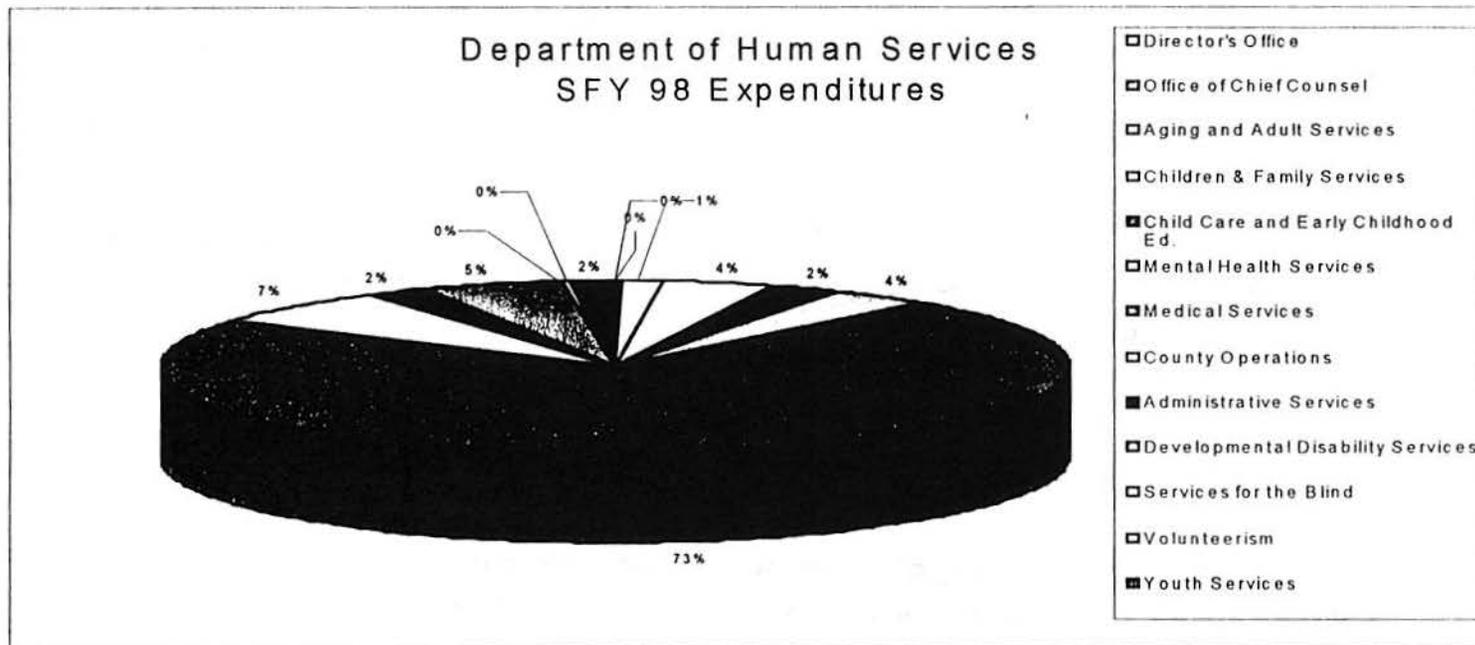


**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

The Department of Human Services budget is comprised of the budgets of 12 separate divisions, each with a separate programmatic mission, all of which are to meet the needs of Arkansas' most vulnerable citizens. In SFY99, the Department has 8,298 authorized positions with 7,724 of these positions budgeted in base level and 492 in change requests for a total of 8,216 requested to be continued through the 2000-2001 biennial period. The charts below will illustrate the relative size of the individual divisions of the Department of Human Services. The first chart illustrates divisional size by the percentage each division represents to the total operational budget of the Department. The second chart illustrates the percentage that each division represents to the program budget (that portion of the budget utilized to purchase direct services for clients) of the Department. The third chart shows the relative size of each division by its number of positions.

