

DHS - County Operations

Enabling Laws

Act 278 of 2012
Act 52 of 2012

Administration (Central Office Operations)

- A.C.A. §25-10-102

Economic and Medical Services Enrollment for the Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp Program), Medicaid and TEA Programs.

- A.C.A. §25-102-102
- Food Stamp/SNAP - Food Stamp Act of 1977 renamed the Food and Nutrition Act of 2008
- Medicaid - Titles XIX and XXI of Social Security Act/Section 7 of Act 280 of 1939 and Act 416 of 1977; Act 849 of 1999 and Act 747 of 2001 (ARKids First Program)
- Medicaid Expansion (Tobacco Settlement) - Act 1574 of 2001
- TEA Program (Cash Assistance) - Title IV-A of the Social Security Act; Act 1058 of 1997; Act 1264 of 2001; Act 1306 of 2003 and Act 1705 of 2005

County Operations Assistance - Community Services (Funding for the provision of services and activities designed to reduce poverty and hunger, revitalize low-income communities and increased self-sufficiency)

- Commodity Distribution and Emergency Food - Emergency Food Assistance Act of 1983
- Food Stamp Employment and Training - Food Stamp Act of 1977, renamed the Food and Nutrition Act of 2008
- Refugee Resettlement Program - Title IV of the Immigration and Nationality Act
- Community Service Block Grant - Public Law 97-35 Federal Omnibus Reconciliation Act of 1981
- Shelter Plus Care - Public Law 97-35 Federal Omnibus Reconciliation Act of 1981 McKinney-Ventro Homeless Assistance Act of 1987, Title IV as amended, Public Law 97-35 Federal Omnibus Reconciliation Act of 1981
- Aid to the Aged, Blind and Disabled - Title XVI of the Social Security Act; P.L. 93-66 and P.L. 93-233
- Weatherization - Energy Conservation and Production Act, Title IV, Part A, Public Law 94-385, 42 U.S.C. 6851-6872; Department of Energy Organization Act of 1977 as amended; Public Law 97-35 Federal Omnibus Reconciliation Act of 1981

- Low-Income Energy Assistance-Public Law 97-35 Federal Omnibus Reconciliation Act of 1981
- Homeless Assistance - McKinney-Vento Homeless Assistance Act of 1987, Title IV as amended, 42 U.S.C.11371-78 Public Law 97-35 Federal Omnibus Reconciliation Act of 1981; The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) Emergency Solutions Grants Program Regulations (24 CFR part 576).

History and Organization

Mission: The mission of the Division of County Operations is to ensure the delivery of quality human services that strengthen the health and well being of Arkansas’s children, families and adults.

History: The Arkansas Department of Public Welfare was created in 1935 to give public assistance to dependent children, the aged, and the blind. There have been several changes and significant growth in services since that time. Child Welfare was added in 1936. In 1937, Aid to Families with Dependent Children (AFDC), General Relief, and Commodity Distribution were added along with medical care for the indigent. The Food Stamp Program began in 1962. In 1971, the Department of Public Welfare was transferred to the Department of Social and Rehabilitative Services and was renamed the Division of Social Services. Later, the Prescription Drug, optional Medicaid and the Child Support programs were added. Act 348 of 1985 mandated a change in the name of the agency to the Division of Economic and Medical Services in the Department of Human Services. The Child Support Enforcement Unit was transferred to the Revenue Division of the Department of Finance and Administration effective July 1, 1993. Act 1198 of 1995 dissolved the Division of Economic and Medical Services and created a new Division of Medical Services, while the Economic Services component merged with the Division of County Operations. The reorganized Division of County Operations has responsibility for 83 county offices in the 75 counties and is also responsible for administering several programs, including: Transitional Employment Assistance (TEA) and Work Pays eligibility, Supplemental Nutrition Assistance Program (Food Stamps), Medicaid eligibility, ARKids First, Commodity Distribution, Community Services and Emergency Services.

On August 22, 1996, the Personal Responsibility and Work Opportunity Reconciliation Act was signed into law. This Act initiated the most significant reform of public welfare programs in sixty years by placing time limits on the receipt of cash assistance benefits and requiring non-exempt adults to move into the workforce. Act 1058 of 1997, the Arkansas Personal Responsibility and Public Assistance Reform Act, created the Transitional Employment Assistance Program on July 1, 1997 replacing the former AFDC and AFDC Jobs programs. This Act also established the TEA Advisory Council to advise and assist all state agencies with the implementation and evaluation of the new TEA Program. In September 1997, Arkansas implemented the ARKids First Program designed to provide medical care to thousands of children of working parents whose income is not high enough to provide health insurance.

Act 1567 of 1999 amended the Arkansas Personal Responsibility and Public Assistance Reform Act by establishing the Arkansas Transitional Employment Board and enacted other provisions to strengthen the Arkansas TEA Program. The original Act was amended by Act 1264 of

2001 giving additional authority to the Transitional Employment Board to oversee funding to child care programs provided for current and former TEA recipients as well as low-income working families. The original Act was amended again by Act 1306 of 2003 to add several new targets and outcomes for the TEA Program.

Act 1705 of 2005 transferred overall responsibility for the administration of the TEA program to the Department of Workforce Services (DWS) with specific responsibility to provide case management services. The DHS Division of County Operations continues to provide eligibility determinations, benefit issuance and other support functions for this program.

The American Recovery and Reinvestment Act (ARRA) of 2009 provided additional Federal funding to the Division of County Operations for the Community Services Block Grant Program (CSBG), the Homelessness Prevention and Rapid Re-Housing Program (HPRP), the Weatherization Assistance Program, the Supplemental Nutrition Assistance Program (SNAP), and The Emergency Food Assistance Program (TEFAP). The purpose of the Recovery funds (commonly known as "stimulus funds") is to create new jobs and save existing ones; spur economic activity and invest in long-term growth; help stabilize people impacted by the recession; and, foster unprecedented levels of accountability and transparency in government spending. Recipients of Recovery funds are required to report quarterly on how the funding was used. Data is posted on Recovery.Arkansas.gov so the public can track the Recovery funds.

Below is a summary of the services provided for each ARRA funded program administered by the Division of County Operations:

Community Services Block Grant (Expired September 30, 2010) - The ARRA funds were provided to Community Action Agencies and are targeted for outreach, coordination, and planning activities to increase public awareness and utilization of services made available through the Federal stimulus, as well as services to assist individuals and families with employment assistance, food, housing, healthcare and other unmet needs.

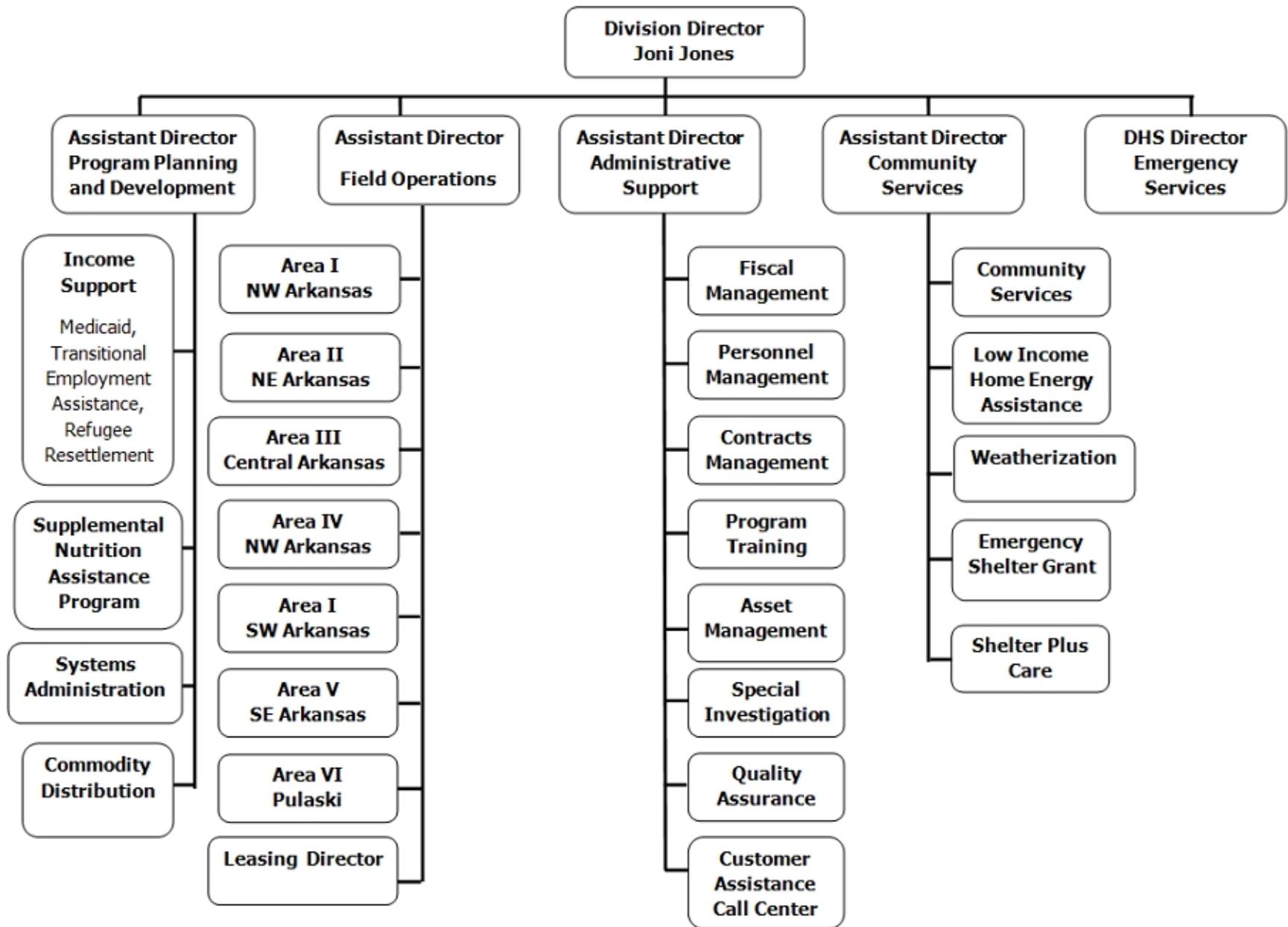
Homelessness Prevention and Rapid Re-Housing Program (Expired August 6, 2012) - The ARRA funds provided financial assistance and services to prevent individuals and families from becoming homeless and helps those who are experiencing homelessness to be quickly re-housed and stabilized.

