 FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 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		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	3,478,043	3,190,629	5,892,932	5,954,518	5,751,031	5,954,518
	#Positions	87	66	88	88	161	88
Extra Help	5010001	37,849	0	40,008	40,008	40,008	40,008
	#Extra Help	3	3	34	34	34	34
Personal Services Matching	5010003	1,034,038	985,023	1,999,736	2,012,394	1,977,335	2,012,394
Overtime	5010006	0	0	8,004	8,004	8,004	8,004
Operating Expenses	5020002	2,264,015	2,988,358	3,012,380	3,012,380	3,012,380	3,012,380
Conference & Travel Expenses	5050009	37,166	82,415	89,000	89,000	89,000	89,000
Professional Fees	5060010	158,963	329,006	352,192	352,192	352,192	352,192
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	151,359	8,600	167,064	167,064	167,064	167,064
Total		7,161,433	7,584,031	11,561,316	11,635,560	11,397,014	11,635,560
Funding Sources							
General Revenue	4000010	7,110,043	7,425,474		8,846,295	8,790,258	8,846,295
Federal Revenue	4000020	381,943	545,599		460,484	444,979	460,484
Merit Adjustment Fund	4000055	0	252,958		0	0	0
Reallocation of Resources	4000410	(70,301)	0		0	0	0
Transfer to Ar Pub Defender	4000603	(86,467)	(240,000)		(240,000)	(240,000)	(240,000)
Transfer to DFA Disbursing	4000610	(400,000)	(400,000)		(400,000)	(400,000)	(400,000)
Various Program Support	4000730	226,215	0		74,219	72,215	74,219
Total Funding		7,161,433	7,584,031		8,740,998	8,667,452	8,740,998
Excess Appropriation/(Funding)		0	0		2,894,562	2,729,562	2,894,562
Grand Total		7,161,433	7,584,031		11,635,560	11,397,014	11,635,560

DEPARTMENT OF WORKFORCE SERVICES

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF WORKFORCE SERVICES
FOR THE YEAR ENDED JUNE 30, 2010

Findings

Recommendations

None

None

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
 Fiscal Year 2011
 Required by A.C.A. 25-36-104

AGENCY: 0810 DEPARTMENT OF WORKFORCE SERVICES

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Advantage Communications Inc	\$151,045	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>1</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$1,030,692</u>
% OF MINORITY CONTRACTS AWARDED	<u>4.76 %</u>

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2010-2011		2011-2012		2011-2012		2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
2RF Annual Assessments	0	0	26,000	0	26,000	0	26,000	0	26,000	0	26,000	0
2SC Excess Unemploy Benefits/Expenses	3,605,173	0	2,922,275	0	11,304,389	0	11,304,389	0	11,304,389	0	11,304,389	0
2SD Operations	60,449,689	932	61,777,236	857	85,875,745	979	86,702,884	979	92,244,986	1,002	86,702,884	979
2SE Workforce Investment Act	30,256,345	0	26,659,884	0	63,500,000	0	62,500,000	0	72,500,000	0	62,500,000	0
2SF UI Trust Fund Loan Interest	68,795	0	15,070,000	0	28,000,000	0	28,000,000	0	28,000,000	0	28,000,000	0
35Q DWS Training Trust Fund	1,293,889	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
35R DWS Unemployment Insurance Fund	1,431,198	0	700,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
4KP TANF-IDA	810,667	0	800,000	0	1,700,000	0	1,700,000	0	1,700,000	0	1,700,000	0
4KQ TANF Block Grant Paying/New Hire Registry	13,816,995	37	64,499,405	103	64,501,053	0	64,501,053	0	100,000,000	0	64,501,053	0
C27 Unemployment Benefits & Expenses - Cash	5,017,952	0	35,440,000	0	131,250,000	0	131,250,000	0	131,250,000	0	131,250,000	0
C28 Federal Employees Benefit-Cash	111,475,843	0	117,546,145	0	225,000,000	0	225,000,000	0	225,000,000	0	225,000,000	0
C29 U I Benefits - Taxable Employers - Cash	386,299,108	0	400,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0
C30 U I Benefits-Reimb Employers - Cash	18,456,354	0	18,456,354	0	25,000,000	0	25,000,000	0	25,000,000	0	25,000,000	0
C31 Bldg Improvmt/Land-Reed Act	0	0	0	0	38,500,000	0	38,500,000	0	38,500,000	0	38,500,000	0
C48 Federal Employee Benefits-ARRA	268,377,067	0	200,000,000	0	200,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0
C49 UI Modernization - ARRA	305,779	0	8,731,568	0	9,595,093	0	9,595,093	0	9,595,093	0	9,595,093	0
C56 Loans to Local WIBs	0	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
Total	901,664,854	969	959,128,867	960	1,495,752,280	979	1,395,579,419	979	1,446,620,468	1,002	1,395,579,419	979

