

# CAREER EDUCATION-AR REHABILITATION SERVICES

## Enabling Laws

Act 29 of 2010

A.C.A. §§ 6-52-101-- 6-52-105

A.C.A. § 20-79-101 et seq.

## History and Organization

### **Mission**

The mission of ARS is to provide opportunities for Arkansans with disabilities to work and to lead productive and independent lives.

This mission statement provides the foundation for the many programs and comprehensive services provided by ARS to individuals with disabilities to assist them in preparing for and entering the state's workforce, thus enabling them to become employed tax-paying citizens participating in communities throughout the state. There are approximately 400,000 people with disabilities residing in Arkansas, meaning that Arkansas has one of the highest percentages of working-age adults with disabilities in the nation. The unemployment rate among Arkansans with disabilities is approximately 60 percent, a figure consistent with the national average. The role of ARS is stipulated to increase the number of persons with disabilities returning to the workplace where they become productive and independent taxpayers instead of tax revenue dependent.

### **History**

Vocational Rehabilitation was initiated in the United States with the passage of the Smith-Fess Act in 1920, which permitted the states to participate by providing federal aid. The act provided funding for medical and surgical treatment and vocational training. Arkansas accepted its first funds for this purpose as the result of state legislation in 1923, with the State Board of Education administering the program. ARS has a record of more than 85 years of exemplary performance as the primary state agency providing education, training, and employment to Arkansans with disabilities. The size of the agency and scope of services have continued to grow and improve over the years; however, ARS has continued to operate as a strong state and federal partnership that enjoys bipartisan support because of its record as a strong, cost-effective program that produces documented results.

In 1971, Arkansas legislation transferred administration of the state VR program to the Department of Social and Rehabilitative Services (now the Department of Human Services). During the time it was administered by the Department of Social and Rehabilitative Services, the program was known as the Division of Rehabilitation Services. Act 574 of 1993 changed the name of the division to Arkansas Rehabilitation Services and transferred it back to the Department of Education, where it was placed under the oversight of the State Board of Vocational Education as a division of the Vocational and Technical Education Division (now the Department of Career Education). ARS was actively involved in the development of legislation resulting in Act 803 of 1997, which created ARS as a division of the Department of Workforce Education.

Since its inception, the public VR program has continually expanded both in terms of additional federal resources and in the numbers and types of disabilities served. In 1943, the agency's scope of services was expanded to include individuals with mental retardation and mental illness, as well as those with physical disabilities. In 1954, the program was again expanded, this time by the inclusion of private non-profit community-based rehabilitation programs, as well as disability-related research and training centers. In 1961, ARS established the Hot Springs Rehabilitation Center (Now the Arkansas Career Training Institute or ACTI) that continues to operate today as one of eight state-operated comprehensive medical rehabilitation and vocational training centers in the nation.

More recent changes in federal legislation have increased emphasis on serving special education students as they transition to the world of work. ARS is actively involved in Welfare-to-Work and School-to-Work initiatives in order to ensure that Arkansans with disabilities participating in these programs are provided opportunities to prepare for and achieve gainful employment. A recently initiated disability management program focuses on assisting employers in developing return-to-work programs for employees (RAVE) experiencing injuries or illnesses, thus reducing workers' compensation costs. ARS also has been required to develop rehabilitation engineering and advanced technology capabilities in order to enhance training and employment opportunities for individuals who are severely disabled.

Federal law now requires that people with the most severe disabilities be served first, based upon an order-of-selection, when adequate funds are not available to serve everyone who may be eligible for services. In Arkansas, the demand for services exceeds the funding capacity, meaning that services are limited to those classified as significantly disabled. Although this group of clients requires more comprehensive services over a longer period of time and at a greater cost, ARS continues to place more people with disabilities in employment each year.

In 1990, Congress passed the Americans with Disabilities Act (ADA), the world's first civil rights legislation for people with disabilities. ARS continues to provide guidance and technical assistance to state agencies and to the private sector regarding compliance with the ADA.

The Workforce Investment Act of 1998 included the reauthorization of the Rehabilitation Act of 1973 and requires that the states establish a new service delivery system. This new system includes a "one-stop shop" approach involving all agencies that serve people who are unemployed, including those with disabilities. As one of the required partners in Arkansas's one-stop system, called the Career Development Network (CDN), ARS participates in each of 10 local regions with office space, resources, and personnel. ARS's involvement in the CDN system provides Arkansans with disabilities increased opportunities to achieve gainful employment or independent living.

ARS currently serves approximately 18,800 people with disabilities each year, with 2361 placed in competitive employment at an average cost of \$4,117. Of these individuals 84.4% were significantly disabled. The placement of these individuals in gainful employment represents a significant investment in the state's economy. 639 of these individuals had employer health care coverage after employment. In fiscal year 2009, Arkansans with disabilities who were placed in competitive employment were earning an average of \$298.00 per week prior to ARS' involvement; however, as a result of ARS' vocational rehabilitation services, their earnings increased to an average of \$386.00 per week.

The Federal Office of Management and Budget estimates that for every \$1 spent on VR services, \$7 is returned to the economy. This return on investment is realized in the economic benefit to the individual, the taxes paid, and the elimination or reduction of Social Security, welfare, and other public subsidy payments. One of the most important benefits cannot be measured. The creation or return to meaningful personal participation in society along with the personal dignity and independence achieved by those who have been served is immeasurable.

Over the years, ARS has focused on innovative programs modifications that not only comply with new federal and state initiatives but also enhance the quality of services and improve the employment outcomes of individuals with disabilities. As a result, ARS has received strong support from the executive and legislative branches, as well as from customers we serve. However, despite the successes ARS has had in assisting individuals with disabilities, ARS has received only basic cost-of-living increases in state and federal funds over the past several years. These cost-of-living increases have not kept pace with cost of providing employment-related services. As a result, the demand for services now significantly exceeds the resources available, a trend that will continue if funding increases are limited to cost-of-living adjustments.

## **Structure**

Arkansas Rehabilitation Services is designed to assure a comprehensive, statewide system of service delivery that addresses the diverse needs of Arkansans living with disabilities. (See the accompanying organizational chart). The major service delivery components are: (1) the Field Services Program, which operates offices in 19 locations serving persons with severe disabilities in all seventy-five (75) counties, except those who are blind (DHHS); (2) the Arkansas Career Training Institute, which is a comprehensive vocational rehabilitation center providing education, medical and vocational training for clients throughout the State and region; (3) Special Programs and Support Services consisting of a comprehensive vocational/psychological evaluation network, the Successful Employment through Assistive Technology (SEAT) program, the Learning and Evaluation Center (LEC) providing mental health and special services for persons with learning disabilities; (4) the Office for the Deaf and Hearing Impaired which serves persons who are deaf or hearing impaired, as well as those who are deaf-blind, with vocational rehabilitation and independent living services; and (5) the Arkansas Kidney Disease Commission, which provides services to patients with end-stage renal disease. There are also several special projects or separately funded programs such as the Telecommunications Access Program (TAP), Supported Housing project, and an Alternative Financing program to assist with low interest loans for purchasing assistive technology. Supporting these service delivery operations are Financial Management, Human Resources Management, Information Systems and Services, and Program Planning, Development and Evaluation sections.