Weatherization Assistance Program (Expires March 31, 2013) - The ARRA funds are provided to Community Action Agencies across the State to help low-income individuals and families weatherize their homes thereby reducing home energy costs for qualified homes and creating job opportunities for individuals working on weatherization crews.

Supplemental Nutrition Assistance Program Benefits - The ARRA increased the SNAP benefits by raising the maximum allotments by 13.6 percent of the June 2008 value of the Thrifty Food Plan (TFP). These benefit adjustments are "a federal entitlement" that went into effect on 04/01/09.

Supplemental Nutrition Assistance Program Administration (Expired September 30, 2010) - The ARRA provided states with 100% federal funding to pay increased administrative costs associated with anticipated SNAP caseload increases due to the economic recession.

The Emergency Food Assistance Program (TEFAP) Food Purchases and Administration (Expired September 30, 2010) - The ARRA increased the state's allocation for TEFAP food purchases. States were offered a wide variety of food items starting in March 2009. The ARRA also provides States an administrative allocation to store and distribute the additional food at the local level.



Agency Commentary

ADMINISTRATION - Appropriation 896

ADMINISTRATION - The mission of the Division of County Operations (DCO) is "To ensure the delivery of quality human services that strengthen the health and well being of Arkansas's children, families and adults." To accomplish this mission, the central and county offices work together to ensure compliance with a host of State and Federal laws and regulations. Central Office support provided to the County Offices includes: information systems development and operations, inventory control, policy development and distribution, contract and grant development, personnel services, financial services, program and provider monitoring, quality assurance, fraud investigations, Americans with Disabilities Act compliance and training for staff and providers.

There has been significant growth in the number of Arkansans applying for public assistance benefits during the economic recession. Additionally, new Federal requirements have increased the workload and complexity for determining eligibility for services. To meet these growing needs, the Division of County Operations is currently completing a comprehensive transformation of the public assistance eligibility system in Arkansas through a higher level of IT modernization. Accomplishments include document imaging, electronic records, on-line applications and processing center technology. The Agency is issuing Requests for Proposals in State Fiscal Year 2013 to replace the current system used to establish eligibility for the 1.3 million Arkansans that receive public assistance benefits.

We request continued use of \$10,138,818 from the Department of Human Services (DHS) Federal Reimbursement/Other Holding fund in each year of the biennium to support costs related to Medicaid enrollment and on-going case management.

POSITION RESTORATIONS SALARIES/FRINGE (Unfunded Appropriation) - A recurring request for the Division of County Operations is the restoration of positions left unbudgeted due to insufficient funding. The Agency is requesting that 69 positions be restored without funding in the 2013 - 2015 Biennium. These positions support the determination of eligibility for the Supplemental Nutrition Assistance Program (formerly known as the Food Stamp Program), Medicaid, Transitional Employment Assistance and Work Pays programs. Without restoration, these positions will be eliminated on June 30, 2013. These reinstated positions allow the Agency to operate in a continuous hiring/training mode to minimize the negative impact of vacancies on customer service and program compliance. The restoration of 69 positions equates to less than one position for each of the 83 offices throughout the State. The number of positions allowed to be filled by the Agency is strictly controlled by the authorized salary budget. We have used 100% of the 69 positions reinstated in the 2011-2013 Legislative Session while managing within budget restrictions. DCO provides access to over \$5.1 Billion in public assistance programs which offer a health and nutrition safety net to low-income Arkansans. It is imperative that we keep the access channels open to increasing numbers of applicants applying for federally supported SNAP and Medicaid benefits during the economic recession. The benefits authorized by DCO create about \$25.5 Billion in taxable revenue each year, and provide critical services to our very poorest citizens.

POSITION RECLASSIFICATIONS (Unfunded Appropriation) - The Division is requesting revised job titles for five (5) Computer Support Technician positions and four (4) Information Systems Coordination Specialist positions being used in the DCO Information Systems Unit. We have experienced difficulty in filling these positions because of the existing Minimum Qualifications. Additional justification has been sent to the Office of Personnel Management.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) SALARIES/FRINGE - The Agency requests the elimination of funded appropriation for six positions established through a Miscellaneous Federal Grant funded with Federal American Recovery and Reinvestment Act (ARRA) funds for the Homelessness Prevention and Rapid Re-Housing Program (HPRP) and the Weatherization Assistance Program. The funding expired in State Fiscal Year 2013.

OPERATING EXPENSES INCREASES (Unfunded Appropriation) - The Division of County Operations is requesting additional unfunded appropriation of \$150,000 in each year of the biennium in the event we receive reallocated federal funds that can be used for the storage and distribution of food to food banks and non-profit agencies. Even though the commodities are free to the State, there are warehouse distribution costs which are incurred to store and ship the food.

PROFESSIONAL FEES AND SERVICES (Funded Appropriation) - The Division is requesting funded appropriation in 2014 and in 2015 for increased costs associated with contracts for client services in the Supplemental Nutrition Assistance Program (SNAP). All of these professional services are funded with 100% Federal funds. These services include:

- Employment and Training activities provided through local Adult Education Centers to SNAP participants who are classified as an ABAWD (able-bodied adult without dependent children) and who live in one of the counties where an E&T Program is operational. Services include independent job search, job search training, education, work experience and vocational training. The Agency requests funded appropriation of \$14,830 in 2014 and \$15,126 in 2015 to support the expenditure of 100% Federal funds for these contracts.
- Workfare Services (community service jobs) for SNAP recipients - The intent of the program is to allow certain nonexempt work registration participants to participate in a work experience activity as a condition of eligibility in order to receive benefits to which their household is normally entitled. The primary goal of Workfare is to improve employability skills and enable individuals to move into regular employment. The Agency requests funded appropriation of \$385 in 2014 and \$393 in 2015 to support the expenditure of 100% Federal funds for this service.
- Nutrition Education services are provided on a Statewide basis to SNAP recipients and other low-income individuals and families. This Federally required program provides information in schools, community events, the local DHS County Offices, and other sites about nutrition, food purchases and meal preparation. The Agency requests funded appropriation of \$48,845 in 2014 and \$50,299 in 2015 to support the expenditure of 100% Federal funds for these contracts.

INFORMATION TECHNOLOGY (Funded Appropriation) - The Division of County Operations requests State General Revenue (SGR) of \$574,375 in 2014 and \$555,375 in 2015 for increases related to the replacement of the current system used to establish eligibility for 1.3 million Arkansans that receive public assistance benefits. The current system is outdated and inefficient, which makes it costly to run and labor intensive to change. The replacement of the current system will allow the Agency to handle growing caseloads and workloads by using new technologies including off-the-shelf software products and data matches from other agencies to automatically populate and verify information used to determine eligibility. The total appropriation request is \$1,148,750 in 2014 and \$1,110,750 in 2015.

The Agency also requests State General Revenue of \$269,500 in 2014 and \$269,500 in 2015 to pay for the cost of replacing aging computer equipment and the purchase of the associated software licenses. As the computer equipment ages, it cannot be supported by our network and the staff will be without IT equipment. The use of current computer equipment that can process high volume work is critical to the timely and accurate provision of services. The total appropriation request is \$550,000 in 2014 and \$550,000 in 2015.