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	30,039,906	3.2	32,417,944	3.2	54,109,847	3.7	54,109,847	3.6	54,109,847	3.7
General Revenue	4000010	3,775,642	0.4	3,775,642	0.4	3,775,642	0.3	3,775,642	0.3	3,775,642	0.3
Federal Revenue	4000020	892,218,657	95.5	932,692,291	92.1	1,343,530,729	93.0	1,394,571,778	93.3	1,343,530,729	93.0
Stabilization Tax	4000033	5,008,580	0.5	17,200,135	1.7	10,000,000	0.7	10,000,000	0.7	10,000,000	0.7
Advance Interest Funds	4000070	56,539	0.0	21,044,859	2.1	26,943,802	1.9	26,943,802	1.8	26,943,802	1.9
Employer Penalties & Interest	4000225	3,711,974	0.4	7,165,184	0.7	7,165,184	0.5	7,165,184	0.5	7,165,184	0.5
Transfer to DHS-DCO	4000612	(728,500)	(0.1)	(1,057,341)	(0.1)	(1,057,341)	(0.1)	(1,057,341)	(0.1)	(1,057,341)	(0.1)
Total Funds		934,082,798	100.0	1,013,238,714	100.0	1,444,467,863	100.0	1,495,508,912	100.0	1,444,467,863	100.0
Excess Appropriation/(Funding)		(32,417,944)		(54,109,847)		(48,888,444)		(48,888,444)		(48,888,444)	
Grand Total		901,664,854		959,128,867		1,395,579,419		1,446,620,468		1,395,579,419	

Budget Number of Positions may exceed the Authorized Number in TANF Block Grant Paying/New Hire Registry (Appropriation 4KQ) due to single salary section in appropriation act.

Analysis of Budget Request

Appropriation: 2RF - Annual Assessments

Funding Sources: TZS - DWS Special Fund

The Annual Assessments appropriation pays the annual assessment to maintain voting member rights in the National Association of Workforce Agencies. This appropriation is funded from the Department of Workforce Services Special Fund derived from penalties and interest assessed to Arkansas employers and delinquent tax contributions.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2RF - Annual Assessments

Funding Sources: TZS - DWS Special Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Annual Assessment 5900046	0	26,000	26,000	26,000	26,000	26,000
Total	0	26,000	26,000	26,000	26,000	26,000
Funding Sources						
Employer Penalties & Interest 4000225	0	26,000		26,000	26,000	26,000
Total Funding	0	26,000		26,000	26,000	26,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	26,000		26,000	26,000	26,000

Analysis of Budget Request

Appropriation: 2SC - Excess Unemploy Benefits/Expenses

Funding Sources: TZS - DWS Special Fund

The Excess Unemployment Benefits and Expenses appropriation is utilized by the Department of Workforce Services for payment of administrative expenditures in excess of other funding sources due to reductions in federal funds. This appropriation is funded from the Department of Workforce Services Special Fund derived from penalties and interest assessed to Arkansas employers and delinquent tax contributions.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2SC - Excess Unemploy Benefits/Expenses

Funding Sources: TZS - DWS Special Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Construction	5090005	0	0	377,500	377,500	377,500	377,500
Rent of Buildings	5900022	0	0	48,354	48,354	48,354	48,354
Payment/Expenses	5900046	3,605,173	2,922,275	10,878,535	10,878,535	10,878,535	10,878,535
Total		3,605,173	2,922,275	11,304,389	11,304,389	11,304,389	11,304,389
Funding Sources							
Fund Balance	4000005	12,495,615	12,602,416		16,819,325	16,819,325	16,819,325
Employer Penalties & Interest	4000225	3,711,974	7,139,184		7,139,184	7,139,184	7,139,184
Total Funding		16,207,589	19,741,600		23,958,509	23,958,509	23,958,509
Excess Appropriation/(Funding)		(12,602,416)	(16,819,325)		(12,654,120)	(12,654,120)	(12,654,120)
Grand Total		3,605,173	2,922,275		11,304,389	11,304,389	11,304,389