CHART 1



AGENCY

**DEPARTMENT OF HUMAN SERVICES
OVERVIEW**

DIRECTOR

**AGENCY
PROGRAM
COMMENTARY
BR21**

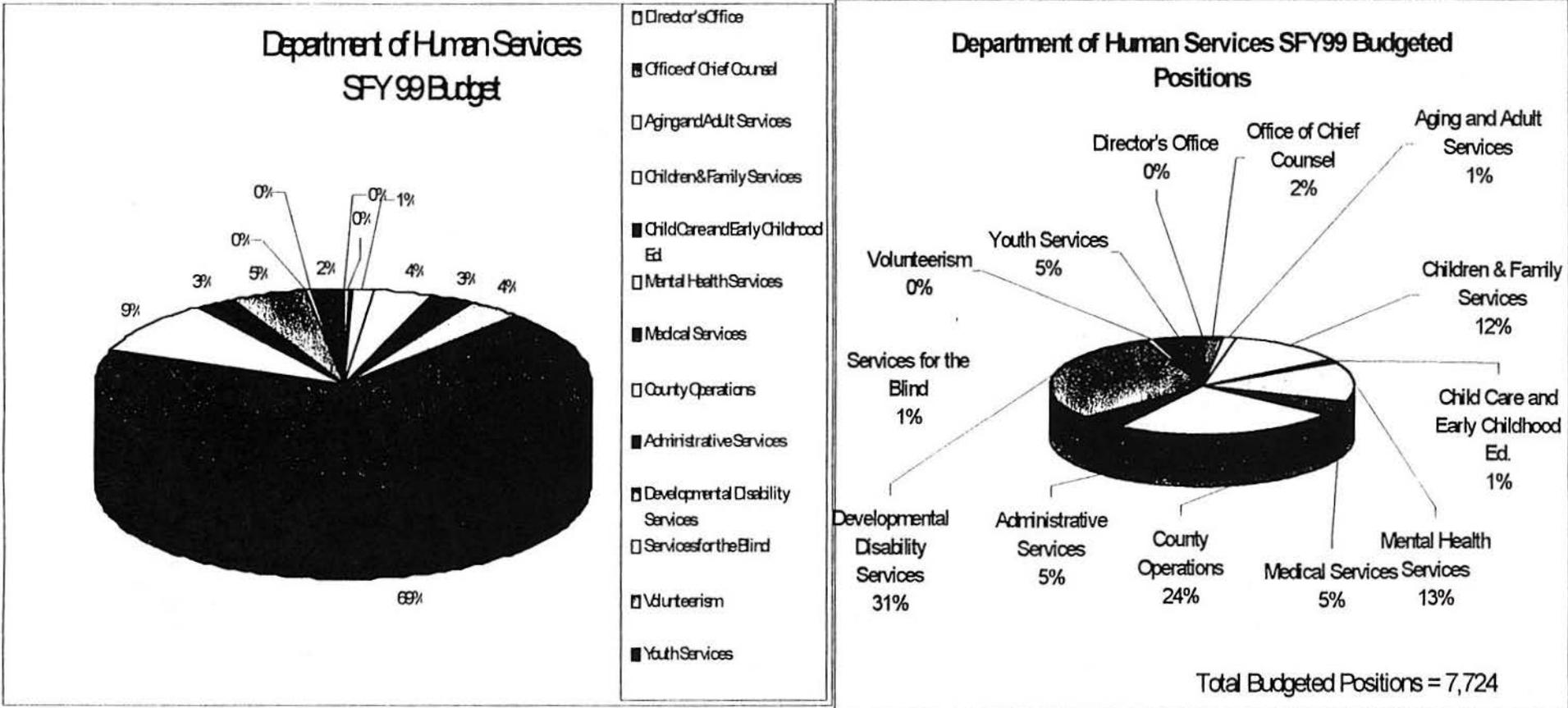
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**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

CHART 2

CHART 3



**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

The Departmental budget contains change level requests for General Revenue funding in five programmatic areas. Although some appropriation is requested for flexibility and to match new expected federal revenue else, only the general revenue request is outlined below.

1. The Division of Youth Services (DYS) is experiencing numerous problems that are impacting the State's efforts at providing appropriate, secure and safe care for the juveniles entrusted to its custody. These problems range from overcrowding and poor condition of facilities; inability to separate youth based on offense and behavior; poorly trained staff and inadequate staffing ratios; inadequate follow-up and aftercare to no automated support for programs. This request will provide the resources to: (a) comply with ACA Accreditation. (b) improve educational outcomes for committed juveniles. (c) increase the average length of stay for juveniles. (d) reduce recidivism rates for released juveniles. (e) increase DYS program and staff accountability. (f) implement a Juvenile Justice Information System. DYS is requesting General Revenue funding of \$2,000,000 for FY 2000 and \$3,800,000 for FY 2001. In addition to this General Revenue request, the Division is requesting \$5,000,000 in General Improvement appropriation and funds for addressing the construction, renovation and repair needs of the DYS juvenile facilities.