The total SGR request for these two IT initiatives is \$843,875 in 2014 and \$824,875 in 2015. The total appropriation request is \$1,698,750 in 2014 and \$1,660,750 in 2015. This request is on page(s) 32, 33 and 38 of the Agency's IT Plan for 2014 and 2015.

CAPITAL OUTLAY (Funded Appropriation) - The Office of Community Services is requesting approval to replace two existing vehicles (one in each year of the biennium), to be paid for with 100% Federal funds. These vehicles are utilized by grant analysts to monitor sub-grantees for compliance with program regulations in the Weatherization, Low-Income Home Energy Assistance (LIHEAP), Community Services Block Grant (CSBG) and Emergency Shelter Grant programs. The Agency is requesting appropriation of \$2,400 in 2014 and \$2,400 in 2015 to pay for the vehicle sales tax. The Department of Finance and Administration will provide the appropriation to purchase the vehicles.

The Commodity Distribution Unit is requesting funded appropriation in the amount of \$120,000 in 2014 to pay for the cost of replacing a refrigerated truck that is used to deliver frozen foods to local school districts, food banks and non-profit agencies. Use of the refrigerated truck has increased dramatically and it is increasingly in need of costly repairs. This truck is also used to deliver food to communities in the event of a disaster. The cost will be paid for with 100% Federal funds.

No State General Revenue is being requested for these capital outlay requests.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) ADMINISTRATION - Appropriation 896

The Food and Nutrition Act of 2008 authorizes the Supplemental Nutrition Assistance Program (SNAP) to increase the limited food purchasing power of low-income households to alleviate hunger and malnutrition. The Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA) pays 100% of the cost of the food benefits and 50% of all administrative costs. National benefit levels are established by

FNS annually. More than \$734.9 Million in SNAP benefits were issued to Arkansans in the last twelve months. The Division issues SNAP benefits through a Statewide Electronic Benefits Transfer (EBT) System. According to USDA, every \$5 in new SNAP benefits generates \$9.00 in total community spending. Because the majority of SNAP benefits are redeemed the month they are issued, SNAP acts as an immediate economic stimulus to struggling local economies. New SNAP benefits also generate additional economic activity as families are able to increase their overall food purchasing power. The SNAP Program is an integral part of the Division's efforts to strengthen the health and well-being of children, families and adults. The Agency is conducting additional program outreach, especially to the elderly, and is improving access to services through online applications and other web-based service applications.

DCO caseworkers located in the DHS county offices throughout the State determine eligibility for the Supplemental Nutrition Assistance Program. This eligibility is based on household size, monthly family income and resources.

The Division works with the University of Arkansas at Pine Bluff and the University of Arkansas Cooperative Extension Service to provide Nutrition Education services to SNAP recipients. The USDA Food and Nutrition Service provides 100% Federal funds for these educational activities.

The Division contracts directly with local Adult Education Centers and other interested entities to provide Employment and Training activities to SNAP recipients in as many counties as possible. The contracts are paid with 100% Federal funds.

MEDICAID ELIGIBILITY - Appropriation 896

Medicaid is a federally supported and State administered assistance program that provides medical services for certain low-income individuals and families. The program is financed jointly with State and Federal funds. The State administers the program within broad Federal requirements and guidelines. The Federal requirements allow some discretion in determining income and resource criteria for the eligibility and categories of assistance. The services provided under the Medicaid program assist the division with our mission to strengthen the health and well-being of Arkansas's children, families and adults. In SFY 2011, the Agency spent more than \$4.3 Billion in Medicaid services. The Medicaid Program is a major economic driver for the State generating over \$25 Billion in taxable revenue each year. There were 817,750 Arkansans receiving Medicaid in State Fiscal Year 2011.

Medical Services are provided to eligible individuals who are Aged (65 or older), Blind, Disabled, a child under age 18 or 19 (depending on the category), pregnant, or caretaker relatives of deprived children (children with an absent, disabled, or unemployed parent). Individuals who are eligible to receive cash assistance under the Supplemental Security Income (SSI) Program automatically receive Medicaid services. Individuals must meet income and resource tests to qualify. The State provides for an optional "Medically Needy" group, which includes persons whose incomes are above the income levels for the other categories of Medicaid, but who have medical expenses greater than their excess income. In addition, eligibility for limited services is provided to individuals who are not otherwise categorically eligible but who have been diagnosed with Breast or Cervical Cancer or Tuberculosis and who meet specified need standards.

The ARKids First Program, established in September 1997, provides health insurance to children of low-income working families who do not have health insurance coverage offered through their employer. ARKids is one of the most successful children's health care programs in the nation. In August 2000, the program name was changed to ARKids B when the regular Medicaid program for children with family incomes below 100% of the Federal poverty level was brought under the ARKids First umbrella as ARKids A. DCO determines eligibility for both the ARKids A and the ARKids B Programs. In SFY 2011, there were 407,471 children who received ARKids Medicaid.

ARRA ADMINISTRATION - Appropriation 896X

American Recovery and Reinvestment Act (Appro. 896X) - The Agency requests the discontinuation of Federal appropriation for American Recovery and Reinvestment Act (ARRA) Funds used for administrative costs. These funds expired in State Fiscal Year 2013.

MEDICAID EXPANSION - Appropriation 642

The goal of the Medicaid Expansion program is to create a separate and distinct component of the Arkansas Medicaid Program that improves the health of Arkansans by expanding health care coverage and benefits to specific populations. The Tobacco Settlement Funds were utilized to expand Medicaid coverage to four eligibility groups:

- Pregnant Women Expansion - Increased the income eligibility limit from 133% to 200% of the Federal poverty level.
- Hospital Benefit Coverage - Increased the number of benefit days from 20 to 24 and decreased the co-pay on the first day of hospitalization from 22% to 10%.
- 65 and Over Expansion (AR Senior) - Increased coverage to the 65 and over population for persons at 80% of the Qualified Medicare Beneficiary (QMB) Level effective January 1, 2003.
- Age 19 to 64 Expansion (ARHealthNetWorks) - This population is covered through a Federal waiver program which provides eligible small employers with health coverage for employees. Coverage has been extended to eligible sole proprietors.

TRANSITIONAL EMPLOYMENT ASSISTANCE (TEA) - Appropriation 897

TRANSITIONAL EMPLOYMENT ASSISTANCE (TEA) PROGRAM (PWD7600 - TEA Cash Assistance and PWD7500 - TEA Employment Services) - The Transitional Employment Assistance (TEA) Program was implemented on July 1, 1997, in accordance with Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and Arkansas Act 1058, the Arkansas Personal Responsibility and Public Assistance Reform Act of 1997. The TEA Program replaced the Aid to Families with Dependent Children (AFDC) Program as the focal

point of the State's welfare reform effort and plays a critical role in the Division's mission to strengthen the well-being of children, families and adults. 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 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 Work Pays with eligibility determination and benefit delivery remaining with DCO. Both Programs are funded with State General Revenue and the Federal Temporary Assistance for Needy Families (TANF) Block Grant.

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 parents must also 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.

State General Revenue (SGR) funds are transferred each year of the biennium from the Department of Workforce Services to the DHS Grants Fund to support the payment of services provided to TEA clients. This will be authorized through Special Language in each Agency's appropriation act that allows the transfer of SGR to the DHS Grants Fund if needed. Unfunded appropriation of \$3,640,650 is requested by DCO each year of the biennium for this transfer.

STATE SUPPLEMENTARY PAYMENTS FOR THE AGED, BLIND AND DISABLED (AABD) - Appropriation 396

This program provides supplementary payments to individuals residing in Arkansas who are, or would be except for their income, eligible for basic Federal Supplemental Security Income (SSI) payments. These payments are made in accordance with Section 1616 of the Social Security Act and Section 212 of Public Law 93-66.

In the early 1970s, an amendment to the Medicaid State Plan allowed individuals in the Aged, Blind and Disabled (AABD) categories that were not eligible under SSI criteria, but meet the State Medicaid eligibility criteria, to receive SSI benefits.

Through an agreement entered into between the Social Security Administration (SSA) and the Department of Human Services, SSA makes these payments to individuals determined eligible by SSA. The State has budgeted \$4,000 per fiscal year to be paid to the Social Security Administration for the purpose of making the payments to eligible individuals and for administrative fees for determining eligibility.

COMMUNITY SERVICES/SOCIAL SERVICES BLOCK GRANT - Appropriation 898

COMMUNITY SERVICES/SOCIAL SERVICES BLOCK GRANT PROGRAM (PWE9700) - The Community Services Block Grant helps low-income persons become more independent by providing a range of services through the local Community Action Agencies. These services help persons in need become more employable, better educated, better trained to handle their finances and improve their housing, and make use of available social services. It also helps them become more involved in improving their community.

