

DHS - County Operations

Enabling Laws

Act 271 of 2014
Act 254 of 2014

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 and reauthorized by the Agricultural Act of 2014
- 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 increase 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 Services Block Grant - Public Law 97-35 Federal Omnibus Reconciliation Act of 1981; Public Law 105-285 Coats Human Services Reauthorization Act of 1998

- Homeless Assistance - Emergency Solutions Grant and Continuum of Care Program (Shelter Plus Care) - Public Law 97-35 Federal Omnibus Reconciliation Act of 1981; McKinney-Vento Homeless Assistance Act of 1987, Title IV as amended; the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 consolidated three homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program, and revised the Emergency Shelter Grants program and renamed it the Emergency Solutions Grants Program.
- Aid to the Aged, Blind and Disabled - Title XVI of the Social Security Act; P.L. 93-66 and P.L. 93-233
- Low-Income Home Energy Assistance-Public Law 97-35 Federal Omnibus Reconciliation Act of 1981

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.

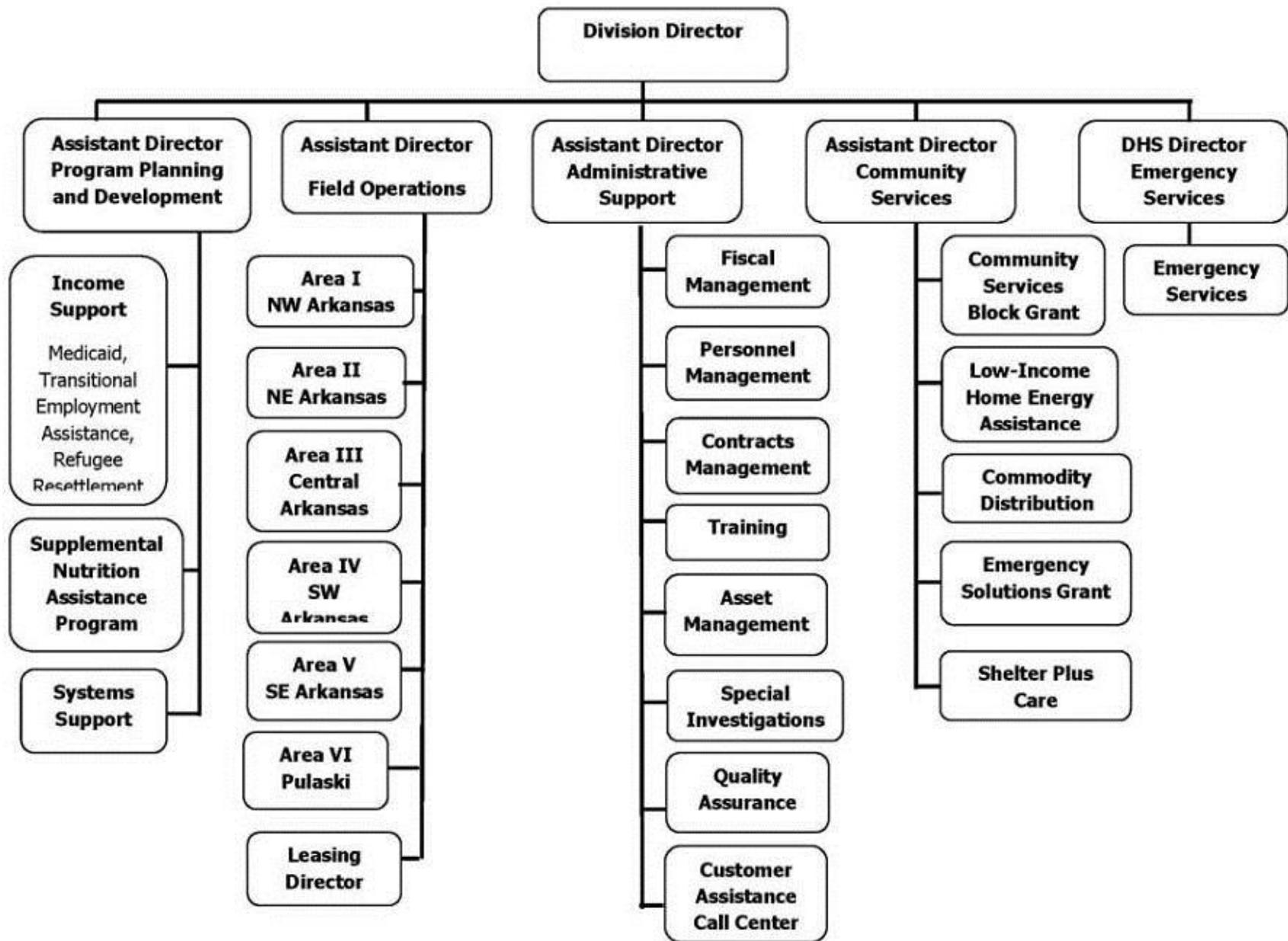
History: The Arkansas Department of Public Welfare was created in 1935 to give public assistance to dependent children, the aged, and the blind. There have been several changes and significant growth in services since that time. Child Welfare was added in 1936. In 1937, Aid to Families with Dependent 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 and one processing center 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, Private Option 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.

Act 1498 of 2013 established the Health Care Independence Program on January 1, 2014. This program is also known as the "Private Option". The Act allows individuals age 19-64 with low income (equal to or less than 138% of the Federal Poverty Level) to enroll in a private health care plan. Medicaid funds are used to pay the monthly premium for eligible individuals so that they can enroll in one of the Qualified Health Plans offered through the Federally Facilitated Health Insurance Market Place.



Agency Commentary

ADMINISTRATION - Appropriation 896

ADMINISTRATION (PWP4500)- 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. 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, automated workflows, on-line applications, processing center technology and the development of a new eligibility system for the 1.5 million Arkansans that receive public assistance benefits.