2. In an effort to streamline support services and to eliminate duplicative administrative efforts a review was conducted within DHS that identified 200 staff doing duplicative functions. In a reallocation of resources transfer per Arkansas Code 25-10-112 during the current fiscal year 71 of these positions were transferred to three new offices: Office of Administrative Services; Office of Fiscal Management; and Office of Systems and Technology. This transfer realigned the reporting structure so the functions of information technology, finance and contracting each have the appropriate staff and management to do the job and be held responsible and accountable. The remaining positions will be used to provide direct services—i.e., helping those who use our services. This will improve accountability by emphasizing one department rather than "fiefdoms" that sometimes seem to exist. Putting the money and the significant technology decisions into a central structure will be a big step toward accomplishing greater accountability. The three new offices replace the currently authorized Division of Administrative Services. A revised organizational chart reflecting these changes is attached.

3. In order to maximize utilization of the Medicaid Program, DHS has requested additional General Revenue funds of \$ 47,196,624 in SFY 2000 that would bring an additional \$93,326,790 in federal funding and General Revenue funds of \$75,828,455 in SFY 2001 that would bring additional federal funds of \$168,263,158. Of the \$47,196,624 in General Revenue funds in SFY 2000 and \$75,828,455 in SFY 2001, \$1,109,600 is being requested by the **Division of Developmental Disabilities Services** to provide an array of services to enable people with developmental

AGENCY DEPARTMENT OF HUMAN SERVICES OVERVIEW	DIRECTOR 	AGENCY PROGRAM COMMENTARY BR21	PAGE 4
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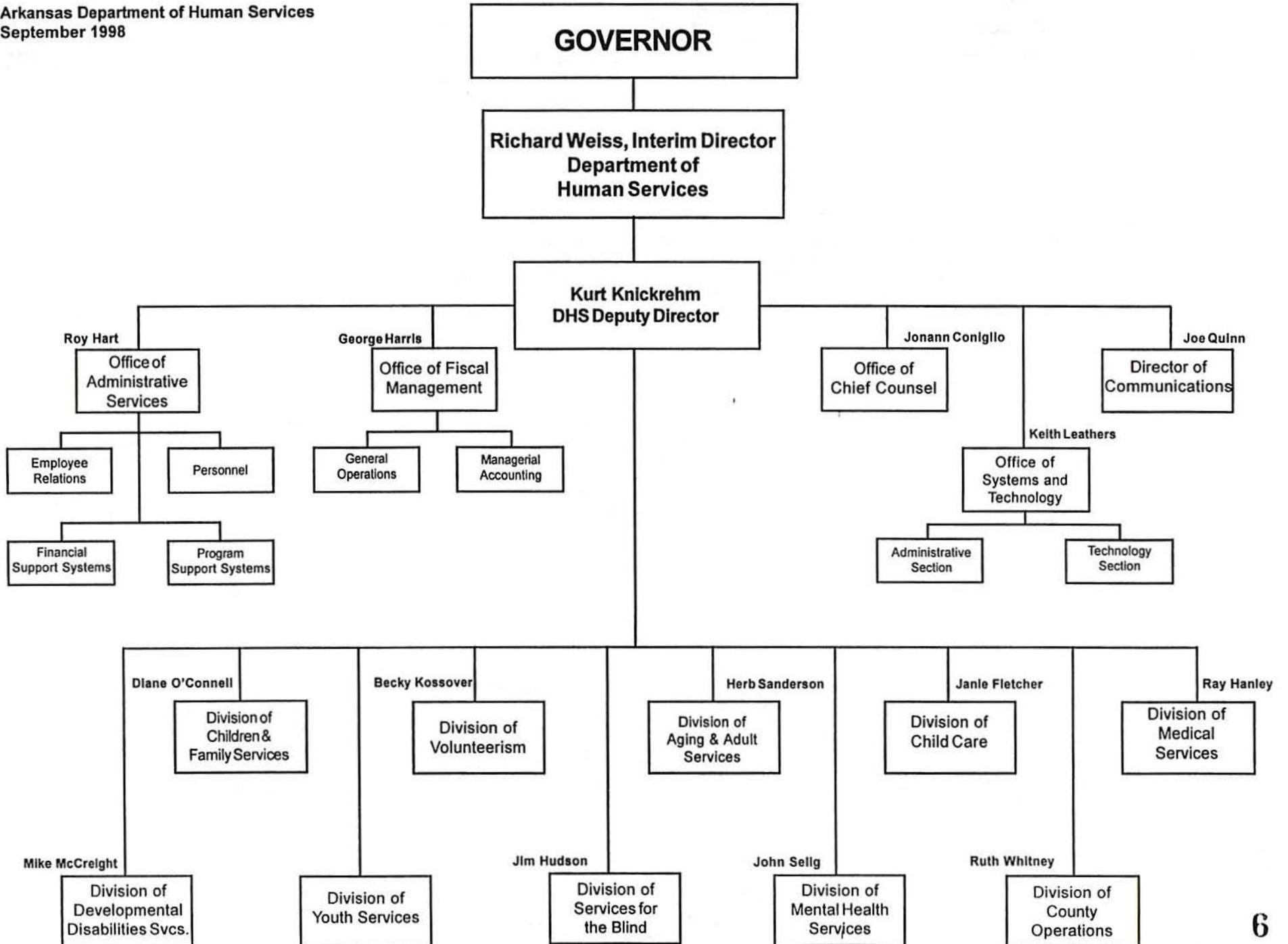
**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