Social Services Block Grant (SSBG) funds are used to provide supportive services to help low-income children and families achieve and maintain self-sufficiency. These services include case management, employment services, nutrition, emergency assistance, and other social services to address the needs of families in crisis. SSBG funds also provide special services and supportive activities for the disabled through job placement, employment counseling, and referrals to community resources and opportunities.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) - Appropriation 898

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (PWE9400) - The purpose of the SNAP Employment and Training (E & T) Program (formerly the Food Stamp Employment and Training Program) is to provide Employment and Training activities which promote long term self sufficiency to SNAP recipients classified as an ABAWD (able-bodied adult without dependent children) and who live in one of the counties where an E & T Program is operational. Services include independent job search, job search training, education, work experience and vocational training. Client reimbursements for expenses associated with participation in the E & T Program, such as travel reimbursements, are funded with 50% State General Revenue and 50% Federal funds.

The Farmers Market Program has been established by USDA to allow consumers to have access to locally grown, farm fresh produce, enable farmers the opportunity to expand their customer base, and cultivate consumer loyalty with the farmers who grows the produce. In order to participate in the Electronic Benefits Transfer (EBT) Farmers Market Program, each market must be authorized by the United States Department of Agriculture ([USDA](http://www.fns.usda.gov/fns/)) Food and Nutrition Service (FNS) <<http://www.fns.usda.gov/fns/>> to accept [Supplemental Nutrition Assistance Program \(SNAP\)](http://www.fns.usda.gov/snap/snap.htm) <<http://www.fns.usda.gov/snap/snap.htm>> benefits. The USDA provides funds for the purchase of Point of Sale devices and monthly wireless fees so fresh fruits and vegetables can be purchased by SNAP recipients with their Electronic Benefits Transfer

card. The Agency is requesting funded appropriation of \$43,235 in 2014 and in 2015 which will be granted to authorized farmers markets. The grants are paid with 100% Federal funds.

HOMELESS ASSISTANCE PROGRAM - Appropriation 426

This program provides Federal funds to local communities to renovate, rehabilitate or convert small buildings for emergency shelters for the homeless. Funds can be used for the provision of essential services and the payment of maintenance, operation, insurance, utilities, and furnishings of these facilities. Funds can also be used to address the needs of homeless people in emergency or transitional shelters to quickly assist people to regain stability in permanent housing after experiencing a housing crisis and/or homelessness. These funds are distributed each year on a competitive basis. The Agency is requesting funded appropriation in 2014 and 2015 in the amount of \$1,501,487 each year of the biennium. These are 100% Federal funds.

ARRA HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM - Appropriation 426X

The Agency requests the discontinuation of Federal appropriation for American Recovery and Reinvestment Act (ARRA) Funds used for the Homelessness Prevention and Rapid Re-Housing Program. These funds expired in State Fiscal Year 2013.

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM - Appropriation 411

This program provides Federal funds to assist low-income households with their home energy expenses. Through grants to local Community Action Agencies, a one-time winter/summer assistance payment or a crisis intervention energy payment is made directly to an energy supplier for eligible households. The funding is 100% Federal funds.

WEATHERIZATION ASSISTANCE PROGRAM - Appropriation 409

The Weatherization Assistance Program provides energy conservation assistance to the homes of low-income persons in Arkansas. Priority is given to the elderly, disabled and families with children. Assistance includes providing cost-efficient energy conservation measures for homes, such as insulation and furnace tune-ups. Community Action Agencies and non-profit agencies provide these services. The funding is 100% Federal funds.

ARRA WEATHERIZATION ASSISTANCE PROGRAM - Appropriation 409X

The Agency requests the discontinuation of Federal appropriation for American Recovery and Reinvestment Act (ARRA) Funds used for the Weatherization Assistance Program. These funds expired in State Fiscal Year 2013.

SHELTER PLUS CARE - APPROPRIATION 1DK

The Shelter Plus Care Program provides rental assistance for hard-to-serve homeless persons with disabilities. This program is designed to provide housing and supportive services on a long-term basis for homeless persons with disabilities (primarily those with serious mental illnesses), 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. Funding is offered through competitive grants submitted by the Office of Community Services to the Federal Department of Housing and Urban Development. The Agency is requesting funded appropriation of \$55,542 in 2014 and \$57,208 in 2015 to address projected additional Federal funding granted as a result of increased housing costs. The funding is 100% Federal funds.

REFUGEE RESETTLEMENT PROGRAM - Appropriation 412

The Refugee Resettlement Program (RRP) serves refugee residents for the first five (5) years of their residency in the United States. Cash and medical assistance are available to the refugee for the first eight (8) months following entry with social services available for the full five year period. Arkansas has experienced a decline in new arrivals in recent years and many of the refugees residing in Arkansas find jobs within a few months. The Division of County Operations administers the cash and medical assistance programs for eligible participants. The program operates with 100% Federal funds. The Federal Office of Refugee Resettlement contracts directly with an Agency outside of the Department of Human Services for the social services aspects of the program.

EMERGENCY FOOD PROGRAM - Appropriation 410

The Emergency Food Assistance Program (TEFAP) and the Commodity Supplemental Food Program (CSFP) utilize surplus U. S. Department of Agriculture commodities to supplement low-income food programs in Arkansas. Agencies such as Food Banks and Community Action Agencies have sub-grant agreements with the Division of County Operations Commodity Distribution Unit to provide food to soup kitchens, food pantries and mass food distribution sites. The purpose of the Commodity Supplemental Food Program (CSFP) is to improve the health of low-income pregnant and breastfeeding women, other new mothers up to one year postpartum, infants, children up to age six, and, elderly people at least 60 years of age by supplementing their diets with nutritious USDA commodity foods. It provides administrative funds to States for the cost of distributing USDA foods to these groups.

The Agency is requesting funded appropriation of \$40,000 in 2014 and \$80,000 in 2015 to address projected increases in Federal funding for the CSFP Program. The funding is 100% Federal funds.

SALVAGE AND CONTAINER FUND - APPROPRIATION 930

The Commodity Distribution Program receives U. S. Department of Agriculture (USDA) donated foods for distribution to school districts, food banks, soup kitchens and food pantries. 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) and deposited in the Salvage and Container Fund. Upon approval by the USDA, these funds may be used for training, equipment and vehicle purchases utilized by the Commodity Distribution Program for enhancements to the program.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF HUMAN SERVICES
 FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

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

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Semi-Annual report to the Arkansas Legislature on Voter Registration	Act 964 of 1995 (Voter Registration Act)	N	Y	1	A semi-annual report on the status of implementation of the National Voter Registration Act of 1993 is provided to the Arkansas Legislative Council at six month intervals.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1DK Cty-Shelter Plus Care Program	1,783,751	0	1,851,390	0	1,930,811	0	1,851,390	0	1,906,932	0	1,906,932	0	1,851,390	0	1,908,598	0	1,908,598	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	4,000	0	4,000	0	4,000	0
409 Cty-Weatherization Program	17,721,312	0	15,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0
410 Cty-Emergency Food Program	671,261	0	739,219	0	793,566	0	739,219	0	779,219	0	779,219	0	739,219	0	819,219	0	819,219	0
411 Cty-Low Income Energy Assistance Prgm	31,905,429	0	29,480,110	0	39,735,151	0	29,480,110	0	29,480,110	0	29,480,110	0	29,480,110	0	29,480,110	0	29,480,110	0
412 Cty-Refugee Resettlement Program	1,296	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
426 Cty-Homeless Assistance Grant	2,653,465	0	1,520,000	0	1,445,000	0	1,345,000	0	2,846,487	0	2,846,487	0	1,345,000	0	2,846,487	0	2,846,487	0
59H Hunger Coalition	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0
642 Medicaid Expansion-County Ops	1,660,254	46	2,830,189	60	2,781,886	60	2,844,711	60	2,844,711	60	2,844,711	60	2,846,314	60	2,846,314	60	2,846,314	60
896 Division of County Operations	121,967,452	1,882	119,417,678	1,818	127,025,429	1,882	119,278,172	1,812	123,936,179	1,881	123,935,110	1,881	119,351,099	1,812	123,853,624	1,881	123,852,533	1,881
897 TANF Block Grant	17,035,388	0	18,477,000	0	24,565,650	0	18,477,000	0	22,117,650	0	22,117,650	0	18,477,000	0	22,117,650	0	22,117,650	0
898 Community Srvs. Block Grant	9,149,335	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0	9,137,390	0
898 Supplemental Nutrition Assist(SNAP)	194,927	0	300,000	0	300,000	0	300,000	0	343,235	0	343,235	0	300,000	0	343,235	0	343,235	0
930 Cty-Commodity Distrib & Salvage Container	31,773	0	175,000	0	274,086	0	175,000	0	175,000	0	175,000	0	175,000	0	175,000	0	175,000	0
Total	205,770,756	1,928	199,939,089	1,878	217,000,082	1,942	192,639,105	1,872	202,578,026	1,941	202,576,957	1,941	192,713,635	1,872	202,538,740	1,941	202,537,649	1,941