POSITION TRANSFERS - The Division is requesting the transfer of four Program Eligibility Specialists to the Division of Developmental Disabilities Services who will be used to conduct financial eligibility screenings for Intermediate Care Facilities (ICF) and annual redeterminations. In addition, the Division requests the transfer of one DHS/DCO Program Manager to the DHS Division of Administrative Services - Office of Systems Technology. This position will be used to ensure the Agency complies with rigorous Internal Revenue Service security requirements and new information technology security standards established by the National Institute of Standards and Technology.

The associated appropriation, State General Revenue of \$106,753 and Federal Funds of \$106,752 will be transferred in 2016 and 2017 for salary and fringe costs related to the position transfers.

OPERATING EXPENSES INCREASES (Funded Appropriation) - The Division of County Operations is requesting additional funded appropriation in each year of the biennium for the following:

- State General Revenue (SGR) of \$100,000 each year of the biennium for increases related to the increased cost of postage and mailing costs for client notices for the Supplemental Nutrition Assistance Program (SNAP), Medicaid and Transitional Employment Assistance (TEA). Funding is 50% State and 50% Federal. The total appropriation request is \$200,000 each year.

- State General Revenue (SGR) of \$66,673 each year to allow for a 3% increase in lease costs for 52 county offices that have not had a lease increase in five years. Funding is 50% State and 50% Federal. The total appropriation request is \$133,346 each year.
- State General Revenue (SGR) of \$71,722 in 2016 and \$16,722 in 2017 for the relocation of the DHS Polk County Office. The current office is located in an old nursing home that has many problems including a leaking roof, faulty heating, air and plumbing, inadequate security and has poor conditions for staff and clients. Funding is 50% State and 50% Federal. The total appropriation request is \$143,443 in 2016 and \$33,443 in 2017.
- State General Revenue (SGR) of \$415,906 in 2016 and \$125,906 in 2017 for the relocation of the DHS Jefferson County Office. DHS has occupied this building since 1981 (33 years). A recent building assessment recommended that the facility be gutted. Problems include sewer backup, inadequate heat and air and faulty plumbing. Funding is 50% State and 50% Federal. The total appropriation request is \$831,812 in 2016 and \$251,812 in 2017.
- State General Revenue (SGR) of \$68,800 in 2016 and \$18,000 in 2017 for the relocation of the DHS Jackson County Office. The current office is located in an old hospital building with multiple issues such as narrow doorways, heat, air, plumbing and security problems. The ceiling has collapsed twice recently. This office has very poor conditions for staff and clients. Funding is 50% State and 50% Federal. The total appropriation request is \$137,600 in 2016 and \$36,000 in 2017.

PROFESSIONAL FEES AND SERVICES (Federal Appropriation) - The Division is requesting Federal appropriation in 2016 and in 2017 for increased costs associated with contracts for client services in the Supplemental Nutrition Assistance Program (SNAP). No State General Revenue is requested. These services include:

- 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 Federal appropriation of \$38,735 in 2016 and \$39,510 in 2016 to support the expenditure of 100% Federal funds for these contracts.
- Employment and Training (E & T) activities are provided through local schools, Adult Education Centers and non-profit agencies 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 Federal appropriation of \$16,245 in 2016 and \$16,570 in 2017 to support the expenditure of 100% Federal funds for these contracts.

INFORMATION TECHNOLOGY (Funded State and Federal Appropriation) - The Division of County Operations requests State General Revenue (SGR) of \$618,210 in 2016 and \$679,125 in 2017 for various Information Technology initiatives including fraud detection software, document imaging activities, data warehouse operations, email services and electronic data storage. Also included are costs related to the Electronic Benefit Transfer process and with the SNAP portion of the new Eligibility and Enrollment Framework. These ongoing IT costs are expected to increase in the biennium and are critical to the continuing operation of the Agency. Funding is 50% State and 50% Federal. The

total appropriation request is \$1,236,420 in 2016 and \$1,358,250 in 2017. These requests are reflected in DCO's IT Plan. The summary below provides additional details about the Agency IT requests:

- Employment Verification Data Match - This technical service agreement, "The Work Number" provides real time employment information and is used by caseworkers, investigators and quality assurance staff to identify potential fraud. The agreement is being rebid and the Agency expects the cost to increase by 5% each fiscal year. The request is for State General Revenue of \$16,410 in 2016 and \$17,230 in 2017. Funding is 50% State and 50% Federal. The total appropriation request is \$32,820 in 2016 and \$34,460 in 2017. This request is reflected on pages 25 - 26 of the DCO IT Plan.
- Electronic Benefits Transfer (EBT) Contract- This contract is used to issue SNAP benefits electronically to eligible clients. Benefits are loaded to a debit card that is used at a point-of-sale device at USDA approved food retailers. The current contract ends on April 31, 2016. This request will provide funds for one-time conversion costs in addition to monthly contract costs that are expected to increase as a result of the contract re-procurement. The Agency requests \$100,000 in State General Revenue in 2016 and \$152,595 in 2017 to pay for these cost growths. Funding is 50% State and 50% Federal. The total appropriation request in 2016 is \$200,000 and \$305,190 in 2017. This request is reflected on pages 23 - 24 of the DCO IT Plan.
- Eligibility Enrollment Framework - This increase is for ongoing costs related to the replacement of the current system used to establish eligibility for 1.5 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. Funding is 50% State and 50% Federal. The Agency requests State General Revenue of \$422,500 in 2016 and \$430,000 in 2017. The total appropriation request is \$845,000 in 2016 and \$860,000 in 2017. This request is reflected on pages 33 - 36 of the DCO IT Plan.
- Various Information Technology (IT) Initiatives - The Agency requests State General Revenue of \$79,300 each year for various IT initiatives. This includes software recommended by the DHS Security Officer for use by 22 staff in the Special Investigations Unit that provides real time information regarding addresses, property, income, etc. The request also includes costs for email, storage and business objects which are expected to increase by 50% in the biennium. In addition, the request includes costs for the Agency's Data Warehouse and Document Imaging. These costs are expected to increase by 10% due to the re-procurement of the contractor that supports these services. Funding is 50% State and 50% Federal. The total appropriation request is \$158,600 each year. These requests are reflected in pages 27 - 33 of the DCO IT Plan.