Arkansas Rehabilitation Services is primarily funded through the Department of Education Rehabilitation Services Administration (RSA). For the Vocational Rehabilitation Program RSA federal funding is 78.7% with a minimum state match of 21.3%.

## **General Field Program**

The Field Program has 90 counselors serving individuals with disabilities in all 75 counties. All applicants are assigned a rehabilitation counselor. The counselor is responsible for interviewing and assessing disability and functional limitations, exploring the background, abilities, interests, and existing and potential barriers to employment. The determination of eligibility normally occurs within 60 days. Working in partnership, the individual and the counselor develop an Individualized Plan for Employment (IPE). This includes the kind of work the client has chosen as a goal, the specific services needed, a realistic time frame for goal accomplishment, and the assignment of responsibilities. Eligible persons may receive one or more of the following services:

**Diagnosis:** Every person applying for traditional rehabilitation services undergoes a general assessment, which may include special examination in cases such as heart, eye, ear, bone or psychiatric disabilities. This will assist the counselor with eligibility determination.

**Counseling and Guidance:** Trained personnel make a thorough study of each applicant's abilities, needs, and challenges. Intelligence along with vocational interest tests are administered to identify strengths and limitations of the individual in order to assist in determining options for pursuing competitive employment. Jointly the person with a disability and his/her counselor develop an individualized plan for employment (IPE) which establishes an employment goal and the necessary action steps, time frames and estimated costs to achieve the employment goal. Ongoing vocational counseling is a critical element in the success of the customers with whom we work.

**Physical Restoration:** The aim of physical restoration services is to remove, or substantially reduce, the individual's disability as an impediment to employment. Services may include medical and surgical treatment, hospitalization, personal care assistance services, physical and occupational therapy, and restorative appliances such as: artificial limbs, braces, glasses, wheelchairs, vehicle adaptations, assistive technology such as voice activated computers and speech synthesizers.

**Other Services:** Financial assistance that enables the client to purchase tools for self employment, licensure and business enterprise supplies may also be available. Employment, housing and transportation information and assistance is available. Additionally, wheelchair repairs, peer counseling, and other related services are also available.

**Job Placement:** ARS cooperates with training agencies, employment agencies, and employers in an effort to secure suitable employment for eligible individuals with disabilities. ARS has placement specialists in all general field offices across the State. Job placement counselors assist our clients with job applications, interviews, and eventual employment in the workplace.

Education and Training: Financial assistance may be applied to a recognized public or private trade or business school, college, or university. Training in various skills also is available at the ACTI, including auto mechanics, body and fender repair, business education, cosmetology, custodial, laundry, printing, sales clerk, sewing, small engine repair, auto parts technician, welding, data processing, food service and others.

Rehabilitation Engineering: Any person, employer, agency, or organization needing help in planning and designing ADA compliant access to the home or work place may secure such assistance from the ARS. The same provision applies to modifications of tools and equipment to make them more adaptive by persons with disabilities.

Supported Employment (Title VI): With the collaboration of the Division of Developmental Disabilities and the Division of Behavioral Mental Health of the Department of Human Services, along with the support of community organizations, ARS provides supported services to the most severely disabled individuals, those who cannot function in the work place without ongoing assistance. Job coaches are assigned to the clients to help them adapt more readily to employment. These services provide meaningful employment to people who have historically been excluded from the workforce and placed in institutions or in segregated programs. During Federal Fiscal Year 2007, 131 individuals received vocational & occupational skills assistance from the Supported Employment program.

Independent Living Services (IL): IL services may be provided to any severely disabled person found eligible and may include counseling (psychological, psychotherapeutic, and guidance), physical restoration services, e.g. (braces, housing modifications, wheelchair, prosthesis, etc., and transportation). This program also provides support to independent living centers such as Mainstream Living, SPA Area Independent Living, Delta Resource Center for Independence, and Sources for Community Living. During Federal Fiscal Year 2007, 61 individuals received assistance from the Independent Living program.

If the individual is in need of comprehensive rehabilitation facility services, the counselor may refer the client to the ACTI.

## **Arkansas Career Training Institute**

ACTI is a comprehensive rehabilitation program. It offers both residential and non-resident medical and vocational services to approximately 900 Arkansas citizens with disabilities each year, serving a population average of 300 at any one time. The service delivery program is divided into two major components, the Hot Springs Rehabilitation Center Hospital and the Arkansas Career Training Institute. It also has an Administrative Services department that provides the necessary support services to maintain a 24-hour a day facility. The Administrator of the ACTI has responsibility for the management of the facility and reports to the Arkansas Rehabilitation Services Commissioner. The Center employs 270 persons.

## **Hot Springs Rehabilitation Center Hospital**

The HSRC Hospital provides full-time nursing services, physical therapy, occupational therapy, speech/language pathology services, social services, psychological services and a pharmacy. The Hospital is licensed by the Department of Health. The Hospital has a capacity of 24 inpatients.

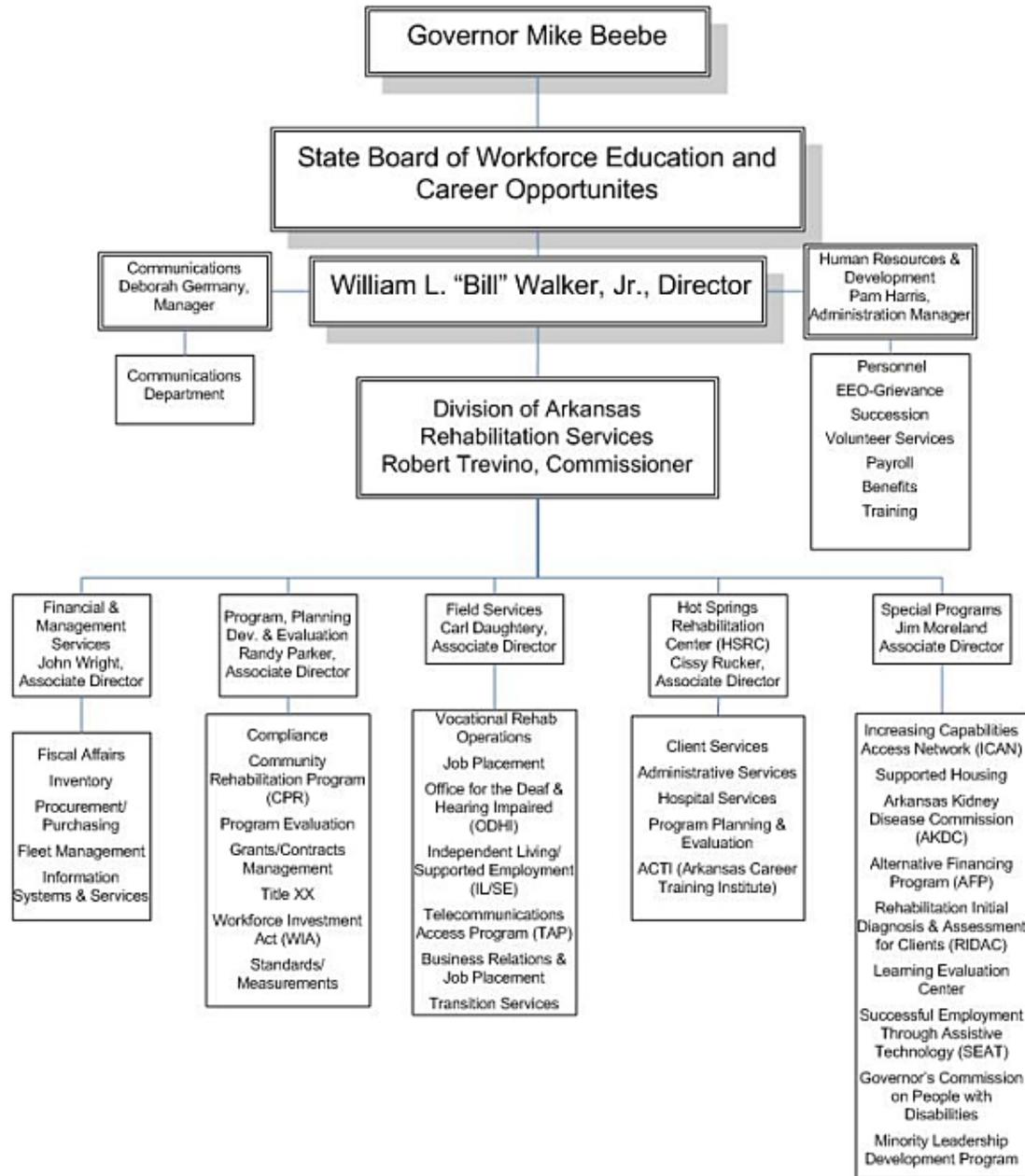
In addition, the Hospital provides specialty clinics to clients of Arkansas Rehabilitation Services, including Orthopedic, Amputee, Spinal Cord Injury, Urology, Dental, and Psychiatry. The Hospital also provides a clinic to treat and manage medical conditions of students enrolled in vocational training programs.