disabilities to live and reach their maximum potential in community residential settings. These services are provided through the Arkansas Medicaid Home and Community Based Waiver Program. The **Division of Medical Services** requests the remaining General Revenue funds. Also, restoration of nineteen (19) positions in health related professions are requested. General Revenue funding is also requested to :

- fund information technology to target provider and client fraud
- accommodate the current population and utilization rates of the Medicaid Program
- continue the ARKids First Program fund the projected growth of the program from the current population and utilization of 2.78% each year
- fund the decreasing federal medical assistance percentages due to the per capita increase for Arkansas citizens
- expand the ARKids First Program to include inpatient and outpatient mental health treatment beyond the current \$2,500 outpatient-only coverage
- Expand the Arkansas Easter Seals Residential Facility by 15 beds.

4. In 1991, the Angela R., et.al. v. Bill Clinton lawsuit was filed, alleging gross abuse and neglect of the children of the state and the state's failure to protect these children. To comply with the terms of the settlement agreement the Division of Children and Family Services is requesting restoration of 56 unfunded positions, 8 new federal positions, 91 new positions and General Revenue funding of \$2,242,668 in FY 2000 and \$2,961,414 in FY 2001. These positions would enable the division to meet the strict, staffing requirements set forth in the agreement. The additional funds would cover the cost of the new and restored positions and cover normal operational costs incurred by these positions.
5. The Division of Aging and Adult Services is requesting additional General Revenue funding in the amount of \$271,203 to offset a cut in the Social Services Block Grant. These funds would be used to maintain the current level of in home and community based services to the elderly. The division's base level budget for the Meals on Wheels Program is \$2,557,038. A one cent per pack tax on cigarettes authorized by Act 1211 of 1991 allots the first \$3 million of net revenues collected to be credited to the Aging and Adult Services General Revenue account for use in the Meals on Wheels Program. An appropriation request of \$445,962 each year would allow expenditures up to the maximum collections of \$3 million.

<p>AGENCY DEPARTMENT OF HUMAN SERVICES OVERVIEW</p>	<p>DIRECTOR </p>	<p>AGENCY PROGRAM COMMENTARY BR21</p>	<p>PAGE 5</p>
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ARKANSAS BUDGET SYSTEM DEPARTMENT PROGRAM SUMMARY