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 Low-Income Home Energy Assistance (LIHEAP) and Community Services Block Grant (CSBG) Programs. The Agency is requesting appropriation of \$20,000 in 2016 and \$20,000 in 2017 to pay for the vehicle and associated sales tax.

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 \$735 Million in SNAP benefits were issued to 696,343 Arkansans in State Fiscal Year 2013. The Division issues SNAP benefits through a Statewide Electronic Benefits Transfer (EBT) System. According to USDA, every \$5.00 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 schools, Adult Education Centers and non-profits 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 2013, the Agency spent more than \$ 4.65 Billion in Medicaid services providing for 829,512 Arkansans.

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.

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. Individuals must meet income and resource tests to qualify for these categories of Medicaid.

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 2013, there were 419,870 children who received ARKids Medicaid.

Act 1498 of 2013 established the Health Care Independence Program on January 1, 2014. This program is also known as the "Private Option". The Act allows individuals age 19-64 with low income (equal to or less than 138% of the Federal Poverty Level) to enroll in a private health care plan. Medicaid funds are used to pay the monthly premium for eligible individuals so that they can enroll in one of the Qualified Health Plans offered through the Federally Facilitated Health Insurance Marketplace.

TOBACCO SETTLEMENT - 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 are utilized to expand Medicaid coverage to the following 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.

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. The Agency is requesting Federal Appropriation of \$461,676 in 2016 and \$484,760 in 2017 to provide for 5% in additional Federal appropriation each year of the biennium for the Community Services Block Grant Program.

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.

HOMELESS ASSISTANCE/EMERGENCY SOLUTIONS PROGRAM - Appropriation 426

HOMELESS ASSISTANCE/EMERGENCY SOLUTIONS (FWF2100) - The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009, consolidated three of the separate homeless assistance programs administered by the U.S. Department of Housing and Urban Development (HUD) under the McKinney-Vento Homeless Assistance Act into a single grant program, and revised the Emergency Shelter Grants program and renamed it as the Emergency Solutions Grants (ESG) program. The ESG program is designed to be the first step in a continuum of assistance to help clients quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The Homeless Assistance Program also 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 Federal appropriation of \$125,325 in 2016 and \$131,591 in 2017 to provide for 5% in additional Federal appropriation each year of the biennium for the Homeless Assistance/Emergency Solutions Grant Program. These are 100% Federal funds.

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM - Appropriation 411

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) (FWF3400) - 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 Agency is requesting Federal appropriation of \$1,400,000 in 2016 and \$1,470,000 in 2017 to provide for 5% in additional Federal appropriation each year of the biennium for the Low-Income Home Energy Assistance Program (LIHEAP). The funding is 100% Federal funds.

SHELTER PLUS CARE - APPROPRIATION 1DK

SHELTER PLUS CARE PROGRAM (FWF0400) - 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 Federal appropriation of \$95,430 in 2016 and \$100,202 in 2017 to provide for 5% in additional Federal appropriation each year of the biennium for the Shelter Plus Care Program. The funding is 100% Federal funds.

REFUGEE RESETTLEMENT PROGRAM - Appropriation 412

REFUGEE RESETTLEMENT PROGRAM (FWF4400) - The Refugee Resettlement Program (RRP) serves refugee residents for the first five (5) years of their residency in the United States that have been admitted for humanitarian reasons. 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. The Division of County Operations administers the cash and medical assistance programs for eligible participants. 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. Participation in this program has recently increased. The Agency is requesting Federal appropriation of \$12,000 in each year. The funding is 100% Federal funds.

EMERGENCY FOOD PROGRAM - Appropriation 410

THE EMERGENCY FOOD ASSISTANCE PROGRAM/COMMODITY SUPPLEMENTAL FOOD PROGRAM (FWF2900) - 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 Federal appropriation of \$34,646 in 2016 and \$36,378 in 2017 to provide for 5% in additional Federal appropriation each year of the biennium for the TEFAP and CSFP programs. The funding is 100% Federal funds.

SALVAGE AND CONTAINER FUND - APPROPRIATION 930

SALVAGE AND CONTAINER (SAC) FUND (NHS0201) - 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 (SAC) 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.

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		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.	0	0.00

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2016
Required by A.C.A. 25-36-104

AGENCY: 0710 DHS - County Operations

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Arkansas Spanish Interpreters	\$525,039		X				
LARR ENTERPRIZE INC	\$536,561	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 2