## **Arkansas Career Training Institute**

The Arkansas Career Training Institute (ACTI) provides a wide variety of services to prepare clients of ARS to become employed. Services include counseling, case management, vocational evaluation, vocational training, employment readiness, recreation, student living, behavioral enhancement, and job placement.

Vocational Training is provided in 12 different programs, with many programs offering multiple courses of study which can be tailored to meet the learning style and rehabilitation needs of the client/student.

After hours Recreation Services are provided to help the student adjust to the Center's living environment through wholesome activities to pass the time when the student is not actively engaged in other rehabilitation activities. The Recreation program utilizes 6 staff to plan and supervise the recreational activities, which can range from sedentary activities such as Bingo to vigorous exercise programs. A weight-management program is also supervised in coordination with dietary services in this section.



## **Agency Commentary**

### **Vocational Rehabilitation Services**

The Rehabilitation Act of 1973 requires state rehabilitation agencies to provide a coordinated set of activities designed to help persons with physical or mental impairments prepare for and achieve gainful employment. These activities are designed to meet RSA standards and indicators of achievement and are outcome-oriented in collaboration with other agencies such as the Arkansas Departments of Education and Higher Education, local workforce centers, and local school districts. These activities can consist of postsecondary education, vocational training, integrated employment, continuing employment, continuing and adult education, adult services, and independent living.

Arkansas Rehabilitation Services (ARS) receives a federal grant from the Rehabilitation Services Administration to operate a comprehensive, coordinated, effective, efficient and accountable program designed to assess, plan, develop, and provide vocational rehabilitation services for individuals with disabilities, consistent with their priorities, abilities, through informed choice, in order to engage in gainful employment.

### **Goals**

The agency has established three priority objectives for the upcoming year. First, in order to be efficient with data processing controls, data integrity and timeliness of reporting, ARS has purchased a new case management system from Libera, Inc. This case management system is a web based solution developed specifically for the vocational rehabilitation program. We expect this system to be operational by October. Secondly, the Agency is enhancing its data processing infrastructure in order to implement the new system. Our final goal is to increase our successful closures by 8 percent. Last year the field program closed a total of 2,361 successful closures. Our target number this year is 2,549. In order to help secure this goal the agency has reallocated 8 positions to the field program, four counselor positions and four placement positions.

### **General Field Program**

There are currently 90 VR counselors in the general field program servicing 18,000 - 20,000 clients annually in all 75 counties. The Field Program is divided into 8 districts with a manager assigned to each district. There are 19 offices located throughout the state. The Chief of Field Services oversees the program with the guidance and approval of the Commissioner. The Vocational Rehabilitation Program is eligibility based and all applicants are assigned a rehabilitation counselor after the referral process. The counselor is responsible for interviewing and assessing disabilities as they relate to functional limitations. The determination of eligibility is required by federal law within 60 days. Working in partnership, the individual and the counselor develop an Individualized Plan for Employment (IPE). This includes the kind of work the client has chosen as a goal, the specific services needed, and a realistic time frame for goal accomplishment. Once the client has completed all

assigned tasks, goals and objectives, the client is placed with an employment provider and after 90 days of employment the case will be closed as rehabilitated. This is considered a successful closure.

## **Partnerships**

First, Arkansas Rehabilitation Services is involved in developing new partnerships with other agencies to increase our service to people with disabilities. The Agency is very pleased to collaborate on a new pilot project with Public Employee Claims Division called RAVE. ARS is coordinating efforts to assist early return to work for individuals on medical or disability leave whose job performance has been affected by physical or mental conditions or who have sustained on the job injuries. ARS may provide assessment, counseling or specific accommodation. The benefits to employers are retaining productive workers, providing access to technical expertise and customized accommodation cost, and reducing recruiting cost. Additionally, ARS is partnering with Jefferson Comprehensive Care System Inc., a non-profit community health care provider with clinics located in rural Arkansas. The mission is to provide primary health care and related health education and social services to designated service areas to improve the health of those living in medically underserved areas. The outreach counties are: Arkansas, Ashley, Chicot, Desha, Drew, Jefferson, Lincoln, Prairie, Lonoke and Pulaski. ARS has assigned vocational counselors to each county to provide information about VR services, assessment and job placement. JCCSI will host several training sessions at the annual Arkansas Rehabilitation Association Conference covering AIDS Awareness and Chronic Diseases. The agency has secured an additional pilot project with The Work Number, an employment verification service used to determine eligibility for the TANF, Food Stamps, and Medicaid programs. The Work Number provides current wages, income history, name of employer and resident. This service is an asset to our program and will help field staff locate our clients and increase successful outcomes. In an effort to support the Governor's initiative for state agencies to work together on providing services to Arkansans, the agency adopted a cooperative agreement with the Division of Behavioral Health Services. The objective is to care for and improve the health of citizens of Arkansas through an integrated system of prevention and treatment for mental health and substance abuse. ARS will accept referrals for individuals with mental illness, provide counseling services and refer clients to supportive employment vendors to provide training, job coaching, and placement.