Analysis of Budget Request

Appropriation: 2SD - Operations

Funding Sources: TES - DWS Trust Fund

The Department of Workforce Services Trust Fund (A.C.A. §19-5-912) provides operational support for the various programs of the Department. Funding for this appropriation is derived from revenues authorized by the federal government for support of various programs, any interest earned on these revenues, and any other funds made available by the Arkansas General Assembly. This program also receives federal funding from the American Recovery & Reinvestment Act of 2009 (ARRA).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2SD - Operations

Funding Sources: TES - DWS Trust Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	30,246,259	32,938,670	37,020,266	37,706,317	35,618,631	37,706,317
	#Positions	932	857	979	979	1,002	979
Extra Help	5010001	3,815,727	2,391,256	4,093,000	4,093,000	4,093,000	4,093,000
	#Extra Help	293	296	400	400	400	400
Personal Services Matching	5010003	10,506,886	11,123,204	12,640,090	12,778,334	12,415,448	12,778,334
Overtime	5010006	21,391	60,000	60,000	60,000	60,000	60,000
Operating Expenses	5020002	9,664,975	12,585,871	23,721,905	23,721,905	31,721,905	23,721,905
Conference & Travel Expenses	5050009	119,283	133,385	705,585	705,585	705,585	705,585
Professional Fees	5060010	1,023,953	1,605,918	1,784,653	1,784,653	1,784,653	1,784,653
Data Processing	5090012	99,074	0	0	0	0	0
Capital Outlay	5120011	144,894	250,000	2,419,001	2,419,001	2,419,001	2,419,001
ARRA 2009	5900052	4,807,247	688,932	3,431,245	3,434,089	3,426,763	3,434,089
Total		60,449,689	61,777,236	85,875,745	86,702,884	92,244,986	86,702,884
Funding Sources							
Federal Revenue	4000020	60,449,689	61,777,236		86,702,884	92,244,986	86,702,884
Total Funding		60,449,689	61,777,236		86,702,884	92,244,986	86,702,884
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		60,449,689	61,777,236		86,702,884	92,244,986	86,702,884

Analysis of Budget Request

Appropriation: 2SE - Workforce Investment Act

Funding Sources: FCG - Federal Funds

The Workforce Investment Act appropriation provides for payment of federal funds to agencies in the ten local workforce investment areas (LWIAs). These programs provide needed employment and employment preparation services for adults, youth, and dislocated workers. Funding for this appropriation is provided by federal funds derived from the Workforce Investment Act of 1998, Public Law 105-220 and the American Recovery & Reinvestment Act of 2009.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2SE - Workforce Investment Act

Funding Sources: FCG - Federal Funds

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	22,218,345	23,297,739	60,000,000	60,000,000	70,000,000	60,000,000
ARRA 2009	5900052	8,038,000	3,362,145	3,500,000	2,500,000	2,500,000	2,500,000
Total		30,256,345	26,659,884	63,500,000	62,500,000	72,500,000	62,500,000
Funding Sources							
Federal Revenue	4000020	30,256,345	26,659,884		62,500,000	72,500,000	62,500,000
Total Funding		30,256,345	26,659,884		62,500,000	72,500,000	62,500,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		30,256,345	26,659,884		62,500,000	72,500,000	62,500,000

Analysis of Budget Request

Appropriation: 2SF - UI Trust Fund Loan Interest

Funding Sources: TZR - Employment Security Advance Interest Trust Fund

A.C.A. §11-10-708 created an Advance Interest Tax in addition to the contributions and any stabilization and extended benefits taxes levied under other provisions of A.C.A. §11-10-703 -- §11-10-708. Each employer, except employers that have made an election to reimburse the Unemployment Compensation Fund under A.C.A. §11-10-713(c), shall pay a separate and additional tax known as the advance interest tax on wages paid by that employer with respect to employment.