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	47,991,637	23.3	47,348,467	23.7		48,430,574	25.1	49,274,449	25.1	48,430,574	24.9	48,453,761	25.1	49,278,636	25.1	48,453,761	24.9
Federal Revenue	4000020	131,635,891	64.0	129,427,091	64.7		130,217,234	67.6	132,898,833	67.7	132,043,958	67.9	130,261,696	67.6	132,847,719	67.7	132,011,844	67.9
Cash Fund	4000045	31,773	0.0	175,000	0.1		175,000	0.1	175,000	0.1	175,000	0.1	175,000	0.1	175,000	0.1	175,000	0.1
Merit Adjustment Fund	4000055	1,410,719	0.7	895,789	0.4		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA	4000244	15,725,508	7.6	8,332,550	4.2		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Tobacco Settlement	4000495	830,127	0.4	1,415,094	0.7		1,422,355	0.7	1,422,355	0.7	1,422,355	0.7	1,423,157	0.7	1,423,157	0.7	1,423,157	0.7
Transfer From DWS	4000527	800,000	0.4	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	7,345,101	3.6	12,345,098	6.2		12,393,942	6.4	12,393,942	6.3	12,393,942	6.4	12,400,021	6.4	12,400,021	6.3	12,400,021	6.4
Total Funds		205,770,756	100.0	199,939,089	100.0		192,639,105	100.0	196,164,579	100.0	194,465,829	100.0	192,713,635	100.0	196,124,533	100.0	194,463,783	100.0
Excess Appropriation/(Funding)		0		0			0		6,413,447		8,111,128		0		6,414,207		8,073,866	
Grand Total		205,770,756		199,939,089			192,639,105		202,578,026		202,576,957		192,713,635		202,538,740		202,537,649	

County Operations (409; 426) Budget exceeds Authorized Appropriation due to transfers from the Miscellaneous Federal Grant Holding Account.

County Operations (642) Budgeted amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2011-2013 Biennium.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
1,943	1845	37	1882	61	5.04 %	1,949	1844	36	1880	69	5.39 %	1,942	1849	29	1878	64	4.79 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 157 of 2012 section 16(d)), Miscellaneous Federal Grant (A.C.A. 19-7-501 et seq.) and POOL positions (A.C.A. 21-5-225(b)(1)).

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 Base Level request for this appropriation is \$1,851,390 each year of the biennium.

The Agency Change Level request for this appropriation is \$55,542 in FY2014 and \$57,208 in FY2015 to allow for projected increases in federal funding granted as a result of increased housing costs.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1DK - Cty-Shelter Plus Care Program

Funding Sources: FWF - DHS Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,783,751	1,851,390	1,930,811	1,851,390	1,906,932	1,906,932	1,851,390	1,908,598	1,908,598
Total		1,783,751	1,851,390	1,930,811	1,851,390	1,906,932	1,906,932	1,851,390	1,908,598	1,908,598
Funding Sources										
Federal Revenue	4000020	1,783,751	1,851,390		1,851,390	1,906,932	1,906,932	1,851,390	1,908,598	1,908,598
Total Funding		1,783,751	1,851,390		1,851,390	1,906,932	1,906,932	1,851,390	1,908,598	1,908,598
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,783,751	1,851,390		1,851,390	1,906,932	1,906,932	1,851,390	1,908,598	1,908,598

Change Level by Appropriation

Appropriation: 1DK - Cty-Shelter Plus Care Program
Funding Sources: FWF - DHS Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,851,390	0	1,851,390	100.0	1,851,390	0	1,851,390	100.0
C01	Existing Program	55,542	0	1,906,932	103.0	57,208	0	1,908,598	103.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,851,390	0	1,851,390	100.0	1,851,390	0	1,851,390	100.0
C01	Existing Program	55,542	0	1,906,932	103.0	57,208	0	1,908,598	103.1

Justification

C01	The Agency is requesting funded appropriation of \$55,542 in 2014 and \$57,208 in 2015 to address projected additional Federal funding granted as a result of increased housing costs in the Shelter Plus Care Program, which provides rental assistance for hard-to-serve homeless persons with disabilities. The funding is 100% Federal funds.
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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 Base Level and total request for this appropriation is \$4,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Funding Sources: DGF - DHS Grants Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	0	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total		0	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Funding Sources										
General Revenue	4000010	0	4,000		4,000	4,000	4,000	4,000	4,000	4,000
Total Funding		0	4,000		4,000	4,000	4,000	4,000	4,000	4,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	4,000		4,000	4,000	4,000	4,000	4,000	4,000

Analysis of Budget Request

Appropriation: 409 - Cty-Weatherization Program

Funding Sources: FWF - DHS Federal

The Weatherization Program provides funding for energy conservation in the homes of low income persons, particularly the elderly, people with disabilities and families with children. This Program installs energy conservation materials in the homes of 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 weather strip doors and windows.
- Insulate uninsulated ceilings, walls and floors.
- Install storm windows, thermostats and conduct furnace tune-ups.
- Check health and safety standards prior to weatherizing the house.

Measures installed on mobile homes include:

- Replace broken windows.
- Caulk and weather strip doors and windows
- Install thermostats and conduct furnace tune-ups.
- Check health and safety standards 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 Base Level request for this appropriation is \$8,000,000 each year of the biennium.

The Agency Change Level request for this appropriation is to discontinue the American Recovery and Reinvestment Act (ARRA) line item. These funds will expire in FY2013.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 409 - Cty-Weatherization Program

Funding Sources: FWF - DHS Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	4,908,250	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Weatherization Program - ARRA 5900052	12,813,062	7,000,000	0	0	0	0	0	0	0
Total	17,721,312	15,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Funding Sources									
Federal Revenue 4000020	4,908,250	8,000,000		8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Federal Funds-ARRA 4000244	12,813,062	7,000,000		0	0	0	0	0	0
Total Funding	17,721,312	15,000,000		8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	17,721,312	15,000,000		8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000

Appropriation was established through the authority of the Miscellaneous Federal Program Act.
ARRA of 2009 appropriation and/or positions have been removed from Base Level and are not requested for the 2013 – 2015 Biennium.

Change Level by Appropriation

Appropriation: 409 - Cty-Weatherization Program
Funding Sources: FWF - DHS Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	8,000,000	0	8,000,000	100.0	8,000,000	0	8,000,000	100.0
C03	Discontinue Program	(7,000,000)	0	1,000,000	12.5	(7,000,000)	0	1,000,000	12.5
C16	ARRA	7,000,000	0	8,000,000	100.0	7,000,000	0	8,000,000	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	8,000,000	0	8,000,000	100.0	8,000,000	0	8,000,000	100.0
C03	Discontinue Program	(7,000,000)	0	1,000,000	12.5	(7,000,000)	0	1,000,000	12.5
C16	ARRA	7,000,000	0	8,000,000	100.0	7,000,000	0	8,000,000	100.0

Justification

C03	The Agency requests the discontinuation of Federal appropriation for American Recovery and Reinvestment Act (ARRA) Funds used for the Weatherization Assistance Program. These funds expire in State Fiscal Year 2013.
C16	This request was approved for the 2013 Budget for American Recovery and Reinvestment Act (ARRA) funding provided to support the Weatherization Assistance Program.

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.

This appropriation also includes the Commodity Supplemental Food Program which provides food to seniors in need on a monthly basis. The caseload level can be adjusted each Federal Fiscal year based on availability of food products and administrative funding. Community Action Agencies throughout the State have agreements with DCO to distribute food to this client base.

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

The Agency Base Level request for this appropriation is \$739,219 each year of the biennium.

The Agency Change Level request for this appropriation is \$40,000 in FY2014 and \$80,000 in FY2015 to allow for additional federal funds for the Commodity Supplemental Food Program due to an expected caseload increase during the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 410 - Cty-Emergency Food Program

Funding Sources: FWF - DHS Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	671,261	739,219	793,566	739,219	779,219	779,219	739,219	819,219	819,219
Total		671,261	739,219	793,566	739,219	779,219	779,219	739,219	819,219	819,219
Funding Sources										
Federal Revenue	4000020	671,261	739,219		739,219	779,219	779,219	739,219	819,219	819,219
Total Funding		671,261	739,219		739,219	779,219	779,219	739,219	819,219	819,219
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		671,261	739,219		739,219	779,219	779,219	739,219	819,219	819,219

Change Level by Appropriation

Appropriation: 410 - Cty-Emergency Food Program
Funding Sources: FWF - DHS Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	739,219	0	739,219	100.0	739,219	0	739,219	100.0
C01	Existing Program	40,000	0	779,219	105.4	80,000	0	819,219	110.8

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	739,219	0	739,219	100.0	739,219	0	739,219	100.0
C01	Existing Program	40,000	0	779,219	105.4	80,000	0	819,219	110.8

Justification

C01	The Agency is requesting funded appropriation of \$40,000 in 2014 and \$80,000 in 2015 to address projected increases in Federal funding for the Commodity Supplemental Food Program (CSFP) Program. The funding is 100% Federal funds.
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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 Programs. Both programs offer regular and crisis assistance in the form of a one-time payment per year either 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 60% of State's median income.