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$13,467,630

% OF MINORITY CONTRACTS AWARDED 1.52 %

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	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	1,486,268	0	1,908,598	0	1,908,598	0	1,908,598	0	2,004,028	0	2,004,028	0	1,908,598	0	2,008,800	0	2,008,800	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
410 Cty-Emergency Food Program	738,339	0	692,917	0	819,219	0	692,917	0	727,563	0	727,563	0	692,917	0	729,295	0	729,295	0
411 Cty-Low Income Energy Assistance Prgm	20,701,241	0	28,000,000	0	29,480,110	0	28,000,000	0	29,400,000	0	29,400,000	0	28,000,000	0	29,470,000	0	29,470,000	0
412 Cty-Refugee Resettlement Program	11,259	0	12,000	0	12,000	0	12,000	0	24,000	0	24,000	0	12,000	0	24,000	0	24,000	0
426 Cty-Homeless Assistance Grant	2,400,301	0	2,506,500	0	2,846,487	0	2,506,500	0	2,631,825	0	2,631,825	0	2,506,500	0	2,638,091	0	2,638,091	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	2,135,078	51	2,861,716	60	2,872,788	60	2,884,501	60	2,884,501	60	2,884,501	60	2,885,980	60	2,885,980	60	2,885,980	60
896 Division of County Operations	116,116,047	1,871	123,503,656	1,876	125,233,442	1,876	124,309,706	1,876	126,853,802	1,871	126,853,802	1,871	124,381,796	1,876	126,257,222	1,871	126,257,222	1,871
897 TANF Block Grant	13,535,934	0	14,637,000	0	21,818,070	0	14,637,000	0	18,277,650	0	18,277,650	0	14,637,000	0	18,277,650	0	18,277,650	0
898 Community Svcs. Block Grant	8,451,714	0	9,298,386	0	9,137,390	0	9,298,386	0	9,760,062	0	9,760,062	0	9,298,386	0	9,783,146	0	9,783,146	0
898 Supplemental Nutrition Assist(SNAP)	175,529	0	343,235	0	343,235	0	343,235	0	343,235	0	343,235	0	343,235	0	343,235	0	343,235	0
930 Cty-Commodity Distrib & Salvage Container	18,387	0	291,300	0	175,000	0	291,300	0	291,300	0	291,300	0	291,300	0	291,300	0	291,300	0
Total	166,765,210	1,922	185,054,421	1,936	195,645,452	1,936	185,883,256	1,936	194,197,079	1,931	194,197,079	1,931	185,956,825	1,936	193,707,832	1,931	193,707,832	1,931

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	48,670,718	29.2	48,992,734	26.5	49,304,965	26.5	50,539,523	26.5	49,198,212	26.1	49,332,889	26.5	50,232,562	26.4	49,226,136	26.1	
Federal Revenue	4000020	109,205,069	65.5	122,058,054	66.0	122,483,111	65.9	125,921,726	66.1	125,303,516	66.4	122,520,847	65.9	125,731,531	66.2	125,052,406	66.4	
Cash Fund	4000045	18,387	0.0	291,300	0.2	291,300	0.2	291,300	0.2	291,300	0.2	291,300	0.2	291,300	0.2	291,300	0.2	
Tobacco Settlement	4000495	1,067,539	0.6	1,430,858	0.8	1,442,250	0.8	1,442,250	0.8	1,442,250	0.8	1,442,990	0.8	1,442,990	0.8	1,442,990	0.8	
Transfer From DWS	4000527	549,800	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Transfer to Medicaid Match	4000660	(66,238)	0.0	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	7,319,935	4.4	12,281,475	6.6	12,361,630	6.7	12,361,630	6.5	12,361,630	6.6	12,368,799	6.7	12,368,799	6.5	12,368,799	6.6	
Total Funds		166,765,210	100.0	185,054,421	100.0	185,883,256	100.0	190,556,429	100.0	188,596,908	100.0	185,956,825	100.0	190,067,182	100.0	188,381,631	100.0	
Excess Appropriation/(Funding)		0		0		0		3,640,650		5,600,171		0		3,640,650		5,326,201		
Grand Total		166,765,210		185,054,421		185,883,256		194,197,079		194,197,079		185,956,825		193,707,832		193,707,832		

Budget exceeds Authorized in (898) Community Svcs. Block Grant and (930) Cty-Commodity Distrib & Salvage Container by authority of Reallocation of Resources.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
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	
1,942	1849	29	1878	64	4.79 %	1,941	1855	86	1941	0	4.43 %	1,936	1831	105	1936	0	5.42 %

Authorized in Act may differ from Authorized reflected on the Appropriation Summary due to Reallocation of Resources (Act 282 of 2014 section 17(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 \$1,908,598 each year of the biennium.

The Agency Change Level request is for \$95,430 in FY2016 and \$100,202 in FY2017 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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,486,268	1,908,598	1,908,598	1,908,598	2,004,028	2,004,028	1,908,598	2,008,800	2,008,800
Total		1,486,268	1,908,598	1,908,598	1,908,598	2,004,028	2,004,028	1,908,598	2,008,800	2,008,800
Funding Sources										
Federal Revenue	4000020	1,486,268	1,908,598		1,908,598	2,004,028	2,004,028	1,908,598	2,008,800	2,008,800
Total Funding		1,486,268	1,908,598		1,908,598	2,004,028	2,004,028	1,908,598	2,008,800	2,008,800
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,486,268	1,908,598		1,908,598	2,004,028	2,004,028	1,908,598	2,008,800	2,008,800

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,908,598	0	1,908,598	100.0	1,908,598	0	1,908,598	100.0
C01	Existing Program	95,430	0	2,004,028	105.0	100,202	0	2,008,800	105.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,908,598	0	1,908,598	100.0	1,908,598	0	1,908,598	100.0
C01	Existing Program	95,430	0	2,004,028	105.0	100,202	0	2,008,800	105.3

Justification

C01	The Agency requests \$95,430 in federal appropriation in 2016 and \$100,202 in Federal appropriation in 2017 for the Shelter Plus Care Program. This program provides rental assistance for hard-to-serve homeless persons with disabilities. No State General Revenue funds are being requested.
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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	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				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: 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 \$692,917 each year of the biennium.