## **General Revenue Request Summary**

### **VR General Revenue Request**

The General Field Program requests a total of \$400,000 (SFY 2012) and \$600,000 (SFY 2013) for the Vocational Rehabilitation Program purchase of services line item. The rehabilitation counselors will use this funding to provide direct services to individuals with disabilities on a statewide basis. We estimate that the funding will provide services to 230 and 345 additional individuals respectively. The funding will be used in the following major categories:

Major Service	FY12	Clients	FY13	Clients
Assessment Services	15,000	40	20,000	55
Diagnosis & Treatment/Restoration	55,000	30	80,000	45
Training & College/University	280,000	130	450,000	210
Other: Rehab Technology & Engineering, Placement, Etc.	50,000	50	50,000	50
Totals	400,000	230	600,000	345

These individuals will be assigned a vocational rehabilitation counselor who is responsible for interviewing and assessing disability and functional limitations, and exploring the background, abilities, interests, and barriers to employment. The determination of eligibility is required within 60 days. Working in partnership, the individual and the counselor develop an Individualized Plan for Employment (IPE). This includes the kind of work the client has chosen as a goal, the specific services needed, a realistic time frame for goal accomplishment, and the assignment of responsibilities. Eligible persons may receive one or more of the services provided/purchased by the program.

General Revenue; \$400,000 \$600,000

### **Independent Living General Revenue Request**

The Independent Living Program provides services to eligible severely disabled persons. Services may include counseling (psychological, psychotherapeutic, and guidance), physical restoration services such as braces, housing modifications, wheelchairs, prosthesis, and transportation. Funding has remained the same for many years in spite of increasing costs. The Field Program is requesting \$100,000 for each year of the biennium to meet the increasing need for services. If granted, the Independent Living Program should be able to serve an additional 60 to 70 individuals.

General Revenue; \$100,000 \$100,000

### **Telecommunication Access Program (TAP)**

The Telecommunications Access Program (TAP) was established by the General Assembly of the State of Arkansas through Act 501 of 1995 as a service to Arkansans who are deaf, hard of hearing, deaf blind, or speech impaired to provide access to the telecommunications system. The Act also authorized the Public Service Commission to fund the equipment distribution program with a \$.03 surcharge per line.

TAP distributes many different types of telecommunication equipment such as amplified phones, talking phones, TTYs, photo phones, hands free phones, and loud ringers, to name a few, and the cost of this equipment continues to rise yearly. TAP promulgated their program rules July 26, 2007 and now allows each applicant to be eligible for up to two primary devices, instead of one, that provide access to telecommunication service. This has resulted in an increase in the number of devices provided by about 400 per year.

## **Stimulus Funding**

### U.S.D.O.E. REHABILITATION SERVICES

#### Vocational Rehabilitation Services

Total: \$500,000 (Appropriation Only)

The Department of Education Rehabilitation Services Administration (RSA), awarded Stimulus Funding to assist States in operating programs of vocational rehabilitation; to assess, plan, develop, and provide vocational rehabilitation services for individuals with disabilities. The grant provides vocational rehabilitation services including: assessment, counseling, vocational and other training, job placement, interpreter services for the deaf, medical and related services and prosthetic and orthotic devices, rehabilitation technology, transportation to secure voc rehab services, maintenance during rehabilitation, and other goods and services necessary to achieve an employment outcome. Since this Stimulus funding is a supplement to the regular grant, the purchase of services may be used to purchase the same types of services. ARS has also used this funding to purchase major software systems for the HSRC Hospital and for the Field Program. In addition, the agency has upgraded its data processing infrastructure in order to accommodate the advanced processing requirements of the respective software systems. The agency is also using this funding source in conjunction with the Stabilization Funding for renovations at the ACTI.

## **GOVERNOR'S STABILIZATION FUNDING**

#### ARS Allocation

Total: \$500,000 (Appropriation Only)

Governor Beebe allotted a total of \$3,640,000 from Stimulus Stabilization Funding to assist the Arkansas Career Training Institute located at Hot Springs with major repair and renovations to the facilities. The projects involve repairing and replacing boilers and hot water systems, electrical rewiring, replacing electrical panels, switches and controls, and roof repairs with down spouts and gutters. The Center will also replace major system components of its air conditioning and heating systems, enhance lighting with energy saving fixtures, replace old leaking windows, upgrade plumbing fixtures and water supply and waste pipes, and repair and upgrade the kitchen facility. The Agency engaged a general contractor to complete the work effort. Most of the work is scheduled for completion on or before June 30, 2011. This request is to provide for any uncompleted work and project completion.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF CAREER EDUCATION-  
ARKANSAS REHABILITATION SERVICES  
FOR THE YEAR ENDED JUNE 30, 2008

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### Findings

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The Agency did not properly backup client case service information. The Agency should perform daily and weekly backups of important information and store these in a secure off-site location. Additionally, the Agency did not document changes to their disaster recovery plan for their computer systems at the central office. The last revision for this location was done in 2004.

The Agency billed patients for medical services provided by the Hot Springs Rehabilitation Center. Our review of accounts receivable totaling \$369,689 and the corresponding allowance accounts revealed that \$195,804 was not properly recorded. Further review of these accounts disclosed the following:

- An accounts receivable subsidiary was not maintained for all patient transactions.
- The Agency did not follow procedures required by the Department of Finance and Administration for abatement of accounts receivable.

In order to ensure that compensation expense represents payment for time worked and that it is accurately calculated and recorded, Agency supervisors are required to review and approve timesheets before payment is made. Ten (10) employees of forty (40) reviewed, had timesheets or leave forms that were not properly reviewed and authorized.

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### Recommendations

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Update their disaster recovery plan for their computer systems and implement procedures for backups to ensure that interruptions in the provision of services to Arkansas citizens will be minimal.

Follow procedures required by the Department of Finance and Administration to properly account for patient receivables.

Agency supervisors properly review and authorize all timesheets and leave forms.

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 DEPARTMENT OF CAREER EDUCATION-  
 ARKANSAS REHABILITATION SERVICES  
 SINGLE AUDIT FINDINGS  
 FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF EDUCATION

**Finding Number:** 09-520-01  
**State/Educational Agency:** Arkansas Department of Workforce  
 Education - Arkansas  
**CFDA Number(s) and Program Title(s):** Rehabilitation Services  
 84.126 - Rehabilitation Services\_Vocational  
 Rehabilitation  
**Federal Award Number(s):** Grants to States  
**Federal Award Year(s):** (Vocational Rehabilitation Cluster)  
 2009  
**Compliance Requirement Affected:** H126A090003  
 Reporting  
**Type of Finding:** Noncompliance and Significant Deficiency

**Criteria:**  
 Federal regulations at 34 CFR 361.5(b)(16), 361.38 and 361.40 require the Agency to submit financial and client service data to the U.S. Department of Education - Rehabilitation Services Administration (USDOE - RSA). Management is responsible for reviewing and approving the data for accuracy and completeness prior to submission to RSA. The data contains key program measurements used by RSA to obtain a general assessment of the state-federal Vocational Rehabilitation program and its accomplishments.

The Quarterly Cumulative Caseload Reports (RSA-113) and the Quarterly Financial Reports (SF-269) are due 30 days after the end of the quarter for the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> quarters and 60 days after the end of the 4<sup>th</sup> quarter. The Annual Case Service Report (RSA-911) is due on November 30 after the federal fiscal year end.