For rate years beginning on and after January 1, 1993, the advance interest tax shall be two-tenths of one percent (0.2%) when the state has an outstanding interest-bearing advance under Title XII of the Social Security Act. The Advance Interest Tax is only triggered "on" when such outstanding interest-bearing advance loan status is in effect. At all other times there is no assessment of the Advance Interest Tax.

When triggered "on", the tax is effective the first month of the quarter following the state's obtaining an interest-bearing advance and shall remain until the quarter immediately following the repayment of the advancement and the Employment Security Advance Interest Trust Fund (A.C.A. §19-5-935) attains a balance of five million dollars (\$5,000,000).

This Advance Interest Tax shall be levied and collected in the same manner as contributions and shall be subject to the same penalty and interest, collection, impoundment, priority, lien, certificate of assessment, and assessment provisions and procedures set forth in A.C.A. §11-10-716 -- §11-10-722. When in effect, at least once each month, deposits which have been established as Advance Interest Tax payments and any interest and penalty payments applicable to the advance interest payments shall be paid over to the Treasurer of State and credited by the Treasurer of State to the Employment Security Advance Interest Trust Fund created and established in the State Treasury. In addition, all income from investment of the Employment Security Advance Interest Trust Fund shall be deposited and credited to that Employment Security Advance Interest Trust Fund.

All withdrawals shall be upon voucher warrants issued, or caused to be issued, by the Director of the Arkansas Department of Workforce Services as authorized by legislative appropriation and, shall be used only for the purposes of:

- A. Paying interest incurred by the state on advances obtained from the federal Unemployment Trust Fund under Title XII of the Social Security Act;
- B. Making refunds of the aforementioned advance interest tax and interest and penalty payments attributed to the advance interest tax which were erroneously paid; and

C. Returning moneys to the Unemployment Compensation Fund Clearing Account which may have been incorrectly identified and erroneously transferred to the Employment Security Advance Interest Trust Fund in the State Treasury.

In November of each calendar year, the director shall transfer all assets of the Employment Security Advance Interest Trust Fund, which exceed five million dollars (\$5,000,000) to the Unemployment Compensation Fund, A.C.A. §11-10-801, provided that the state has no interest-bearing advances obtained from the federal Unemployment Fund under Title XII of the Social Security Act outstanding.

Any interest required to be paid on advances obtained by the state under Title XII of the Social Security Act shall be paid in a timely manner and shall not be paid directly or indirectly by an equivalent reduction in unemployment contributions or taxes imposed under other provisions of §11-10-701 -- §11-10-715 or otherwise from amounts in the Unemployment Compensation Fund established under A.C.A. §11-10-801 -- §11-10-804.

Arkansas is currently in interest bearing loan status under Title XII of the Social Security Act. Outstanding advances became interest bearing on January 1, 2011. The Advance Interest Tax triggered on April 1, 2011. Advances secured as of September 2011 totaled \$359,989,602, of which \$29,136,219 has been repaid. The current interest portion of \$10,113,455 was also paid in September. The balance of the interest bearing loan is projected to be repaid by September 2015.

The UI Trust Fund Transfer line item was established for transferring from the Advance Interest Trust Fund as was required by law when the Advanced Interest Tax Fund exceeds \$5 million. Excess funds over the \$5 million in FY2010 totaled \$81,354 and were transferred to the Unemployment Insurance Trust Fund as required.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 2SF - UI Trust Fund Loan Interest

Funding Sources: TZR - Employment Security Advance Interest Trust Fund

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Refunds/Investments/Transfers	5110020	68,795	70,000	3,000,000	3,000,000	3,000,000	3,000,000
Loan Interest	5900046	0	15,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Total		68,795	15,070,000	28,000,000	28,000,000	28,000,000	28,000,000
Funding Sources							
Fund Balance	4000005	5,037,397	5,025,141		11,000,000	11,000,000	11,000,000
Advance Interest Funds	4000070	56,539	21,044,859		26,943,802	26,943,802	26,943,802
Total Funding		5,093,936	26,070,000		37,943,802	37,943,802	37,943,802
Excess Appropriation/(Funding)		(5,025,141)	(11,000,000)		(9,943,802)	(9,943,802)	(9,943,802)
Grand Total		68,795	15,070,000		28,000,000	28,000,000	28,000,000