The Agency Change Level request is for \$34,646 in FY2016 and \$36,378 in FY2017 to allow for additional federal funds for the Emergency Food Program and the Commodity Supplemental Food Program due to expected caseload increases 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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	738,339	692,917	819,219	692,917	727,563	727,563	692,917	729,295	729,295
Total		738,339	692,917	819,219	692,917	727,563	727,563	692,917	729,295	729,295
Funding Sources										
Federal Revenue	4000020	738,339	692,917		692,917	727,563	727,563	692,917	729,295	729,295
Total Funding		738,339	692,917		692,917	727,563	727,563	692,917	729,295	729,295
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		738,339	692,917		692,917	727,563	727,563	692,917	729,295	729,295

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	692,917	0	692,917	100.0	692,917	0	692,917	100.0
C01	Existing Program	34,646	0	727,563	105.0	36,378	0	729,295	105.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	692,917	0	692,917	100.0	692,917	0	692,917	100.0
C01	Existing Program	34,646	0	727,563	105.0	36,378	0	729,295	105.2

Justification

C01	The Agency requests \$34,646 in Federal appropriation in 2016 and \$36,378 in Federal appropriation in 2017 for the Emergency Food and Commodity Supplemental Food programs. The Emergency Food Program provides food on an emergency basis for families in need and the homeless. The Commodity Supplemental Food Program provides food to seniors in need on a monthly basis. No State General Revenue funds are being requested.
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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 Program and Crisis Intervention Program. Assistance is provided in the form of a one-time per year payment to the energy supplier of an eligible household, or in some cases, directly to the applicant. The Crisis Intervention Program provides assistance to eligible households in energy related emergencies. Eligibility is based on 150% of current Office of Management and Budget (OMB) income poverty guidelines for all households.

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

The Agency Base Level request for this appropriation is \$28,000,000 each year of the biennium.

The Agency Change Level request is for \$1,400,000 in FY2016 and \$1,470,000 in FY2017 to allow for additional federal funds for the program in the event of higher energy costs during 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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	20,701,241	28,000,000	29,480,110	28,000,000	29,400,000	29,400,000	28,000,000	29,470,000	29,470,000
Total		20,701,241	28,000,000	29,480,110	28,000,000	29,400,000	29,400,000	28,000,000	29,470,000	29,470,000
Funding Sources										
Federal Revenue	4000020	20,701,241	28,000,000		28,000,000	29,400,000	29,400,000	28,000,000	29,470,000	29,470,000
Total Funding		20,701,241	28,000,000		28,000,000	29,400,000	29,400,000	28,000,000	29,470,000	29,470,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		20,701,241	28,000,000		28,000,000	29,400,000	29,400,000	28,000,000	29,470,000	29,470,000

Change Level by Appropriation

Appropriation: 411 - Cty-Low Income Energy Assistance Prgm
Funding Sources: FWF - DHS Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	28,000,000	0	28,000,000	100.0	28,000,000	0	28,000,000	100.0
C01	Existing Program	1,400,000	0	29,400,000	105.0	1,470,000	0	29,470,000	105.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	28,000,000	0	28,000,000	100.0	28,000,000	0	28,000,000	100.0
C01	Existing Program	1,400,000	0	29,400,000	105.0	1,470,000	0	29,470,000	105.3

Justification

C01	The Agency requests \$1,400,000 in Federal appropriation in 2016 and \$1,470,000 in Federal appropriation in 2017 for the Low Income Home Energy Assistance Program (LIHEAP). This program provides Federal funds to assist low-income households with the cost of their home energy expenses such as gas, electricity and propane. No State General Revenue funds are being requested.								
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Analysis of Budget Request

Appropriation: 412 - Cty-Refugee Resettlement Program

Funding Sources: FWF - DHS Federal

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

Due to the steady decline in eligibles, Arkansas chose to discontinue the optional Social Services component of the program effective October 1, 2002. Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) will continue to be available through the county offices to any new arrivals entering the state in the future. The federal Office of Refugee Resettlement contracts directly with an agency outside of DHS for the social services aspects of the program.

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

The Agency Base Level request for this appropriation is \$12,000 each year of the biennium.

The Agency Change Level request is for \$12,000 each year due to increasing caseloads within the State.

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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	11,259	12,000	12,000	12,000	24,000	24,000	12,000	24,000	24,000
Total		11,259	12,000	12,000	12,000	24,000	24,000	12,000	24,000	24,000
Funding Sources										
Federal Revenue	4000020	11,259	12,000		12,000	24,000	24,000	12,000	24,000	24,000
Total Funding		11,259	12,000		12,000	24,000	24,000	12,000	24,000	24,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		11,259	12,000		12,000	24,000	24,000	12,000	24,000	24,000

Change Level by Appropriation

Appropriation: 412 - Cty-Refugee Resettlement Program
Funding Sources: FWF - DHS Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	12,000	0	12,000	100.0	12,000	0	12,000	100.0
C01	Existing Program	12,000	0	24,000	200.0	12,000	0	24,000	200.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	12,000	0	12,000	100.0	12,000	0	12,000	100.0
C01	Existing Program	12,000	0	24,000	200.0	12,000	0	24,000	200.0

Justification

C01	The Agency requests \$12,000 in Federal appropriation in each year of the biennium for the Refugee Resettlement Program due to increasing caseloads in the State. This program provides temporary assistance to refugees and entrants to the State to help them become self-sufficient and self-reliant. No State General Revenue funds are being requested.
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Analysis of Budget Request

Appropriation: 426 - Cty-Homeless Assistance Grant

Funding Sources: FWF - DHS Federal

The Homeless Assistance Grant is a federal program through the U. S. Department of Housing and Urban Development. This program is designed to assist local communities in helping to improve the quality of life for the homeless by providing grants for renovation, rehabilitation or conversion of buildings to be used as emergency shelters. Funds can be used for paying for operations, maintenance, insurance, utilities, and furnishings, essential social services that are connected with the shelters and for prevention efforts. The estimated homeless count in the State of Arkansas for 2011 is 19,135. Funding for this appropriation is 100% federal.

The Agency Base Level request for this appropriation is \$2,506,500 each year of the biennium.

The Agency Change Level request is for \$125,325 in FY2016 and \$131,591 in FY2017 for projected increases in federal funding during the biennium.