**Condition**  
 Our review of 312 active case files in the Agency's case management system, Arkansas Rehabilitation Integrated Management Information System (ARIMIS), revealed 128 files had not been updated to reflect the appropriate status of each of the cases and 9 files could not be located in the field offices.

The RSA-113 reports for September 2008, June 2009 and September 2009 and the RSA-

We recommend the Agency develop procedures to ensure client information in the case management system is accurate and complete. Calculations should be monitored and supporting documentation should be reviewed and approved. All required reports should be submitted to RSA by applicable due dates.

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 DEPARTMENT OF CAREER EDUCATION-  
 ARKANSAS REHABILITATION SERVICES  
 SINGLE AUDIT FINDINGS  
 FOR THE YEAR ENDED JUNE 30, 2009

Findings

911 report for September 2009 were not submitted in accordance with applicable federal due dates.

**Questioned Costs:**

None

**Cause:**

ARIMIS did not have proper internal controls to ensure information entered and retrieved from the system was accurate and complete. Counselors did not update client status information in ARIMIS and District Managers did not properly review files for correct status. Manual corrections to information obtained from the case management system resulted in delays in reporting.

**Effect:**

Inaccurate and incomplete information submitted to RSA may prevent the identification of deficiencies in the program and Agency operations that could affect the provision of services to clients.

Recommendations

**Employment Summary**

	Male	Female	Total	%
White Employees	122	230	352	74 %
Black Employees	37	81	118	25 %
Other Racial Minorities	3	4	7	1 %
Total Minorities			125	26 %
Total Employees			477	100 %

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
AKDC Annual Report	Act 450 of 1971	Y	Y	75	Annual report providing results of Arkansas Kidney Disease services.
Counselor	None	N	N	2,000	Agency newsletter providing information to the public regarding rehabilitation services and activities.
Rehab Connection	None	N	N	2,500	HSRC Newsletter

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
128 Rehab Services - Operations	52,009,950	516	64,967,241	527	58,309,312	527	56,320,748	527	58,070,748	527	58,049,001	527	56,320,748	527	57,270,748	527	57,249,001	527
1VB Increase Capabilities Access Network	51,453	0	298,690	0	298,690	0	298,690	0	298,690	0	298,690	0	298,690	0	298,690	0	298,690	0
374 Statewide Disability Telecomm	413,016	3	502,763	3	507,061	3	507,805	3	507,805	3	507,805	3	507,805	3	507,805	3	507,805	3
743 People w/Disabilities	19,000	0	45,000	0	45,000	0	45,000	0	45,000	0	45,000	0	45,000	0	45,000	0	45,000	0
902 Tech Equipment - Treasury	88,477	0	1,580,000	0	80,000	0	80,000	0	1,580,000	0	1,580,000	0	80,000	0	1,580,000	0	1,580,000	0
903 Rehab Services - Treasury Pay	60,115	0	863,400	0	863,400	0	863,400	0	863,400	0	863,400	0	863,400	0	863,400	0	863,400	0
<b>Total</b>	<b>52,642,011</b>	<b>519</b>	<b>68,257,094</b>	<b>530</b>	<b>60,103,463</b>	<b>530</b>	<b>58,115,643</b>	<b>530</b>	<b>61,365,643</b>	<b>530</b>	<b>61,343,896</b>	<b>530</b>	<b>58,115,643</b>	<b>530</b>	<b>60,565,643</b>	<b>530</b>	<b>60,543,896</b>	<b>530</b>

Funding Sources		%		%		%		%		%		%		%		%			
Fund Balance	4000005	1,937,458	3.5	2,447,221	3.5			2,183,821	3.5	2,183,821	3.5	2,183,821	3.5	3,420,421	5.4	1,920,421	3.1	1,442,168	2.4
General Revenue	4000010	12,477,076	22.6	12,920,501	18.3			12,953,772	21.1	13,453,772	21.3	12,953,772	20.6	12,953,772	20.6	13,653,772	21.9	12,953,772	21.2
Federal Revenue	4000020	37,118,913	67.4	43,055,430	61.1			43,102,459	70.0	43,352,459	68.5	43,352,459	69.0	43,102,459	68.7	43,352,459	69.7	43,352,459	71.0
Special Revenue	4000030	400,353	0.7	547,763	0.8			552,805	0.9	552,805	0.9	552,805	0.9	552,805	0.9	552,805	0.9	552,805	0.9
Cash Fund	4000045	681,739	1.2	2,180,000	3.1			2,180,000	3.5	2,180,000	3.4	2,180,000	3.5	2,180,000	3.5	2,180,000	3.5	2,180,000	3.6
Federal Funds-ARRA	4000244	1,931,140	3.5	8,690,000	12.3			0	0.0	1,000,000	1.6	1,000,000	1.6	0	0.0	0	0.0	0	0.0
Program Income	4000385	542,553	1.0	600,000	0.9			563,207	0.9	563,207	0.9	563,207	0.9	563,207	0.9	563,207	0.9	563,207	0.9
<b>Total Funds</b>		<b>55,089,232</b>	<b>100.0</b>	<b>70,440,915</b>	<b>100.0</b>			<b>61,536,064</b>	<b>100.0</b>	<b>63,286,064</b>	<b>100.0</b>	<b>62,786,064</b>	<b>100.0</b>	<b>62,772,664</b>	<b>100.0</b>	<b>62,222,664</b>	<b>100.0</b>	<b>61,044,411</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(2,447,221)		(2,183,821)				(3,420,421)		(1,920,421)		(1,442,168)		(4,657,021)		(1,657,021)		(500,515)	
<b>Grand Total</b>		<b>52,642,011</b>		<b>68,257,094</b>				<b>58,115,643</b>		<b>61,365,643</b>		<b>61,343,896</b>		<b>58,115,643</b>		<b>60,565,643</b>		<b>60,543,896</b>	

Budget exceeds Authorized Appropriation in Rehab Services-Operations due to a transfer from the Miscellaneous Federal Grant Holding Account.  
 Budget exceeds Authorized Appropriation in Tech Equipment-Treasury due to a transfer from the Cash Fund Holding Account.