Analysis of Budget Request

Appropriation: 35Q - DWS Training Trust Fund

Funding Sources: TWT - DWS Training Trust Fund

The Department of Workforce Services Training Trust Fund was established in A.C.A. §19-5-1131 to be used for worker training by providing a state funding source under certain conditions for benefits to Arkansas employers and employees. Funding for this appropriation consists of the proceeds of the Stabilization Tax, any interest accruing on these revenues, and any other funds made available by the General Assembly. A.C.A. 11-10-706 (f)(1)(A) provides 0.025% of taxable wages from the Stabilization Tax to support this program, which includes a sunset clause of June 30, 2015.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 35Q - DWS Training Trust Fund

Funding Sources: TWT - DWS Training Trust Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Personal Services, Operating Expenses and Grants 5900046	1,293,889	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total	1,293,889	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Funding Sources						
Fund Balance 4000005	5,113,839	6,328,527		10,186,295	10,186,295	10,186,295
Stabilization Tax 4000033	2,508,577	8,857,768		5,000,000	5,000,000	5,000,000
Total Funding	7,622,416	15,186,295		15,186,295	15,186,295	15,186,295
Excess Appropriation/(Funding)	(6,328,527)	(10,186,295)		(10,186,295)	(10,186,295)	(10,186,295)
Grand Total	1,293,889	5,000,000		5,000,000	5,000,000	5,000,000

Analysis of Budget Request

Appropriation: 35R - DWS Unemployment Insurance Fund

Funding Sources: MUI - DWS Unemployment Insurance Administration Fund

The Department of Workforce Services Unemployment Insurance Administration Fund was established in A.C.A. §19-5-1232 to be used for operating expenses of the unemployment insurance program necessary for the proper administration of the Arkansas Employment Security Law. This appropriation is used to maintain current programs during federal funding shortfalls to avoid reducing services to the state. Funding for this appropriation consists of the proceeds of the Stabilization Tax, any interest accruing on these revenues, and any other funds made available by the General Assembly. A.C.A. 11-10-706 (f)(2)(A) provides 0.025% of taxable wages from the Stabilization Tax to support this program, which includes a sunset clause of June 30, 2015.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 35R - DWS Unemployment Insurance Fund

Funding Sources: MUI - DWS Unemployment Insurance Administration Fund

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses 5900046	1,431,198	700,000	5,000,000	5,000,000	5,000,000	5,000,000
Total	1,431,198	700,000	5,000,000	5,000,000	5,000,000	5,000,000
Funding Sources						
Fund Balance 4000005	7,393,055	8,461,860		16,104,227	16,104,227	16,104,227
Stabilization Tax 4000033	2,500,003	8,342,367		5,000,000	5,000,000	5,000,000
Total Funding	9,893,058	16,804,227		21,104,227	21,104,227	21,104,227
Excess Appropriation/(Funding)	(8,461,860)	(16,104,227)		(16,104,227)	(16,104,227)	(16,104,227)
Grand Total	1,431,198	700,000		5,000,000	5,000,000	5,000,000

Analysis of Budget Request

Appropriation: 4KP - TANF-IDA

Funding Sources: TID - Individual Development Account

The Individual Development Account (IDA) appropriation was created by Act 1217 of 1999 to assist in the Welfare Reform effort by providing low income families with an opportunity to accumulate assets, facilitate good savings habits, promote home ownership, micro enterprise development, education, saving for retirement, and stabilize and build communities. Program participants must participate in mandatory training and establish a savings goal. For each \$1 contributed by program participants to their IDA savings account, the state matches their deposits by \$3. Funds are only available once the savings goal has been met or for qualified emergency withdrawals as specified by the Agency. The Department of Workforce Services provides IDA program services by contracting with fiduciary organizations that are non-profit organizations.