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	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	2,400,301	2,506,500	2,846,487	2,506,500	2,631,825	2,631,825	2,506,500	2,638,091	2,638,091
Total	2,400,301	2,506,500	2,846,487	2,506,500	2,631,825	2,631,825	2,506,500	2,638,091	2,638,091
Funding Sources									
Federal Revenue 4000020	2,400,301	2,506,500		2,506,500	2,631,825	2,631,825	2,506,500	2,638,091	2,638,091
Total Funding	2,400,301	2,506,500		2,506,500	2,631,825	2,631,825	2,506,500	2,638,091	2,638,091
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,400,301	2,506,500		2,506,500	2,631,825	2,631,825	2,506,500	2,638,091	2,638,091

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,506,500	0	2,506,500	100.0	2,506,500	0	2,506,500	100.0
C01	Existing Program	125,325	0	2,631,825	105.0	131,591	0	2,638,091	105.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,506,500	0	2,506,500	100.0	2,506,500	0	2,506,500	100.0
C01	Existing Program	125,325	0	2,631,825	105.0	131,591	0	2,638,091	105.2

Justification

C01	The Agency requests \$125,325 in 2016 and \$131,591 in 2017 in Federal appropriation for the Homeless Assistance Program, also called the Emergency Solutions Grants (ESG) Program. This program provides Federal funds for homeless shelters and can also be used to assist people in regaining stability in permanent housing after experiencing a housing crisis and/or homelessness. No State General Revenue funds are being requested.
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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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 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); and

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 include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Agency Base Level and total request for this appropriation is \$2,884,501 in FY2016 and \$2,885,980 in FY2017 with 60 budgeted Base Level positions.

The Executive Recommendation provides for the 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			2015-2016			2016-2017		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,424,329	1,801,942	1,811,220	1,814,589	1,814,589	1,814,589	1,815,789	1,815,789	1,815,789
#Positions	51	60	60	60	60	60	60	60	60
Personal Services Matching 5010003	628,267	713,979	715,773	724,117	724,117	724,117	724,396	724,396	724,396
Operating Expenses 5020002	82,482	295,795	295,795	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	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Data Processing Services 5900044	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	2,135,078	2,861,716	2,872,788	2,884,501	2,884,501	2,884,501	2,885,980	2,885,980	2,885,980
Funding Sources									
Federal Revenue 4000020	1,067,539	1,430,858		1,442,251	1,442,251	1,442,251	1,442,990	1,442,990	1,442,990
Tobacco Settlement 4000495	1,067,539	1,430,858		1,442,250	1,442,250	1,442,250	1,442,990	1,442,990	1,442,990
Total Funding	2,135,078	2,861,716		2,884,501	2,884,501	2,884,501	2,885,980	2,885,980	2,885,980
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,135,078	2,861,716		2,884,501	2,884,501	2,884,501	2,885,980	2,885,980	2,885,980

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

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

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

The Division of County Operations has the primary responsibility for providing the leadership and support in each of the eighty-three (83) county offices in the 75 counties, a new Access Arkansas Center is being constructed in Batesville and will process approximately 28,000 applications and reevaluations each month, many of which are being filed online. The Division of County Operations is responsible for administering the SNAP, TEA, Medicaid and ARKids Programs to citizens across Arkansas. Additional programs administered at the county level though local organizations include the Community Services Block Grant; Energy and Weatherization Assistance for low income elderly, people with disabilities and families with children; Homeless and Housing Assistance; and Commodity Distribution. The Division is responsible for the physical office space in each of the counties including rent, utilities, telephone charges, janitorial services and other items needed at the local level. The Division coordinates the services of the various DHS Divisions at the local level and provides clerical support. The Division currently has four (4) distinct areas of operation: Field Operations, Program Planning and Development, Community Services and Administrative Support.

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

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Agency Base Level request for this appropriation is \$124,309,706 in FY2016 and \$124,381,796 in FY2017 with general revenue of \$48,152,413 in FY2016 and \$48,180,337 in FY2017 and 1,876 budgeted Base Level positions.

The Agency Change Level request for this appropriation is \$2,544,096 in FY2016 and \$1,875,426 in FY2017, which includes general revenue requests above Base Level of \$1,234,558 in FY2016 and \$899,673 in FY2017. The following delineates the agency request:

- Regular Salaries and Personal Services Matching of (\$213,505) each year for the transfer of five (5) positions to other DHS Divisions to improve DHS security and delivery of services. (\$106,753) of this transfer each year is general revenue.
- Operating Expenses of \$1,479,021 in FY2016 and \$689,061 in FY2017 for increases in postage, mailing, county office leases, increasing information technology costs, and the relocation of county offices in Polk, Jackson and Jefferson counties. Of this request, \$739,511 in FY2016 and \$344,531 in FY2017 is new general revenue. This request can be found in the Agency's Information Technology Plan.
- Professional Fees of \$254,980 in FY2016 and \$361,270 in FY2017 to cover increased costs of contracts for SNAP client services and the EBT system which issues benefits for SNAP and TEA in Arkansas. \$100,000 in FY2016 and \$152,595 in FY2017 of this request is for new general revenue. This request can be found in the Agency's Information Technology Plan.
- Capital Outlay of \$20,000 each year of the biennium for the replacement of one (1) vehicle each year.
- Data Processing Services of \$1,003,600 in FY2016 and \$1,018,600 in FY2017 for costs associated with the SNAP portion of the new Eligibility and Enrollment System and for increasing information technology costs. \$501,800 in FY2016 and \$509,300 in FY2017 of this request is for new general revenue. This request can be found in the Agency's Information Technology Plan.