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
530	480	50	530	0	9.43 %	530	475	55	530	0	10.38 %	530	478	52	530	0	9.81 %

## **Analysis of Budget Request**

**Appropriation:** 128 - Rehab Services - Operations

**Funding Sources:** PER - Educational Rehabilitation Pay - Admin

The Office of Rehabilitation Services (ARS) carries out its responsibilities through a field program that reaches all 75 counties from 19 field offices across the state. They also operate the Hot Springs Rehabilitation Center (HSRC), a comprehensive, state-owned rehabilitation facility - one of only nine in the country and the only one in the country west of the Mississippi River. The center is comprised of a medical unit providing traumatic care and comprehensive physical and occupational therapy. ARS also includes the Arkansas Career Training Institute (ACTI), which provides vocational training and support in a number of training programs. Funding for this appropriation is a combination of general revenue, federal funding, and program income. Federal funds account for 75% of the total funding.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency is requesting:

- \$250,000 of appropriation in Capital Outlay each year to purchase equipment for the Arkansas Career Training Institute. Equipment includes heavy shop equipment, welding and metal working machines, industrial automobile repair equipment and wood working equipment. No general revenue is requested with this change level.
- Consolidation of the Sheltered Workshops and Deaf-Blind programs to the Contract Services program. Due to changes in payments of the Community Rehabilitation Programs, the Sheltered Workshops line item is no longer needed. These services will be authorized by the rehab counselors. The Deaf-Blind line item, responsible for providing interpreter services, will also be continued under the case management system. The consolidation will simplify the appropriation structure.
- An increase in Contract Services appropriation above the consolidation is also request. The increase is \$500,000 for FY2012 and \$700,000 for FY2013. Of these amounts, \$400,000 for FY2012 and \$600,000 for FY2013 is requested to allow the rehabilitation program purchase of services to provide services to an additional 230 to 345 individuals. Also, \$100,000 is requested for each fiscal year for home modifications to bathrooms, kitchens and access ramps. This will assist individuals to continue to live in their homes and avoid having to be place in an institution.
- \$1,000,000 is requested in the ARRA of 2009 line item. This is needed to allow Rehabilitation Services to complete projects funded from the federal stimulus grants.

Reclassification of a Quality Assurance Coordinator to a Rehab Program Manager and a Administrative Specialist III to a Human Resource Specialist. These reclassification will not require any additional appropriation or funding.

The total general revenue requested for FY12 is \$500,000 and for FY13 \$700,000 is requested.

The Executive Recommendation provides for the Agency Request in appropriation without the increase in general revenue. Additionally, the Executive Recommendation does not provide for the requested reclassifications, but does recommend reclassification of one General Physician position to a ACE Rehab Operations Director. This will properly align the position with it's job duties.

# Appropriation Summary

**Appropriation:** 128 - Rehab Services - Operations  
**Funding Sources:** PER - Educational Rehabilitation Pay - Admin

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	17,823,263	19,362,567	20,655,155	19,582,431	19,582,431	19,564,223	19,582,431	19,582,431	19,564,223
<b>#Positions</b>		<b>516</b>	<b>527</b>	<b>527</b>	<b>527</b>	<b>527</b>	<b>527</b>	<b>527</b>	<b>527</b>	<b>527</b>
Extra Help	5010001	102,493	172,000	172,000	172,000	172,000	172,000	172,000	172,000	172,000
<b>#Extra Help</b>		<b>14</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>
Personal Services Matching	5010003	6,088,420	6,491,866	7,301,349	6,815,509	6,815,509	6,811,970	6,815,509	6,815,509	6,811,970
Extra Salaries	5010008	0	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Operating Expenses	5020002	6,381,403	7,513,280	7,513,280	7,513,280	7,513,280	7,513,280	7,513,280	7,513,280	7,513,280
Conference & Travel Expenses	5050009	70,199	155,506	155,506	155,506	155,506	155,506	155,506	155,506	155,506
Professional Fees	5060010	238,888	882,029	882,029	882,029	882,029	882,029	882,029	882,029	882,029
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,089,207	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
Capital Outlay	5120011	173,738	300,000	0	0	250,000	250,000	0	250,000	250,000
Contract Services	5900043	16,454,979	17,250,000	17,050,000	17,050,000	18,741,993	18,741,993	17,050,000	18,941,993	18,941,993
Data Processing Services	5900044	29,330	100,000	530,000	100,000	100,000	100,000	100,000	100,000	100,000
AR Kidney Disease Comm	5900046	903,641	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Sheltered Workshops	5900047	688,533	1,156,993	1,156,993	1,156,993	0	0	1,156,993	0	0
Deaf-Blind Project	5900048	34,707	35,000	35,000	35,000	0	0	35,000	0	0
ARRA of 2009	5900052	1,931,149	8,690,000	0	0	1,000,000	1,000,000	0	0	0
<b>Total</b>		<b>52,009,950</b>	<b>64,967,241</b>	<b>58,309,312</b>	<b>56,320,748</b>	<b>58,070,748</b>	<b>58,049,001</b>	<b>56,320,748</b>	<b>57,270,748</b>	<b>57,249,001</b>

Funding Sources										
Fund Balance	4000005	1,309,501	1,317,780		1,317,780	1,317,780	1,317,780	1,317,780	1,317,780	839,527
General Revenue	4000010	12,477,076	12,920,501		12,953,772	13,453,772	12,953,772	12,953,772	13,653,772	12,953,772
Federal Revenue	4000020	37,067,460	42,756,740		42,803,769	43,053,769	43,053,769	42,803,769	43,053,769	43,053,769
Federal Funds-ARRA	4000244	1,931,140	8,690,000		0	1,000,000	1,000,000	0	0	0
Program Income	4000385	542,553	600,000		563,207	563,207	563,207	563,207	563,207	563,207
<b>Total Funding</b>		<b>53,327,730</b>	<b>66,285,021</b>		<b>57,638,528</b>	<b>59,388,528</b>	<b>58,888,528</b>	<b>57,638,528</b>	<b>58,588,528</b>	<b>57,410,275</b>
Excess Appropriation/(Funding)		(1,317,780)	(1,317,780)		(1,317,780)	(1,317,780)	(839,527)	(1,317,780)	(1,317,780)	(161,274)
<b>Grand Total</b>		<b>52,009,950</b>	<b>64,967,241</b>		<b>56,320,748</b>	<b>58,070,748</b>	<b>58,049,001</b>	<b>56,320,748</b>	<b>57,270,748</b>	<b>57,249,001</b>

Budget exceeds Authorized Appropriation in Contract Services and Capital Outlay due to a transfer from the Miscellaneous Federal Grant Holding Account.  
 Budget exceeds Authorized Appropriation in ARRA of 2009 due to a transfer from the Miscellaneous Federal Grant Holding Account.

## Change Level by Appropriation

**Appropriation:** 128 - Rehab Services - Operations  
**Funding Sources:** PER - Educational Rehabilitation Pay - Admin

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	56,320,748	527	56,320,748	100.0	56,320,748	527	56,320,748	100.0
C01	Existing Program	750,000	0	57,070,748	101.3	950,000	0	57,270,748	101.7
C04	Reallocation	0	0	57,070,748	101.3	0	0	57,270,748	101.7
C10	Reclass	0	0	57,070,748	101.3	0	0	57,270,748	101.7
C16	ARRA	1,000,000	0	58,070,748	103.1	0	0	57,270,748	101.7

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	56,321,247	527	56,321,247	100.0	56,321,247	527	56,321,247	100.0
C01	Existing Program	750,000	0	57,071,247	101.3	950,000	0	57,271,247	101.7
C04	Reallocation	0	0	57,071,247	101.3	0	0	57,271,247	101.7
C10	Reclass	(22,246)	0	57,049,001	101.3	(22,246)	0	57,249,001	101.6
C16	ARRA	1,000,000	0	58,049,001	103.1	0	0	57,249,001	101.6