AGENCY TITLE	1997-99 Expenditures				1999-01 Biennium Request				1999-01 Executive Recommendation			
	Actual 1997-98	No. of Pos.	Budgeted 1998-99	No. of Pos.	Year 1 1999-00	No. of Pos.	Year 2 2000-01	No. of Pos.	Year 1 1999-00	No. of Pos.	Year 2 2000-01	No. of Pos.
DEPARTMENT OF HUMAN SERVICES (710)												
Director's Office	\$2,123,513	16	\$2,626,540	16	\$2,639,910	16	\$2,666,105	16	\$2,591,501	15	\$2,616,534	15
Office of Chief Counsel	6,308,957	157	7,715,731	155	8,148,974	155	8,311,927	155	7,691,531	155	7,859,698	155
Administrative Services	51,278,613	348	64,138,395	349	74,037,737	349	79,379,382	349	77,338,542	417	82,759,200	417
Office of Volunteerism	2,008,474	25	2,479,421	24	2,591,389	24	2,618,178	24	2,591,389	24	2,618,178	24
Subtotal - Administration	61,719,557	546	76,960,087	544	87,418,010	544	92,975,592	544	90,212,963	611	95,853,610	611
Aging and Adult Services	28,280,585	109	30,783,938	102	31,764,705	108	31,893,652	108	31,465,896	108	31,587,019	108
Blind Services	5,109,258	83	6,051,296	76	6,482,733	76	6,567,116	76	6,366,558	76	6,447,674	76
Children and Family Services	79,082,765	998	87,487,138	961	95,007,692	1,116	96,186,787	1,116	93,562,125	1,088	94,715,190	1,088
Child Care/Early Childhood Education	47,202,287	93	62,704,415	99	79,258,572	99	83,240,902	99	70,145,743	99	69,126,320	99
County Operations	133,242,354	1,988	205,991,051	1,874	211,409,879	1,904	213,119,134	1,904	209,872,405	1,887	211,558,133	1,887
Developmental Disabilities Services	97,600,771	2,384	104,468,516	2,318	118,205,370	2,409	120,103,116	2,409	121,091,134	2,409	129,560,587	2,409
Medical Services	1,485,036,156	387	1,527,115,525	375	1,658,858,545	394	1,762,741,479	394	1,664,020,446	368	1,768,115,022	368
Mental Health Services	73,966,480	1,099	77,285,197	995	80,448,875	1,109	81,414,565	1,109	80,217,816	1,104	81,178,023	1,104
Youth Services	33,622,676	414	44,096,892	380	62,686,072	457	59,879,615	457	62,095,215	447	59,275,242	447
TOTALS	\$2,044,862,889	8,101	\$2,222,944,055	7,724	\$2,431,540,453	8,216	\$2,548,121,958	8,216	\$2,429,050,301	8,197	\$2,547,416,820	8,197
Funding Sources		% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances	\$4,891,307	0.2%	\$10,594,565	0.5%	\$5,807,256	0.2%	\$5,654,256	0.2%	\$807,256	0.0%	\$654,256	0.0%
General Revenues	554,368,725	27.0%	566,428,077	25.4%	624,904,706	25.8%	658,728,373	25.9%	622,411,807	25.7%	657,679,880	25.9%
Special Revenues	*		206,557	0.0%	206,557	0.0%	206,557	0.0%	206,557	0.0%	206,557	0.0%
Federal Funds	1,376,648,842	67.0%	1,511,940,208	67.8%	1,641,366,176	67.6%	1,724,997,929	67.8%	1,643,251,162	67.9%	1,726,968,703	68.0%
Transfer to KBG/St Police-FY98/Merit Adjust Fund-FY99	(2,822,000)	-0.1%	933,767	0.0%								
Cash Funds	1,575,333	0.1%	2,346,021	0.1%	2,576,021	0.1%	2,576,021	0.1%	2,526,021	0.1%	2,526,021	0.1%
Fund Transfers-Medicaid	(15,555,508)	-0.8%	(5,589,618)	-0.3%	(5,589,618)	-0.2%	(5,589,618)	-0.2%	(5,589,618)	-0.2%	(5,589,618)	-0.2%
Cig Tax/Soda Pop Tax/Misc Revenues/GIF Funds	136,350,755	6.6%	141,891,734	6.4%	157,122,673	6.5%	157,328,080	6.2%	157,035,332	6.5%	157,231,494	6.2%
Total Funding	2,055,457,454	100.0%	2,228,751,311	100.0%	2,426,393,771	100.0%	2,543,901,598	100.0%	2,420,648,517	100.0%	2,539,677,293	100.0%
Excess Appro./ (Funding)	(10,594,565)		(5,807,256)		5,146,682		4,220,360		8,401,784		7,739,527	
TOTAL	\$2,044,862,889		\$2,222,944,055		\$2,431,540,453		\$2,548,121,958		\$2,429,050,301		\$2,547,416,820	
DEPARTMENT				DIRECTOR				DEPARTMENT PROGRAM SUMMARY				
DEPARTMENT OF HUMAN SERVICES (710)				RICHARD A. WEISS, ACTING DIRECTOR				BR 22				