The Executive Recommendation provides for the Agency Request, to include the position and general revenue transfers to other DHS Divisions, with no new general revenue funding. The Executive Recommendation provides for the Agency Request for Capital Outlay 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	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	60,086,188	61,558,689	63,108,743	62,169,786	62,016,991	62,016,991	62,228,286	62,075,491	62,075,491
#Positions	1,871	1,876	1,876	1,876	1,871	1,871	1,876	1,871	1,871
Extra Help 5010001	266,740	390,052	390,052	390,052	390,052	390,052	390,052	390,052	390,052
#Extra Help	31	37	37	37	37	37	37	37	37
Personal Services Matching 5010003	23,327,958	23,575,083	23,924,815	23,942,436	23,881,726	23,881,726	23,956,026	23,895,316	23,895,316
Overtime 5010006	1,176	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Operating Expenses 5020002	21,889,618	23,402,003	23,402,003	23,402,003	24,881,024	24,881,024	23,402,003	24,091,064	24,091,064
Conference & Travel Expenses 5050009	102,540	172,081	172,081	172,081	172,081	172,081	172,081	172,081	172,081
Professional Fees 5060010	5,176,097	6,138,465	6,138,465	6,138,465	6,393,445	6,393,445	6,138,465	6,499,735	6,499,735
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	34,411	172,400	2,400	0	20,000	20,000	0	20,000	20,000
Data Processing Services 5900044	5,231,319	8,069,883	8,069,883	8,069,883	9,073,483	9,073,483	8,069,883	9,088,483	9,088,483
Total	116,116,047	123,503,656	125,233,442	124,309,706	126,853,802	126,853,802	124,381,796	126,257,222	126,257,222
Funding Sources									
General Revenue 4000010	47,584,407	47,840,182		48,152,413	49,386,971	48,045,660	48,180,337	49,080,010	48,073,584
Federal Revenue 4000020	61,323,852	63,381,999		63,795,663	65,105,201	64,486,991	63,832,660	64,808,413	64,129,288
Transfer to Medicaid Match 4000660	(66,238)	0		0	0	0	0	0	0
Various Program Support 4000730	7,274,026	12,281,475		12,361,630	12,361,630	12,361,630	12,368,799	12,368,799	12,368,799
Total Funding	116,116,047	123,503,656		124,309,706	126,853,802	124,894,281	124,381,796	126,257,222	124,571,671
Excess Appropriation/(Funding)	0	0		0	0	1,959,521	0	0	1,685,551
Grand Total	116,116,047	123,503,656		124,309,706	126,853,802	126,853,802	124,381,796	126,257,222	126,257,222

FY15 Budget in Capital Outlay exceeds Authorized by authority of Reallocation of Resources.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	124,309,706	1,876	124,309,706	100.0	124,381,796	1,876	124,381,796	100.0
C01	Existing Program	1,521,181	0	125,830,887	101.2	730,681	0	125,112,477	100.6
C07	Agency Transfer	(213,505)	(5)	125,617,382	101.1	(213,505)	(5)	124,898,972	100.4
C08	Technology	1,236,420	0	126,853,802	102.0	1,358,250	0	126,257,222	101.5

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	124,309,706	1,876	124,309,706	100.0	124,381,796	1,876	124,381,796	100.0
C01	Existing Program	1,521,181	0	125,830,887	101.2	730,681	0	125,112,477	100.6
C07	Agency Transfer	(213,505)	(5)	125,617,382	101.1	(213,505)	(5)	124,898,972	100.4
C08	Technology	1,236,420	0	126,853,802	102.0	1,358,250	0	126,257,222	101.5

Justification

C01	The Agency requests State General Revenue of \$100,000 in each year of the Biennium to cover increased postage and mailing costs for client notices in the SNAP, Medicaid and TANF programs. Federal funds of the same amounts will be used to match these State funds. State General Revenue funds totaling \$66,673 are being requested in each year of the Biennium to allow for a 3% increase in lease costs for 52 DHS county offices that have not had increases in the last five years. Federal funds of the same amounts will be used to match these State funds. The Agency is also requesting State General Revenue funds to relocate the DHS county offices in Polk, Jackson and Jefferson counties. These offices are in poor condition with major problems such as leaking roofs, falling ceilings, inadequate heating and air conditioning, faulty plumbing and inadequate security. A total of \$556,428 in State General Revenue funds is needed in 2016 and \$160,628 is needed in 2017 to support these relocation costs. Federal funds in these same amounts will be used to match the State funds. The Agency requests Federal appropriation of \$54,980 in 2016 and \$56,080 in 2017 for increased costs associated with professional services contracts for client services in the Supplemental Nutrition Assistance Program (SNAP). The services provided are Employment and Training and Nutrition Education. All of these services are funded with 100% Federal funds. The Office of Community Services is requesting federally funded appropriation of \$20,000 in 2016 and \$20,000 in 2017 for the replacement of two vehicles (one each year of the biennium). These vehicles are used to monitor sub-grantee agencies that receive CSBG and LIHEAP funds. These vehicles will be purchased with 100% Federal funds.
C07	The Division of County Operations requests to transfer five positions along with \$213,505 in funded appropriation (\$106,753 State General Revenue and \$106,752 Federal funds) in each year of the Biennium to other DHS Divisions to improve DHS security and delivery of services. A DHS/DCO Program Manager position will be transferred to the DHS Office of Systems Technology to help meet new information technology security standards established by the IRS and the National Institute of Standards and Technology. Four Program Eligibility Specialist positions will be transferred to the Division of Developmental Disabilities Services (DDS) for the purpose of conducting financial eligibility screenings for Intermediate Care Facilities (ICF) and annual redeterminations.
C08	The Division of County Operations requests State General Revenue of \$618,210 in 2016 and \$679,125 in 2017 for increases in the Information Technology Budget. Federal funds in the same amounts will be used to match these State funds for total appropriation requests of \$1,236,420 in 2016 and \$1,358,250 in 2017. This request includes \$200,000 (\$100,000 State and \$100,000 Federal) in 2016 and \$305,190 (\$152,595 State and \$152,595 Federal) in 2017 for increases in costs for the Electronic Benefits Transfer (EBT) system which issues benefits for the Supplemental Nutrition Assistance Program (SNAP) and the Transitional Employment Assistance (TEA) in Arkansas. The current EBT contract ends April 31, 2016. These additional funds and appropriation will cover one-time conversion costs and a 15% projected increase in new contract costs. This request also includes funded appropriation totaling \$1,036,420 (\$518,210 State and \$518,210 Federal) in 2016 and \$1,053,060 (\$526,530 State and \$526,530 Federal) in 2017 to address increasing Information Technology costs including on-line verification systems to detect fraud, document imaging activities, data warehouse operations, email services and electronic data storage. Included in these requests are \$845,000 in 2016 and \$860,000 in 2017 for costs associated with the SNAP portion of the new Eligibility and Enrollment System.