### Justification

C01	The General Field Program requests a total of \$400,000 (SFY 2012) and \$600,000 (SFY 2013) for the Vocational Rehabilitation Program purchase of services line item. The rehabilitation counselors will use this request to provide direct services to individuals with disabilities on a statewide basis. We estimate that the funding will provide services to an additional 230 to 345 individuals respectively. These individuals will be assigned a counselor who is responsible for interviewing and assessing disability and functional limitations, and exploring the background, abilities, interests, and barriers to employment. The determination of eligibility normally occurs within 60 days. Working in partnership, the individual and the counselor develop an Individualized Plan for Employment (IPE). This includes the kind of work the client has chosen as a goal, the specific services needed, a realistic time frame for goal accomplishment, and the assignment of responsibilities. Eligible persons may receive one or more of the services provided/purchased by the program. The General Field Program also requests a total of \$100,000 (SFY 2012) and \$100,000 (SFY 2013) for the Independent Living Program purchase of services line item. We estimate that the funding will provide services to an additional 20 individuals each year. The funding will be used for home modifications (bathrooms, kitchens, access ramps) so the individuals may continue to live in their homes and avoid institutionalization. In some cases the counselor may authorize vehicle modifications including hand controls and wheelchair ramps. Other assistive devices include hearing aids and accessories. This is a general revenue request. Also, a capital outlay request of \$250,000 each year to purchase equipment items for the Arkansas Career Training Institute (ACTI). Equipment includes heavy shop equipment, welding and metal working machines, industrial automobile repair equipment and wood working equipment. The agency requests no general revenue for this change level.
C04	The agency is seeking to consolidate the Sheltered Workshop and Deaf-Blind line items into the purchase of services line item. The Sheltered Workshop line item was used by the Facility Section to pay Community Rehabilitation Programs (CRPs) for adjustment services using a point system. The Facility Section has eliminated the point system rendering the special line item obsolete. The services are now authorized directly by the rehab counselors. In addition, this will simplify the agency structure for the implementation of its new case management system currently under development. Services provided by CRPs will be tracked by the new system. The agency will continue to maintain its services relationship with the community rehabilitation program system. The Deaf-Blind program provides interpreter services to individuals who are both deaf and blind. The Deaf-Blind line item currently does not use the case management system. The new system will include these services as a distinct program. The consolidation of the line items will simplify the appropriation structure.
C10	The agency is requesting reclassification of a Quality Assurance Coordinator to a Rehab Program Manager. The duties of this position have changed which require a higher level of education and expertise involving statewide coordination of a program that is essential to serve ARS clients. Additionally, a reclass of an Administrative Specialist III to a Human Resources Specialist is requested. This reclass is necessary to properly identify this position with the current job duties assigned.

## Change Level by Appropriation

<b>Justification</b>	
C16	The agency requests \$500,000 for the Vocational Rehabilitation Stimulus supplement. The program assists States in operating programs of vocational rehabilitation; to assess, plan, develop, and provide vocational rehabilitation services for individuals with disabilities, consistent with their strengths, resources, priorities, concerns, abilities, and capabilities so they may prepare for and engage in competitive employment. This request is to carry forward the ARRA award for the estimated remaining grant amount. The agency also requests \$500,000 for the Fiscal Stabilization Funding used to upgrade: boiler/hot water systems, electrical, roof and safety/security, HVAC Replacement at the Arkansas Career Training Institute. This request is a continuation of the funding and projects previously awarded and approved by Governor's Office. This request will finalize any outstanding renovation projects.

## **Analysis of Budget Request**

**Appropriation:** 1VB - Increase Capabilities Access Network

**Funding Sources:** PER - Educational Rehabilitation Pay - Admin

Increasing Capabilities Access Network, a federally funded program of Arkansas Rehabilitation Services, is designed to make technology available and accessible for all who need it. ICAN is a funding information resource and provides information on new and existing technology free to any person regardless of age or disability.

ICAN supports several service programs under one umbrella that target different areas of need for assistive technology. These specific strategies assist individuals in locating and/or receiving assistive devices or services. ICAN maintains an equipment AT4ALL database which list hundreds of items available for loan, demonstration, or giveaway.

ICAN sponsors many training events, conferences and networking events year-round. ICAN is committed to researching all funding sources and to overcoming obstacles that prevent people from getting the technology they need. ICAN keeps up to date on the newest advances in technology and provides information to anyone requesting assistance.

The Agency Request for this program is Base Level for the 2011-2013 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 1VB - Increase Capabilities Access Network  
**Funding Sources:** PER - Educational Rehabilitation Pay - Admin

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	51,453	291,500	291,500	291,500	291,500	291,500	291,500	291,500	291,500
Conference & Travel Expenses 5050009	0	7,190	7,190	7,190	7,190	7,190	7,190	7,190	7,190
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>51,453</b>	<b>298,690</b>	<b>298,690</b>	<b>298,690</b>	<b>298,690</b>	<b>298,690</b>	<b>298,690</b>	<b>298,690</b>	<b>298,690</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	51,453	298,690		298,690	298,690	298,690	298,690	298,690	298,690
<b>Total Funding</b>	<b>51,453</b>	<b>298,690</b>		<b>298,690</b>	<b>298,690</b>	<b>298,690</b>	<b>298,690</b>	<b>298,690</b>	<b>298,690</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>51,453</b>	<b>298,690</b>		<b>298,690</b>	<b>298,690</b>	<b>298,690</b>	<b>298,690</b>	<b>298,690</b>	<b>298,690</b>

## **Analysis of Budget Request**

**Appropriation:** 374 - Statewide Disability Telecomm

**Funding Sources:** STC - Telecommunications Equipment

The Statewide Disability Telecommunications Equipment Program is authorized to provide telecommunication devices for persons who are deaf, hard of hearing, blind, or speech impaired. Funding for this appropriation is provided through the Arkansas Public Service Commission, which is authorized to increase existing local exchange carrier tariffs, surcharges or other funding mechanisms.

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

The Agency is requesting Base Level for the 2011-2013 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 374 - Statewide Disability Telecomm  
**Funding Sources:** STC - Telecommunications Equipment

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	106,136	129,289	125,940	127,489	127,489	127,489	127,489	127,489	127,489
<b>#Positions</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Personal Services Matching 5010003	25,331	35,474	43,121	42,316	42,316	42,316	42,316	42,316	42,316
Operating Expenses 5020002	51,364	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Conference & Travel Expenses 5050009	3,135	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Professional Fees 5060010	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	227,050	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>413,016</b>	<b>502,763</b>	<b>507,061</b>	<b>507,805</b>	<b>507,805</b>	<b>507,805</b>	<b>507,805</b>	<b>507,805</b>	<b>507,805</b>
<b>Funding Sources</b>									
Fund Balance 4000005	162,762	121,824		121,824	121,824	121,824	121,824	121,824	121,824
Special Revenue 4000030	372,078	502,763		507,805	507,805	507,805	507,805	507,805	507,805
<b>Total Funding</b>	<b>534,840</b>	<b>624,587</b>		<b>629,629</b>	<b>629,629</b>	<b>629,629</b>	<b>629,629</b>	<b>629,629</b>	<b>629,629</b>
Excess Appropriation/(Funding)	(121,824)	(121,824)		(121,824)	(121,824)	(121,824)	(121,824)	(121,824)	(121,824)
<b>Grand Total</b>	<b>413,016</b>	<b>502,763</b>		<b>507,805</b>	<b>507,805</b>	<b>507,805</b>	<b>507,805</b>	<b>507,805</b>	<b>507,805</b>

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments made during the 2009-2011 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 743 - People w/Disabilities

**Funding Sources:** SPD - People with Disabilities

The Governor's Commission on People with Disabilities provides scholarships to students with disabilities. Thirty percent of parking violation fines; specifically, fines for illegally parking in handicapped parking spaces, fund this program.