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

The Agency Base Level and total request for this appropriation is \$29,480,110 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 411 - Cty-Low Income Energy Assistance Prgm

Funding Sources: FWF - DHS Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	31,905,429	29,480,110	39,735,151	29,480,110	29,480,110	29,480,110	29,480,110	29,480,110	29,480,110
Total		31,905,429	29,480,110	39,735,151	29,480,110	29,480,110	29,480,110	29,480,110	29,480,110	29,480,110
Funding Sources										
Federal Revenue	4000020	31,905,429	29,480,110		29,480,110	29,480,110	29,480,110	29,480,110	29,480,110	29,480,110
Total Funding		31,905,429	29,480,110		29,480,110	29,480,110	29,480,110	29,480,110	29,480,110	29,480,110
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		31,905,429	29,480,110		29,480,110	29,480,110	29,480,110	29,480,110	29,480,110	29,480,110

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) continue to be available through the county offices to any new arrivals entering the state. 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 Base Level and total request for this appropriation is \$12,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 412 - Cty-Refugee Resettlement Program

Funding Sources: FWF - DHS Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,296	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Total		1,296	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Funding Sources										
Federal Revenue	4000020	1,296	12,000		12,000	12,000	12,000	12,000	12,000	12,000
Total Funding		1,296	12,000		12,000	12,000	12,000	12,000	12,000	12,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,296	12,000		12,000	12,000	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 (HUD). This program is designed to assist local communities in helping to improve the quality of life for the homeless by providing competitive grants for renovation, rehabilitation or conversion of buildings to be used as emergency shelters. Funds may also be used to address the needs of homeless people in emergency or transitional shelters to quickly assist people to regain stability in permanent housing after experiencing a housing crisis and/or homelessness. These funds are distributed each year on a competitive basis. Funding for this appropriation is 100% federal.

The Agency Base Level request for this appropriation is \$1,345,000 each year of the biennium.

The Agency Change Level request for this appropriation is \$1,501,487 each year of the biennium for projected increases in federal funding during the biennium. Additionally, the agency is requesting to discontinue the American Recovery and Reinvestment Act (ARRA) line item. ARRA funds will expire in FY2013.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 426 - Cty-Homeless Assistance Grant

Funding Sources: FWF - DHS Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	1,192,282	1,345,000	1,345,000	1,345,000	2,846,487	2,846,487	1,345,000	2,846,487	2,846,487
Homeless Assistance Grant - ARF 5900052	1,461,183	175,000	100,000	0	0	0	0	0	0
Total	2,653,465	1,520,000	1,445,000	1,345,000	2,846,487	2,846,487	1,345,000	2,846,487	2,846,487
Funding Sources									
Federal Revenue 4000020	1,192,282	1,345,000		1,345,000	2,846,487	2,846,487	1,345,000	2,846,487	2,846,487
Federal Funds-ARRA 4000244	1,461,183	175,000		0	0	0	0	0	0
Total Funding	2,653,465	1,520,000		1,345,000	2,846,487	2,846,487	1,345,000	2,846,487	2,846,487
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,653,465	1,520,000		1,345,000	2,846,487	2,846,487	1,345,000	2,846,487	2,846,487

Budget exceeds Authorized Appropriation in ARRA line item due to a transfer from the Miscellaneous Federal Grant Holding Account.
ARRA of 2009 appropriation and/or positions have been removed from Base Level and are not requested for the 2013 – 2015 Biennium.

Change Level by Appropriation

Appropriation: 426 - Cty-Homeless Assistance Grant
Funding Sources: FWF - DHS Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,345,000	0	1,345,000	100.0	1,345,000	0	1,345,000	100.0
C01	Existing Program	1,501,487	0	2,846,487	211.6	1,501,487	0	2,846,487	211.6
C03	Discontinue Program	(175,000)	0	2,671,487	198.6	(175,000)	0	2,671,487	198.6
C16	ARRA	175,000	0	2,846,487	211.6	175,000	0	2,846,487	211.6

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,345,000	0	1,345,000	100.0	1,345,000	0	1,345,000	100.0
C01	Existing Program	1,501,487	0	2,846,487	211.6	1,501,487	0	2,846,487	211.6
C03	Discontinue Program	(175,000)	0	2,671,487	198.6	(175,000)	0	2,671,487	198.6
C16	ARRA	175,000	0	2,846,487	211.6	175,000	0	2,846,487	211.6

Justification

C01	The Agency is requesting funded appropriation in 2014 and 2015 in the amount of \$1,501,487 each year of the biennium for the Homeless Assistance Program. These are 100% Federal funds. This program provides Federal funds for homeless shelters and can also be used to assist people to regain stability in permanent housing after experiencing a housing crisis and/or homelessness.
C03	The Agency requests the discontinuation of Federal appropriation for American Recovery and Reinvestment Act (ARRA) Funds used for the Homelessness Prevention and Rapid Re-Housing Program. These funds expire in State Fiscal Year 2013.
C16	This request was approved in the 2013 Budget for American Recovery and Reinvestment Act (ARRA) funding provided to support the Homelessness Prevention and Rapid Re-Housing Program (HPRP) through August 6, 2012.

Analysis of Budget Request

Appropriation: 59H - Hunger Coalition

Funding Sources: DCO - County Operations Account

This appropriation was originally authorized by Act 1385 of 2009. 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 Base Level and total request for this appropriation is \$995,113 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 59H - Hunger Coalition

Funding Sources: DCO - County Operations Account

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	995,113	995,113	995,113	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	995,113	995,113	995,113
Funding Sources										
General Revenue	4000010	995,113	995,113		995,113	995,113	995,113	995,113	995,113	995,113
Total Funding		995,113	995,113		995,113	995,113	995,113	995,113	995,113	995,113
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		995,113	995,113		995,113	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). The Alternatives Plus (A+) Program is an extension of the non-institutional coverage by facilitating the transition of low care Medicaid enrollees age 65 and older from nursing facilities, to home and community based services (implemented in August 2011); 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.

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

The Agency Base Level and total request for this appropriation is \$2,844,711 in FY2014 and \$2,846,314 in FY2015 with 60 budgeted Base Level positions.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program
Funding Sources: PTA - Medicaid Expansion Program Account

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,103,687	1,788,334	1,779,730	1,788,434	1,788,434	1,788,434	1,789,734	1,789,734	1,789,734
#Positions		46	60	60	60	60	60	60	60	60
Personal Services Matching	5010003	515,568	696,060	656,361	710,482	710,482	710,482	710,785	710,785	710,785
Operating Expenses	5020002	40,701	295,795	195,795	295,795	295,795	295,795	295,795	295,795	295,795
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	100,000	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
Data Processing Services	5900044	298	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		1,660,254	2,830,189	2,781,886	2,844,711	2,844,711	2,844,711	2,846,314	2,846,314	2,846,314
Funding Sources										
Federal Revenue	4000020	830,127	1,415,095		1,422,356	1,422,356	1,422,356	1,423,157	1,423,157	1,423,157
Tobacco Settlement	4000495	830,127	1,415,094		1,422,355	1,422,355	1,422,355	1,423,157	1,423,157	1,423,157
Total Funding		1,660,254	2,830,189		2,844,711	2,844,711	2,844,711	2,846,314	2,846,314	2,846,314
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,660,254	2,830,189		2,844,711	2,844,711	2,844,711	2,846,314	2,846,314	2,846,314

Tobacco Settlement Funds do not carry forward into the new biennium unless criteria is met as prescribed in Initiated Act 1 of 2000.
 FY13 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2011-2013 Biennium.
 Budget exceeds Authorized Appropriation in Operating Expenses by authority of Transfers of Appropriations pursuant to section 10 of Act 52 of 2012.

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 seventy-five (75) counties, and the Access Arkansas Processing Center (AAPC) that was opened in Batesville in June 2011. The Division of County Operations processes approximately 72,000 applications, 20,000 Medicaid re-evaluations, and 19,000 Annual/Semi-Annual SNAP reviews each month. The AAPC is processing approximately 30% to 35% of these case actions so the County Offices can focus on the more difficult cases. Many of these applications are being filed online through the Access Arkansas portal, <https://access.arkansas.gov/Welcome.aspx>. The AAPC in Batesville is responsible for processing all Medicaid re-evaluations involving Medicare Savings Categories including any related SNAP case, Medicare Savings Applications filed online, Low Income Subsidy (LIS) applications received from Social Security, and Medicaid applications filed online that do not have a related SNAP case.