*FY98 Special Revenue included in "Other"; FY00 & FY01 Excess Appro understated by \$5m Gen Rev fund balance requested for Renovation Fund, and \$807,256 from cigarette tax.
Executive Recommendation's fund balances reflect Aging's Cigarette Tax carry forward funding.
Actual Number of Positions reflected on this form differ from the Department Appropriation Summary (BR40) due to positions utilized in multiple cost centers/appropriations.

ARKANSAS BUDGET SYSTEM DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE		1997-99				1999-01				1999-01			
DEPARTMENT OF HUMAN SERVICES		Expenditures				Biennium Request				Executive Recommendation			
Appropriations		Actual	No. of	Budgeted	No. of	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code	Name	1997-98	Pos.	1998-99	Pos.	1999-00	Pos.	2000-01	Pos.	1999-00	Pos.	2000-01	Pos.
A33	Child Care/Early Childhood - Cash	350,016		500,000		550,000		550,000		500,000		500,000	
A48	Mental Health - Canteens Cash	62,474		79,048		74,048		74,048		74,048		74,048	
A49	Mental health - Patients Benefits Cash	76,377		75,000		75,000		75,000		75,000		75,000	
B14	DDS - School Lunch Program Cash	88,762		100,000		200,000		200,000		200,000		200,000	
C99	Admin Svc - Client Spec Emerg Svc Cash	0		120,000		120,000		120,000		120,000		120,000	
DCC	Child Care - State Operations	3,835,499	84	5,279,169	88	5,372,798	88	5,457,696	88	5,312,270	88	5,395,480	88
D07	Volunteerism - Cash	0		15,000		15,000		15,000		15,000		15,000	
D08	County Ops - Commodity Dist Salvage Cash	997,704		1,456,973		1,441,973		1,441,973		1,441,973		1,441,973	
RMJ	Mental Health - Drug Studies Cash	0		0		100,000		100,000		100,000		100,000	
YTH	Youth Services Facilities Needs	0		0		5,000,000		0		5,000,000		0	
042	Services for the Blind Operations	5,109,258	81	6,051,296	76	6,482,733	76	6,567,116	76	6,366,558	76	6,447,674	76
1AF	Child Care - Child Care Block Grant	1,055,608		6,113,641		6,113,641		0		6,113,641		0	
1DE	Admin Svc - Various Building Construction	4,203,620		5,930,816		15,000,000		20,000,000		15,000,000		20,000,000	
1DK	County Ops - Shelter Plus Care Program	960,505		1,500,000		1,500,000		1,500,000		1,500,000		1,500,000	
147	DDS - Special Olympics	99,999		100,000		100,000		100,000		100,000		100,000	
176	Child Care - Better Chance Program	89,195	2	168,121	2	168,679	2	170,313	2	168,679	2	170,313	2
193	Mental Health - State Operations	40,544,688	512	41,974,517	468	43,722,953	557	44,246,054	557	43,490,451	552	44,008,027	552
194	Mental Health - Benton Services Center	20,290,066	542	22,367,159	527	23,687,401	552	24,129,990	552	23,688,844	552	24,131,475	552