The Agency Request is the Base Level of \$45,000 for each fiscal year.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 743 - People w/Disabilities

**Funding Sources:** SPD - People with Disabilities

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	19,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>19,000</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	40,680	49,955		49,955	49,955	49,955	49,955	49,955	49,955
Special Revenue	4000030	28,275	45,000		45,000	45,000	45,000	45,000	45,000	45,000
<b>Total Funding</b>		<b>68,955</b>	<b>94,955</b>		<b>94,955</b>	<b>94,955</b>	<b>94,955</b>	<b>94,955</b>	<b>94,955</b>	<b>94,955</b>
Excess Appropriation/(Funding)		(49,955)	(49,955)		(49,955)	(49,955)	(49,955)	(49,955)	(49,955)	(49,955)
<b>Grand Total</b>		<b>19,000</b>	<b>45,000</b>		<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>

## **Analysis of Budget Request**

**Appropriation:** 902 - Tech Equipment - Treasury

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

The purpose of this program is to provide loans to individuals with disabilities for essential assistive technology, adaptive equipment, and for loan administration by the Office of Rehabilitation Services. The principal amount was transferred from the original treasury loan fund. Additional funding is earned from interest on the loans.

The Agency is requesting an increase of \$1,500,000 for both fiscal years. This increase was also requested for FY2011 by a Cash Fund Holding Account request. This increase is necessary due to the administration of the Arkansas Assistive Technology Alternative Financing program moving from the Arkansas Development Finance Authority to the Arkansas Rehabilitation Division.

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

## Appropriation Summary

**Appropriation:** 902 - Tech Equipment - Treasury

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Loans 5120029	88,477	1,580,000	80,000	80,000	1,580,000	1,580,000	80,000	1,580,000	1,580,000
<b>Total</b>	<b>88,477</b>	<b>1,580,000</b>	<b>80,000</b>	<b>80,000</b>	<b>1,580,000</b>	<b>1,580,000</b>	<b>80,000</b>	<b>1,580,000</b>	<b>1,580,000</b>
Funding Sources									
Fund Balance 4000005	98,154	86,631		86,631	86,631	86,631	1,586,631	86,631	86,631
Cash Fund 4000045	76,954	1,580,000		1,580,000	1,580,000	1,580,000	1,580,000	1,580,000	1,580,000
<b>Total Funding</b>	<b>175,108</b>	<b>1,666,631</b>		<b>1,666,631</b>	<b>1,666,631</b>	<b>1,666,631</b>	<b>3,166,631</b>	<b>1,666,631</b>	<b>1,666,631</b>
Excess Appropriation/(Funding)	(86,631)	(86,631)		(1,586,631)	(86,631)	(86,631)	(3,086,631)	(86,631)	(86,631)
<b>Grand Total</b>	<b>88,477</b>	<b>1,580,000</b>		<b>80,000</b>	<b>1,580,000</b>	<b>1,580,000</b>	<b>80,000</b>	<b>1,580,000</b>	<b>1,580,000</b>

Budget exceeds Authorized Appropriation due to a transfer from the Cash Fund Holding Account.

## Change Level by Appropriation

**Appropriation:** 902 - Tech Equipment - Treasury  
**Funding Sources:** NRS - Cash in Treasury

### Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>80,000</b>	<b>0</b>	<b>80,000</b>	<b>100.0</b>	<b>80,000</b>	<b>0</b>	<b>80,000</b>	<b>100.0</b>
C01	Existing Program	1,500,000	0	1,580,000	1,975.0	1,500,000	0	1,580,000	1,975.0

### Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>80,000</b>	<b>0</b>	<b>80,000</b>	<b>100.0</b>	<b>80,000</b>	<b>0</b>	<b>80,000</b>	<b>100.0</b>
C01	Existing Program	1,500,000	0	1,580,000	1,975.0	1,500,000	0	1,580,000	1,975.0

### Justification

C01	The agency requests an increase in the cash fund appropriation for the Arkansas Assistive Technology Alternative Financing Program by \$1,500,000. This request is to continue the cash fund increase approved for during SFY 2011 for the following reason: The original funding was held in trust by the Arkansas Development Finance Authority. On August 15, 2008, ADFA notified the ARS that it would no longer administer the Arkansas Assistive Technology Alternative Financing Program. The ADFA had entered into an interagency agreement to credit underwrite loan applications, invest and account for the loan fund, service the loans and provide monthly reporting. The money was deposited in a Federated Treasury money market mutual fund. When Regions Bank decided to no longer offer this account ADFA decided to return the money to ARS. The ARS moved the funds to the Treasury Money Management Trust Fund. This request seeks to increase the appropriation to reflect the actual cash resources available for the loan program.
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## **Analysis of Budget Request**

**Appropriation:** 903 - Rehab Services - Treasury Pay

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

The Rehabilitation Cash Fund receives revenues from various sources including cafeteria fees, contributions, reimbursement fees, hospital medical fees, interest income, and institutional services. These revenues are defined as program income and are governed by Vocational Rehabilitation Program regulations.

The Agency is requesting Base Level for the 2011-2013 Biennium.

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

## Appropriation Summary

**Appropriation:** 903 - Rehab Services - Treasury Pay

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	58,839	741,400	741,400	741,400	741,400	741,400	741,400	741,400	741,400
Conference & Travel Expenses	5050009	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	1,276	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>60,115</b>	<b>863,400</b>	<b>863,400</b>	<b>863,400</b>	<b>863,400</b>	<b>863,400</b>	<b>863,400</b>	<b>863,400</b>	<b>863,400</b>
<b>Funding Sources</b>										
Fund Balance	4000005	326,361	871,031		607,631	607,631	607,631	344,231	344,231	344,231
Cash Fund	4000045	604,785	600,000		600,000	600,000	600,000	600,000	600,000	600,000
<b>Total Funding</b>		<b>931,146</b>	<b>1,471,031</b>		<b>1,207,631</b>	<b>1,207,631</b>	<b>1,207,631</b>	<b>944,231</b>	<b>944,231</b>	<b>944,231</b>
<b>Excess Appropriation/(Funding)</b>		<b>(871,031)</b>	<b>(607,631)</b>		<b>(344,231)</b>	<b>(344,231)</b>	<b>(344,231)</b>	<b>(80,831)</b>	<b>(80,831)</b>	<b>(80,831)</b>
<b>Grand Total</b>		<b>60,115</b>	<b>863,400</b>		<b>863,400</b>	<b>863,400</b>	<b>863,400</b>	<b>863,400</b>	<b>863,400</b>	<b>863,400</b>