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 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 through 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 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.

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

The Agency Base Level request for this appropriation is \$119,278,172 in FY2014 and \$119,351,099 in FY2015 with 1,812 budgeted Base Level positions.

The Agency Change Level request for this appropriation is \$4,658,007 in FY2014 and \$4,502,525 in FY2015, which includes general revenue requests of \$843,875 in FY2014 and \$824,875 in FY2015. The general revenue request consists of the following components:

- \$574,375 in FY2014 and \$555,375 in FY2015 in new general revenue for replacement of the eligibility and enrollment system for the supplemental nutrition assistance program (SNAP);
- \$245,000 each year of the biennium in new general revenue to replace computer equipment; and
- \$24,500 each year of the biennium in new general revenue for the purchase of the computer software licenses.

The following delineates the agency request:

- Restoration of sixty-nine (69) positions that were authorized but not budgeted with unfunded salary and matching appropriation. These positions provide the county offices with an opportunity to more efficiently manage their vacancies.
- Discontinue six (6) American Recovery and Reinvestment Act (ARRA) positions each year of the biennium and the associated salary and matching appropriation.
- Reclassification on nine (9) positions due to the difficulty in filling the information technology positions that are used in DCO information system unit.
- \$150,000 each year of the biennium for the Operating Expenses line item. This includes an increase for freight to address increases in storage and distribution costs for administration of the commodity distribution program.
- \$64,060 in FY2014 and \$65,818 in FY2015 for the Professional Fees line item to address increases in contracted services for the supplemental nutrition assistance program (SNAP).

- \$122,400 in FY2014 and \$2,400 in FY2015 for the Capital Outlay line item. This includes increases for replacing one (1) existing vehicles each year of the biennium. Only appropriation for the cost of the sales tax is being requested each year. Also, included in FY2014 is appropriation requested to replace a refrigerated truck for the commodity distribution unit.
- \$1,698,750 in FY2014 and \$1,660,750 in FY2015 for the Data Processing Services line item for replacement of the eligibility and enrollment system for the supplemental nutrition assistance program (SNAP), computer equipment and software licenses.

The Executive Recommendation provides for the Agency Request with the exception of the reclassifications, and no new general revenue. The Capital Outlay recommended for vehicles is to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	63,231,980	59,928,558	66,162,827	60,403,679	62,255,844	62,255,844	60,462,479	62,315,244	62,315,244
	#Positions	1,882	1,818	1,882	1,812	1,881	1,881	1,812	1,881	1,881
Extra Help	5010001	303,112	234,052	234,052	234,052	234,052	234,052	234,052	234,052	234,052
	#Extra Help	27	37							
Personal Services Matching	5010003	21,758,586	22,422,684	22,665,088	22,967,407	23,738,039	23,736,970	22,981,534	23,752,326	23,751,235
Overtime	5010006	240	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	20,735,889	22,971,923	22,818,816	22,971,923	23,121,923	23,121,923	22,971,923	23,121,923	23,121,923
Conference & Travel Expenses	5050009	111,370	178,831	178,831	178,831	178,831	178,831	178,831	178,831	178,831
Professional Fees	5060010	8,122,364	6,086,147	9,906,249	6,086,147	6,150,207	6,150,207	6,086,147	6,151,965	6,151,965
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,742,760	1,800	1,800	0	122,400	122,400	0	2,400	2,400
Data Processing Services	5900044	4,509,888	6,411,133	4,981,064	6,411,133	8,109,883	8,109,883	6,411,133	8,071,883	8,071,883
ARRA of 2009	5900052	1,451,263	1,157,550	51,702	0	0	0	0	0	0
Total		121,967,452	119,417,678	127,025,429	119,278,172	123,936,179	123,935,110	119,351,099	123,853,624	123,852,533

Funding Sources										
General Revenue	4000010	46,895,622	46,195,915		47,278,022	48,121,897	47,278,022	47,301,209	48,126,084	47,301,209
Federal Revenue	4000020	64,898,667	58,823,326		59,606,208	60,647,543	59,792,668	59,649,869	60,553,962	59,718,087
Merit Adjustment Fund	4000055	1,410,719	895,789		0	0	0	0	0	0
Federal Funds-ARRA	4000244	1,451,263	1,157,550		0	0	0	0	0	0
Various Program Support	4000730	7,311,181	12,345,098		12,393,942	12,393,942	12,393,942	12,400,021	12,400,021	12,400,021
Total Funding		121,967,452	119,417,678		119,278,172	121,163,382	119,464,632	119,351,099	121,080,067	119,419,317
Excess Appropriation/(Funding)		0	0		0	2,772,797	4,470,478	0	2,773,557	4,433,216
Grand Total		121,967,452	119,417,678		119,278,172	123,936,179	123,935,110	119,351,099	123,853,624	123,852,533

Budget exceeds Authorized Appropriation by authority of Reallocation of Resources.

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

ARRA of 2009 appropriation and/or positions have been removed from Base Level and are not requested for the 2013 – 2015 Biennium.

Change Level by Appropriation

Appropriation: 896 - DHS--Admin Paying Account
Funding Sources: PWP - Administration Paying

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	119,278,172	1,812	119,278,172	100.0	119,351,099	1,812	119,351,099	100.0
C01	Existing Program	186,460	0	119,464,632	100.2	68,218	0	119,419,317	100.1
C03	Discontinue Program	(1,344,498)	(6)	118,120,134	99.0	(1,344,498)	(6)	118,074,819	98.9
C05	Unfunded Appropriation	2,771,728	69	120,891,862	101.4	2,772,466	69	120,847,285	101.3
C08	Technology	1,698,750	0	122,590,612	102.8	1,660,750	0	122,508,035	102.6
C10	Reclass	1,069	0	122,591,681	102.8	1,091	0	122,509,126	102.6
C16	ARRA	1,344,498	6	123,936,179	103.9	1,344,498	6	123,853,624	103.8

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	119,278,172	1,812	119,278,172	100.0	119,351,099	1,812	119,351,099	100.0
C01	Existing Program	186,460	0	119,464,632	100.2	68,218	0	119,419,317	100.1
C03	Discontinue Program	(1,344,498)	(6)	118,120,134	99.0	(1,344,498)	(6)	118,074,819	98.9
C05	Unfunded Appropriation	2,771,728	69	120,891,862	101.4	2,772,466	69	120,847,285	101.3
C08	Technology	1,698,750	0	122,590,612	102.8	1,660,750	0	122,508,035	102.6
C10	Reclass	0	0	122,590,612	102.8	0	0	122,508,035	102.6
C16	ARRA	1,344,498	6	123,935,110	103.9	1,344,498	6	123,852,533	103.8

Justification

C01	The Agency requests federally funded appropriation of \$64,060 in 2014 and \$65,818 in 2015 for increased costs associated with contracts for client services in the Supplemental Nutrition Assistance Program (SNAP). The services provided are Employment and Training, Workfare and Nutrition Education. All of these professional services are funded with 100% Federal funds. The Commodity Distribution Unit is requesting federally funded appropriation in the amount of \$120,000 in 2014 to pay for the cost of replacing a refrigerated truck that is used to deliver frozen foods to local school districts, food banks and non-profit agencies. Use of the refrigerated truck has increased dramatically and it is increasingly in need of costly repairs. This truck is also used to deliver food to communities in the event of a disaster. This cost will be paid for with 100% Federal funds. The Office of Community Services is also requesting federally funded appropriation of \$2,400 in 2014 and \$2,400 in 2015 to pay for the sales tax associated with the replacement of two vehicles (one each year of the biennium). DFA provides the appropriation for the vehicles purchase. These costs are paid for with 100% Federal funds.
C03	The Agency requests the discontinuation of Federal appropriation for American Recovery and Reinvestment Act (ARRA) Funds used for administrative costs. These funds expire in State Fiscal Year 2013.
C05	The Agency requests unfunded appropriation for the restoration of 69 positions left unbudgeted in State Fiscal Year 2013 due to insufficient funding. These positions are used to support the determination of eligibility for the Supplemental Nutrition Assistance Program (formerly known as the Food Stamp Program), Medicaid, Transitional Employment Assistance and Work Pays programs. Without restoration, these positions will be eliminated on June 30, 2013. Restoration of these positions allows the division to more efficiently manage vacancies and reduce delays in customer services by operating in a continuous hiring/training mode. The Agency also requests unfunded appropriation of \$150,000 in 2014 and 2015 for the storage and distribution of food to food banks and non-profit agencies.