196	Mental Health - Community Ment Hlth Ctrs	6,918,310		6,920,307		6,920,307		6,920,307		6,920,307		6,920,307	
2MN	Mental Health - Federal Block Grant	2,974,566		2,640,000		2,640,000		2,640,000		2,640,000		2,640,000	
2ZA	County Ops - Fed Lead Based Paint	552,388		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000	
229	Child Care - Federal Operations	1,156,834	7	1,459,211	9	1,465,240	9	1,474,679	9	1,462,939	9	1,472,313	9
320	Child Care - Child Care Dev Discretionary	0		8,850,168		9,954,109		10,954,109		9,954,109		10,954,109	
321	Medical Svc - ACH/UAMS Indigent Care	4,934,708		4,934,708		4,934,708		4,934,708		4,934,708		4,934,708	
392	Medical Svc - Operations	17,452,620	386	19,612,595	375	21,417,467	394	21,459,893	394	19,942,200	368	20,196,268	368
396	County Ops - Aid to Aged, Blind, Disabled	6,000		6,000		6,000		6,000		6,000		6,000	
397	Medical Svc - Children's Med Svc State	1,729,083		1,729,279		1,729,279		1,729,279		1,729,279		1,729,279	
398	County Ops - TANF Block Grant	33,635,169		80,892,055		80,892,055		80,892,055		80,892,055		80,892,055	
399	Medical Svc - Private Nursing Home Care	285,533,691		297,343,654		305,616,244		314,116,008		305,616,244		314,116,008	
401	Medical Svc - Infant Infirmary	13,069,680		14,517,215		15,784,359		16,226,148		15,784,359		16,226,148	
402	Medical Svc - Public Nursing Home Care	118,354,581		120,665,730		124,020,237		127,467,999		124,020,237		127,467,999	
403	Medical Svc - Prescription Drugs	144,601,582		165,702,952		185,879,265		212,491,808		185,879,265		212,491,808	
404	Medical Svc - Hospital & Medical Services	896,902,204		898,982,054		995,849,648		1,060,688,298		1,002,486,816		1,067,325,466	
405	Child Care - Child Care Grant	19,626,321		18,334,105		19,634,105		21,634,105		19,634,105		21,634,105	
406	Medical Svc - Child/Family Life Institute	2,100,000		2,100,000		2,100,000		2,100,000		2,100,000		2,100,000	
407	County Ops - Community Svc Block Grant	6,053,066		6,820,000		6,820,000		6,820,000		6,820,000		6,820,000	
408	Medical Svc - Children's Med Svc Fed	357,557		1,377,338		1,377,338		1,377,338		1,377,338		1,377,338	
409	County Ops - Weatherization Prg Fed	2,116,072		4,420,000		4,420,000		4,420,000		4,420,000		4,420,000	
410	County Ops - Emergency Food Prg Fed	263,960		480,000		480,000		480,000		480,000		480,000	
411	County Ops - Low Income Energy Asst Fed	5,381,086		7,708,200		7,708,200		7,708,200		7,708,200		7,708,200	
412	County Ops - Refugee Resettlement Fed	89,469		91,500		91,500		91,500		91,500		91,500	
414	Admin Svc - Consolidated Cost	3,019,227		3,329,724		3,429,724		3,429,724		3,429,724		3,429,724	
418	Aging - Meals on Wheels	2,301,038		2,557,038		3,000,000		3,000,000		3,000,000		3,000,000	