Funding for this appropriation is 100% federally funded with Transitional Employment Assistance Program funds (TANF Block Grant).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 4KP - TANF-IDA

Funding Sources: TID - Individual Development Account

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	810,667	800,000	1,700,000	1,700,000	1,700,000	1,700,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		810,667	800,000	1,700,000	1,700,000	1,700,000	1,700,000
Funding Sources							
Federal Revenue	4000020	810,667	800,000		1,700,000	1,700,000	1,700,000
Total Funding		810,667	800,000		1,700,000	1,700,000	1,700,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		810,667	800,000		1,700,000	1,700,000	1,700,000

Analysis of Budget Request

Appropriation: 4KQ - TANF Block Grant Paying/New Hire Registry

Funding Sources: PWS - TANF Block Grant 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 Temporary Assistance to Needy Families 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 remained with the Division of County Operations (DCO) while DWS was responsible for the provision of case management services and overall administration of the program. Special Language Section 27 in Act 212 of 2010 and Special Language Section 23 in Act 937 of 2011 allows for the transfer of general revenue to DCO of up to \$3,640,650 each fiscal year in support of Arkansas' Temporary Assistance for Needy Families (TANF) programs or any related State programs. 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.

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.

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 TANF Block Grant and general revenues.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 4KQ - TANF Block Grant Paying/New Hire Registry

Funding Sources: PWS - TANF Block Grant Paying

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
TANF/New Hire Registry	5900046	13,816,995	64,499,405	64,501,053	64,501,053	100,000,000	64,501,053
Total		13,816,995	64,499,405	64,501,053	64,501,053	100,000,000	64,501,053
Funding Sources							
General Revenue	4000010	3,775,642	3,775,642		3,775,642	3,775,642	3,775,642
Federal Revenue	4000020	10,769,853	61,781,104		61,782,752	97,281,699	61,782,752
Transfer to DHS-DCO	4000612	(728,500)	(1,057,341)		(1,057,341)	(1,057,341)	(1,057,341)
Total Funding		13,816,995	64,499,405		64,501,053	100,000,000	64,501,053
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		13,816,995	64,499,405		64,501,053	100,000,000	64,501,053

Analysis of Budget Request

Appropriation: C27 - Unemployment Benefits & Expenses - Cash

Funding Sources: 177 - DWS Cash

The Department of Workforce Services Unemployment Benefits & Expenses - Cash appropriation currently provides for the operational costs of the Agency as well as Unemployment Insurance (UI) programs. This appropriation is funded by federal dollars deposited into a cash account. An explanation of the line items other than those for normal departmental operations is listed below:

- Training Allowances - federal funding is provided to pay allowances to economically disadvantaged, unemployed, and underemployed individuals so that they can attend training to maximize their employment opportunities and enhance self-sufficiency.
- Payments to Participant Contractors - federal funding is provided to reimburse private and nonprofit employers for costs incurred to train individuals who are economically disadvantaged, unemployed, and underemployed.
- UI Loan Repayments - to repay loans taken by the State from the federal Unemployment Insurance Trust Fund during times of high unemployment.
- Department of Workforce Services Special Fund - for repayment to the Special Fund for building construction costs from the federally funded operating budget.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: C27 - Unemployment Benefits & Expenses - Cash

Funding Sources: 177 - DWS Cash

Appropriation		2010-2011	2011-2012	2011-2012	2012-2013		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	25,450	50,000	5,000,000	5,000,000	5,000,000	5,000,000
Training Allowances	5900046	397,488	390,000	12,500,000	12,500,000	12,500,000	12,500,000
Payments to Part Contractors	5900047	4,595,014	5,000,000	13,750,000	13,750,000	13,750,000	13,750,000
UI Advance Repayment	5900048	0	30,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Total		5,017,952	35,440,000	131,250,000	131,250,000	131,250,000	131,250,000
Funding Sources							
Federal Revenue	4000020	5,017,952	35,440,000		131,250,000	131,250,000	131,250,000
Total Funding		5,017,952	35,440,000		131,250,000	131,250,000	131,250,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		5,017,952	35,440,000		131,250,000	131,250,000	131,250,000

Analysis of Budget Request

Appropriation: C28 - Federal Employees Benefit-Cash

Funding Sources: 177 - DWS Cash

The Federal Employees Benefit Payments appropriation is funded by federal dollars deposited into a cash account. These funds are provided to pay unemployment benefits to unemployed federal civilian employees, ex-servicemen, and public service employees. Additionally, this appropriation pays the federal share of the extended benefits program (50%) and the Emergency Unemployment Compensation Program.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: C28 - Federal Employees Benefit-Cash