Change Level by Appropriation

Justification	
C08	The Division of County Operations requests State General Revenue (SGR) of \$574,375 in 2014 and \$555,375 in 2015 for increases related to the replacement of the current system used to establish eligibility for 1.3 million Arkansans that receive public assistance benefits. The current system is outdated and inefficient, which makes it costly to run and labor intensive to change. The replacement of the current system will allow the Agency to handle growing caseloads and workloads by using new technologies including off-the-shelf software products and data matches from other agencies to automatically populate and verify information used to determine eligibility. The total appropriation request is \$1,148,750 in 2014 and \$1,110,750 in 2015. The Agency also requests State General Revenue of \$269,500 in 2014 and \$269,500 in 2015 to pay for the cost of replacing aging computer equipment and the purchase of the associated software licenses. As the computer equipment ages, it cannot be supported by our network and the staff will be without IT equipment. The use of current computer equipment that can process high volume work is critical to the timely and accurate provision of services. The total appropriation request is \$550,000 in 2014 and \$550,000 in 2015. The total SGR request for these two IT initiatives is \$843,875 in 2014 and \$824,875 in 2015. The total appropriation request is \$1,698,750 in 2014 and \$1,660,750 in 2015. This request is on page(s) 32, 33 and 38 of the Agency's IT Plan for 2014 and 2015.
C10	The Division is requesting revised job titles for five (5) Computer Support Technician positions and four (4) Information Systems Coordination Specialist positions being used in the DCO Information Systems Unit.
C16	This request was approved for the 2013 Budget through a Miscellaneous Federal Grant funded with the American Recovery and Reinvestment Act (ARRA) funds for the Homelessness Prevention and Rapid Re-Housing Program (HPRP) and the Weatherization Assistance Program. The funding expires in State Fiscal Year 2013.

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 70% 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 952 of 2011 for FY2012 and Section 9 of Act 278 of 2012 for FY2013. 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 Base Level request for this appropriation is \$18,477,000 each year of the biennium.

The Agency Change Level request for this appropriation is \$3,640,650 each year of the biennium in appropriation to allow for general revenue transfers from the Department of Workforce Services.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
TANF Block Grant	5100004	17,035,388	18,477,000	24,565,650	18,477,000	22,117,650	22,117,650	18,477,000	22,117,650	22,117,650
Total		17,035,388	18,477,000	24,565,650	18,477,000	22,117,650	22,117,650	18,477,000	22,117,650	22,117,650
Funding Sources										
Federal Revenue	4000020	16,201,468	18,477,000		18,477,000	18,477,000	18,477,000	18,477,000	18,477,000	18,477,000
Transfer From DWS	4000527	800,000	0		0	0	0	0	0	0
Various Program Support	4000730	33,920	0		0	0	0	0	0	0
Total Funding		17,035,388	18,477,000		18,477,000	18,477,000	18,477,000	18,477,000	18,477,000	18,477,000
Excess Appropriation/(Funding)		0	0		0	3,640,650	3,640,650	0	3,640,650	3,640,650
Grand Total		17,035,388	18,477,000		18,477,000	22,117,650	22,117,650	18,477,000	22,117,650	22,117,650

Change Level by Appropriation

Appropriation: 897 - DHS-Grants Paying Account
Funding Sources: PWD - Grants Paying

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	18,477,000	0	18,477,000	100.0	18,477,000	0	18,477,000	100.0
C05	Unfunded Appropriation	3,640,650	0	22,117,650	119.7	3,640,650	0	22,117,650	119.7

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	18,477,000	0	18,477,000	100.0	18,477,000	0	18,477,000	100.0
C05	Unfunded Appropriation	3,640,650	0	22,117,650	119.7	3,640,650	0	22,117,650	119.7

Justification

C05	The Agency requests \$3,640,650 in unfunded appropriation in SFY 2014 and \$3,640,650 in 2015 for services provided to Transitional Employment Assistance (TEA) program participants. This additional appropriation will provide for the transfer of State General Revenue funds from the Department of Workforce Services (DWS) to the Department of Human Services to pay TEA client benefits.
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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.

Social Services Block Grant (SSBG) funds are used to provide supportive services to help low-income children and families achieve and maintain self-sufficiency. These services include case management, employment services, nutrition, emergency assistance, and other social services to address the needs of families in crisis. SSBG funds also provide special services and supportive activities for the disabled through job placement, employment counseling, and referrals to community resources and opportunities.

Supplemental Nutrition Assistance Program (SNAP) - The Employment and Training (E & T) Program (formerly the Food Stamp Employment and Training Program) provides Employment and Training activities which promote long term self sufficiency to SNAP recipients classified as an ABAWD (able-bodied adult without dependent children) and who live in one of the counties where an E & T Program is operational. Services include independent job search, job search training, education, work experience and vocational training. Client reimbursements for expenses associated with participation in the E & T Program, such as travel reimbursements, are funded with 50% State General Revenue and 50% Federal funds.

Supplemental Nutrition Assistance Program (SNAP) - The Farmers Market Program has been established by U.S. Department of Agriculture (USDA) to allow consumers to have access to locally grown farm fresh produce, enable farmers the opportunity to expand their customer base, and cultivate consumer loyalty with the farmers who grow the produce. In order to participate in the Electronic Benefits Transfer (EBT) Farmers Market Program, each market must be authorized by the USDA Food and Nutrition Service (FNS) to accept Supplemental Nutrition Assistance Program (SNAP) benefits. The USDA provides funds for the purchase of Point of Sale devices and monthly wireless fees so fruits and vegetables can be purchased by SNAP recipients with their Electronic Benefits Transfer card. The grants are paid with 100% Federal funds.

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, federal Social Services Block Grant (SSBG) funds, federal USDA funds 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)(ii) and §19-5-306(10)(A)(xi).

The Division is requesting to separate the SNAP component from the Community Services component creating a Supplemental Nutrition Assistance Program line item.

The Agency Base Level request for the Supplemental Nutrition Assistance Program line item is \$300,000 each year of the biennium.

The Agency Base Level and total request for the Community Services Block Grant line item is \$9,137,390 each year of the biennium.

The Agency Change Level request for the Supplemental Nutrition Assistance Program line item is \$43,235 in appropriation only each year of the biennium to allow for grants under the Farmers Market Program.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Suppl Nutrition Assist(SNAP)	5100004	194,927	300,000	300,000	300,000	343,235	343,235	300,000	343,235	343,235
Community Svcs. Block Grant	5100004	9,149,335	9,137,390	9,137,390	9,137,390	9,137,390	9,137,390	9,137,390	9,137,390	9,137,390
Total		9,344,262	9,437,390	9,437,390	9,437,390	9,480,625	9,480,625	9,437,390	9,480,625	9,480,625
Funding Sources										
General Revenue	4000010	100,902	153,439		153,439	153,439	153,439	153,439	153,439	153,439
Federal Revenue	4000020	9,243,360	9,283,951		9,283,951	9,327,186	9,327,186	9,283,951	9,327,186	9,327,186
Total Funding		9,344,262	9,437,390		9,437,390	9,480,625	9,480,625	9,437,390	9,480,625	9,480,625
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		9,344,262	9,437,390		9,437,390	9,480,625	9,480,625	9,437,390	9,480,625	9,480,625

The Division is requesting to separate the SNAP component from the Community Services component creating a Supplemental Nutrition Assistance Program line item.

Change Level by Appropriation

Appropriation: 898 - DHS-Grants Paying Account
Funding Sources: PWE - Grants Paying

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	9,437,390	0	9,437,390	100.0	9,437,390	0	9,437,390	100.0
C01	Existing Program	43,235	0	9,480,625	100.5	43,235	0	9,480,625	100.5

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	9,437,390	0	9,437,390	100.0	9,437,390	0	9,437,390	100.0
C01	Existing Program	43,235	0	9,480,625	100.5	43,235	0	9,480,625	100.5

Justification

C01	The Agency is requesting federally funded appropriation of \$43,235 in 2014 and 2015 for the new Supplemental Nutrition Assistance Program (SNAP) Farmers' Market program. These funds will be granted to farmers markets authorized to accept benefits through the Electronic Benefits Transfer process. The funds pay for the purchase of Point of Sale devices and monthly wireless fees so SNAP recipients can purchase fresh fruits and vegetables. The grants are paid with 100% Federal funds.
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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 and/or recipient agency, 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 Base Level and total request for this appropriation is \$175,000 each year of the biennium.

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

Appropriation Summary

Appropriation: 930 - Cty-Commodity Distrib & Salvage Container

Funding Sources: NHS - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	7,669	165,510	264,596	165,510	165,510	165,510	165,510	165,510	165,510
Conference & Travel Expenses	5050009	6,429	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490
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	17,675	0	0	0	0	0	0	0	0
Total		31,773	175,000	274,086	175,000	175,000	175,000	175,000	175,000	175,000
Funding Sources										
Cash Fund	4000045	31,773	175,000		175,000	175,000	175,000	175,000	175,000	175,000
Total Funding		31,773	175,000		175,000	175,000	175,000	175,000	175,000	175,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		31,773	175,000		175,000	175,000	175,000	175,000	175,000	175,000