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.

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 271 of 2014 for FY2015. 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 \$14,637,000 each year of the biennium.

The Agency Change Level request is for \$3,640,650 each year of the biennium 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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
TANF Block Grant	5100004	13,535,934	14,637,000	21,818,070	14,637,000	18,277,650	18,277,650	14,637,000	18,277,650	18,277,650
Total		13,535,934	14,637,000	21,818,070	14,637,000	18,277,650	18,277,650	14,637,000	18,277,650	18,277,650
Funding Sources										
Federal Revenue	4000020	12,940,225	14,637,000		14,637,000	14,637,000	14,637,000	14,637,000	14,637,000	14,637,000
Transfer From DWS	4000527	549,800	0		0	0	0	0	0	0
Various Program Support	4000730	45,909	0		0	0	0	0	0	0
Total Funding		13,535,934	14,637,000		14,637,000	14,637,000	14,637,000	14,637,000	14,637,000	14,637,000
Excess Appropriation/(Funding)		0	0		0	3,640,650	3,640,650	0	3,640,650	3,640,650
Grand Total		13,535,934	14,637,000		14,637,000	18,277,650	18,277,650	14,637,000	18,277,650	18,277,650

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	14,637,000	0	14,637,000	100.0	14,637,000	0	14,637,000	100.0
C05	Unfunded Appropriation	3,640,650	0	18,277,650	124.9	3,640,650	0	18,277,650	124.9

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	14,637,000	0	14,637,000	100.0	14,637,000	0	14,637,000	100.0
C05	Unfunded Appropriation	3,640,650	0	18,277,650	124.9	3,640,650	0	18,277,650	124.9

Justification

C05	The Agency requests \$3,640,650 in unfunded appropriation in both years of the biennium for services provided to Transitional Employment Assistance (TEA) Program participants. This additional appropriation will support State General Revenue funds that will be transferred from the Department of Workforce Services (DWS) to the Department of Human Services (DHS) to pay these client services. No State General Revenue funds are being requested.								
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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 Agency Base Level and total request for the Supplemental Nutrition Assistance Program line item is \$343,235 each year of the biennium with general revenue of \$150,000 each year.

The Agency Base Level request for the Community Services Block Grant line item is \$9,298,386 each year of the biennium with general revenue of \$3,439 each year.

The Agency Change Level request for the Community Services Block Grant line item is \$461,676 in FY2016 and \$484,760 in FY2017 in appropriation only to provide for a 5% increase in grants for services to low-income persons to help them become more independent.

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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Suppl Nutrition Assist(SNAP)	5100004	175,529	343,235	343,235	343,235	343,235	343,235	343,235	343,235	343,235
Community Svcs. Block Grant	5100004	8,451,714	9,298,386	9,137,390	9,298,386	9,760,062	9,760,062	9,298,386	9,783,146	9,783,146
Total		8,627,243	9,641,621	9,480,625	9,641,621	10,103,297	10,103,297	9,641,621	10,126,381	10,126,381
Funding Sources										
General Revenue	4000010	91,198	153,439		153,439	153,439	153,439	153,439	153,439	153,439
Federal Revenue	4000020	8,536,045	9,488,182		9,488,182	9,949,858	9,949,858	9,488,182	9,972,942	9,972,942
Total Funding		8,627,243	9,641,621		9,641,621	10,103,297	10,103,297	9,641,621	10,126,381	10,126,381
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		8,627,243	9,641,621		9,641,621	10,103,297	10,103,297	9,641,621	10,126,381	10,126,381

FY15 Budget in Community Svcs. Block Grant exceeds Authorized by authority of Reallocation of Resources.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	9,298,386	0	9,298,386	100.0	9,298,386	0	9,298,386	100.0
C01	Existing Program	461,676	0	9,760,062	105.0	484,760	0	9,783,146	105.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	9,298,386	0	9,298,386	100.0	9,298,386	0	9,298,386	100.0
C01	Existing Program	461,676	0	9,760,062	105.0	484,760	0	9,783,146	105.2

Justification

C01	The Agency requests \$461,676 in Federal appropriation in 2016 and \$484,760 in Federal appropriation in 2017 for the Community Services Block Grant Program (CSBG). This program provides Federal funds to local Community Action Agencies to provide services to low-income persons to help them become more independent. No State General Revenue funds are being requested.								
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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 \$291,300 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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	12,742	281,810	165,510	281,810	281,810	281,810	281,810	281,810	281,810
Conference & Travel Expenses	5050009	5,645	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	0	0	0	0	0	0	0	0	0
Total		18,387	291,300	175,000	291,300	291,300	291,300	291,300	291,300	291,300
Funding Sources										
Cash Fund	4000045	18,387	291,300		291,300	291,300	291,300	291,300	291,300	291,300
Total Funding		18,387	291,300		291,300	291,300	291,300	291,300	291,300	291,300
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		18,387	291,300		291,300	291,300	291,300	291,300	291,300	291,300

FY15 Budget in Operating Expenses exceeds Authorized by authority of Reallocation of Resources.

Expenditure of appropriation is contingent upon available funding.