Funding Sources: 177 - DWS Cash

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Benefits-Non Employee 5100023	111,475,843	117,546,145	225,000,000	225,000,000	225,000,000	225,000,000
Total	111,475,843	117,546,145	225,000,000	225,000,000	225,000,000	225,000,000
Funding Sources						
Federal Revenue 4000020	111,475,843	117,546,145		225,000,000	225,000,000	225,000,000
Total Funding	111,475,843	117,546,145		225,000,000	225,000,000	225,000,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	111,475,843	117,546,145		225,000,000	225,000,000	225,000,000

Analysis of Budget Request

Appropriation: C29 - U I Benefits - Taxable Employers - Cash

Funding Sources: 177 - DWS Cash

The Unemployment Insurance (UI) Benefits - Taxable Employers appropriation allows for payment of Unemployment Insurance benefits to unemployed individuals. The individuals receive payments based on wages paid by Arkansas employers. The employer must be a for-profit organization and pay contributions to the Unemployment Compensation Fund.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: C29 - U I Benefits - Taxable Employers - Cash

Funding Sources: 177 - DWS Cash

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Benefits-Non Employee 5100023	386,299,108	400,000,000	600,000,000	600,000,000	600,000,000	600,000,000
Total	386,299,108	400,000,000	600,000,000	600,000,000	600,000,000	600,000,000
Funding Sources						
Federal Revenue 4000020	386,299,108	400,000,000		600,000,000	600,000,000	600,000,000
Total Funding	386,299,108	400,000,000		600,000,000	600,000,000	600,000,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	386,299,108	400,000,000		600,000,000	600,000,000	600,000,000

Analysis of Budget Request

Appropriation: C30 - U I Benefits-Reimb Employers - Cash

Funding Sources: 177 - DWS Cash

The Unemployment Insurance (UI) Benefits - Reimbursable Employers appropriation allows for payments for Unemployment Insurance benefits to unemployed individuals. The individuals receive payments based on wages paid by any Arkansas non-profit organization or government employing unit which elects to reimburse the Unemployment Compensation Fund rather than pay contributions.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: C30 - U I Benefits-Reimb Employers - Cash

Funding Sources: 177 - DWS Cash

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Benefits-Non Employee 5100023	18,456,354	18,456,354	25,000,000	25,000,000	25,000,000	25,000,000
Total	18,456,354	18,456,354	25,000,000	25,000,000	25,000,000	25,000,000
Funding Sources						
Federal Revenue 4000020	18,456,354	18,456,354		25,000,000	25,000,000	25,000,000
Total Funding	18,456,354	18,456,354		25,000,000	25,000,000	25,000,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	18,456,354	18,456,354		25,000,000	25,000,000	25,000,000

Analysis of Budget Request

Appropriation: C31 - Bldg Improvmnt/Land–Reed Act

Funding Sources: 167 - DWS Cash - Reed Act

A provision of Title IX of the Social Security Act makes excess funds collected under the Federal Unemployment Tax Act (FUTA) available for administration of the Employment Security Program. These funds are often referred to as "Reed Act" Funds.

The appropriation authorizing the use of Reed Act Funds must be specific and must:

1. Limit the use of funds appropriated exclusively for Employment Security purposes, and;
2. Must specify the purpose of the funds being appropriated.

Reed Act funds become a part of a State's unemployment fund as defined in Section 3306(f) of the Federal Unemployment Tax Act as of the date they are transferred to the account of the State in the Unemployment Trust Fund. The funds must retain legal status as part of the State's unemployment fund until expended for the payment benefits or expenses of Employment Security Administration. Reed Act funds may be withdrawn from the State Unemployment Fund and deposited in another State account for use for Employment Security Administration only pending payment of obligations which have become due or the maturity of which is imminent. Since any amount withdrawn remains legally part of the State's Unemployment Fund until expended, it must be accounted for as part of the State's Unemployment Fund.

This appropriation is funded by Reed Act Funds for the purpose of construction and improvement of buildings, rent/lease costs, acquisition of data processing equipment and/or land, and for the payment of salaries and related benefits of local office staff.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: C31 - Bldg Improvmnt/Land-Reed Act

Funding Sources: 167 - DWS Cash - Reed Act

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Reed Act Funds 5900046	0	0	38,500,000	38,500,000	38,500,000	38,500,000
Total	0	0	38,500,000	38,500,000	38,500,000	38,500,000
Funding Sources						
Federal Revenue 4000020	0	0		38,500,000	38,500,000	38,500,000
Total Funding	0	0		38,500,000	38,500,000	38,500,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	0		38,500,000	38,500,000	38,500,000

Analysis of Budget Request

Appropriation: C48 - Federal Employee Benefits-ARRA

Funding Sources: 177 - DWS Cash

The Federal Employees Benefit Payments appropriation is funded by federal dollars deposited into a cash account. These funds are provided to pay unemployment benefits to unemployed federal civilian employees, ex-servicemen, and public service employees. Additionally, this appropriation pays the federal share of the extended benefits program (50%) and the Emergency Unemployment Compensation Program. Funding for this appropriation is provided by the American Recovery & Reinvestment Act of 2009.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: C48 - Federal Employee Benefits-ARRA

Funding Sources: 177 - DWS Cash

Appropriation	2010-2011 Actual	2011-2012 Budget	2011-2012 Authorized	2012-2013		
				Legislative Recommendation	Agency Request	Executive Recommendation
ARRA 2009 5900052	268,377,067	200,000,000	200,000,000	100,000,000	100,000,000	100,000,000
Total	268,377,067	200,000,000	200,000,000	100,000,000	100,000,000	100,000,000
Funding Sources						
Federal Revenue 4000020	268,377,067	200,000,000		100,000,000	100,000,000	100,000,000
Total Funding	268,377,067	200,000,000		100,000,000	100,000,000	100,000,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	268,377,067	200,000,000		100,000,000	100,000,000	100,000,000

Analysis of Budget Request

Appropriation: C49 - UI Modernization - ARRA

Funding Sources: 177 - DWS Cash

Section 903 of the Social Security Act was amended by the American Recovery and Reinvestment Act of 2009 to provide one-time incentive payments to improve or strengthen the state's unemployment compensation program.

The Agency has spent the initial grant award of \$50,374,239 for unemployment benefits. The remaining \$9,595,083 provides for the payment of salaries and related benefits and maintenance and general operation in support of administration of the Unemployment Insurance (UI) Modernization provisions adopted pursuant to ARRA. Expenditure of these funds are not subject to the two year requirements of ARRA.

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: C49 - UI Modernization - ARRA

Funding Sources: 177 - DWS Cash

Appropriation	2010-2011 Actual	2011-2012 Budget	2011-2012 Authorized	2012-2013		
				Legislative Recommendation	Agency Request	Executive Recommendation
ARRA 2009 5900052	305,779	8,731,568	9,595,093	9,595,093	9,595,093	9,595,093
Total	305,779	8,731,568	9,595,093	9,595,093	9,595,093	9,595,093
Funding Sources						
Federal Revenue 4000020	305,779	8,731,568		9,595,093	9,595,093	9,595,093
Total Funding	305,779	8,731,568		9,595,093	9,595,093	9,595,093
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	305,779	8,731,568		9,595,093	9,595,093	9,595,093

Analysis of Budget Request

Appropriation: C56 - Loans to Local WIBs

Funding Sources: 177 - DWS - Cash

Local Workforce Investment Boards (WIBs) request funding for payroll and other operating expenses from Arkansas Department of Workforce Services (DWS) as needed. Upon receiving the request, DWS orders funds from the US Department of Labor (DOL). These funds are then deposited into the state treasury overnight and an Automated Clearing House transaction is processed to send the funds overnight the following night to the WIB. The entire process normally takes three days. The timing of the requests is controlled to comply with the federal Cash Management Improvement Act (Public Law 101-453).

The Agency Request reflects the FY13 requests from the 2010 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY13 ALC/JBC recommendation from the 2010 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: C56 - Loans to Local WIBs

Funding Sources: 177 - DWS - Cash

Appropriation	2010-2011	2011-2012	2011-2012	2012-2013		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Loans 5120029	0	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total	0	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Funding Sources						
Federal Revenue 4000020	0	1,500,000		1,500,000	1,500,000	1,500,000
Total Funding	0	1,500,000		1,500,000	1,500,000	1,500,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	1,500,000		1,500,000	1,500,000	1,500,000