426	County Ops - Homeless Asst Grant Fed	789,402		1,100,100		1,100,100		1,100,100		1,100,100		1,100,100	
462	Aging - Operations	25,019,887	81	27,161,065	77	27,643,624	83	27,747,859	83	27,344,815	83	27,441,226	83
473	Aging - Adult Protective Services	909,660	24	1,015,835	25	1,071,081	25	1,095,793	25	1,071,081	25	1,095,793	25
529	Youth Svc - Community Based Sanctions	0		2,500,000		2,500,000		2,500,000		2,500,000		2,500,000	
653	DDS - State Operations	82,921,881	2,368	87,712,979	2,307	100,593,526	2,398	102,480,493	2,398	103,482,386	2,398	111,941,147	2,398
654	DDS - Federal Operations	381,401	7	838,630	5	1,241,367	5	1,246,662	5	1,241,367	5	1,246,662	5
655	DDS - Early Intervention Federal	2,897,988		3,971,014	4	4,257,107	4	4,260,450	4	4,257,107	4	4,260,450	4
656	DDS - Federal Grants Program	402,613	2	486,771	2	554,248	2	556,389	2	551,152	2	553,206	2
657	DDS - Community Program	0		200,000		200,000		200,000		200,000		200,000	
658	DDS - Grants in Aid	10,808,127		11,059,122		11,059,122		11,059,122		11,059,122		11,059,122	
868	Director's Office/Chief Counsel	7,483,776	163	8,874,906	171	9,321,519	171	9,510,667	171	8,815,667	170	9,008,867	170
870	Administrative Services	29,072,655	348	27,272,284	349	28,002,442	349	28,344,087	349	31,303,247	417	31,723,905	417
871	Youth Svc - Revolving Loans	0		400,000		1,100,000		1,100,000		1,100,000		1,100,000	
872	Admin Svc - Soc Svc Block Grant Fed	14,983,111		27,485,571		27,485,571		27,485,571		27,485,571		27,485,571	
874	Youth Svc - Juvenile Deten Facilities	390,121		400,000		400,000		400,000		400,000		400,000	
875	County Ops - Operations	82,397,533	1,948	99,516,223	1,874	104,950,051	1,904	106,659,306	1,904	103,412,577	1,887	105,098,305	1,887
876	Medical Svc - Nursing Home Closure Costs	450		50,000		50,000		50,000		50,000		50,000	
877	Volunteerism Operations	2,008,474	22	2,464,421	24	2,576,389	24	2,603,178	24	2,576,389	24	2,603,178	24
878	Medical Svc - Long Term Receivership	0		100,000		100,000		100,000		100,000		100,000	
879	DCFS - Operations	47,538,535	1,019	54,999,013	961	62,519,567	1,116	63,698,662	1,116	61,074,000	1,088	62,227,065	1,088
882	DCFS - State Residential Treatment	2,949,502		2,500,000		2,500,000		2,500,000		2,500,000		2,500,000	
883	DCFS - Foster Care State	10,327,315		11,476,924		11,476,924		11,476,924		11,476,924		11,476,924	
884	DCFS - SCAN State	931,110		931,110		931,110		931,110		931,110		931,110	
885	DCFS - Community Services Matching	100,986		325,093		325,093		325,093		325,093		325,093	
886	Youth Svc - Community Services	18,339,676		20,358,117		22,358,117		24,158,117		22,358,117		24,158,117	
888	DCFS - TANF/Foster Care	17,235,317		17,254,998		17,254,998		17,254,998		17,254,998		17,254,998	
890	Child Care - Food Program Federal	21,088,814		22,000,000		36,000,000		43,000,000		27,000,000		29,000,000	
892	Youth Svc - Child/Youth Svc Grants Fed	363,505		3,493,930		6,493,930		6,493,930		6,493,930		6,493,930	
978	Aging - Arkansas Senior Olympics	50,000		50,000		50,000		50,000		50,000		50,000	
979	Mental Health - Tracking/Treatment Prg	3,099,999		3,229,166		3,229,166		3,229,166		3,229,166		3,229,166	
981	Youth Services Operations	14,529,374	400	16,944,845	380	24,834,025	457	25,227,568	457	24,243,168	447	24,623,195	447
982	Director - InterDivisional Programs	948,694		1,467,365		1,467,365		1,467,365		1,467,365		1,467,365	
TOTALS		2,044,862,889	7,996	2,222,944,055	7,724	2,431,540,453	8,216	2,548,121,958	8,216	2,429,050,301	8,197	2,547,416,820	8,197
Funding Sources			% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances		4,891,307	0.2%	10,594,565	0.5%	5,807,256	0.2%	5,654,256	0.2%	807,256	0.0%	654,256	0.0%
General Revenues		554,368,725	27.0%	566,428,077	25.4%	624,904,706	25.8%	658,728,373	25.9%	622,411,807	25.7%	657,679,880	25.9%
Special Revenues		*	0.0%	206,557	0.0%	206,557	0.0%	206,557	0.0%	206,557	0.0%	206,557	0.0%
Federal Funds		1,376,648,842	67.0%	1,511,940,208	67.8%	1,641,366,176	67.6%	1,724,997,929	67.8%	1,643,251,162	67.9%	1,726,968,703	68.0%
Transfer to KBG/St Police-FY98;Merit Adjust-FY99		(2,822,000)	-0.1%	933,767	0.0%								
Cash Funds		1,575,333	0.1%	2,346,021	0.1%	2,576,021	0.1%	2,576,021	0.1%	2,526,021	0.1%	2,526,021	0.1%
Fund Transfers for Medicaid		(15,555,508)	-0.8%	(5,589,618)	-0.3%	(5,589,618)	-0.2%	(5,589,618)	-0.2%	(5,589,618)	-0.2%	(5,589,618)	-0.2%
Cig Tax/Soda Pop Tax/Misc Revenues		136,350,755	6.6%	141,891,734	6.4%	157,122,673	6.5%	157,328,080	6.2%	157,035,332	6.5%	157,231,494	6.2%
Total Funding		2,055,457,454	100.0%	2,228,751,311	100.0%	2,426,393,771	100.0%	2,543,901,598	100.0%	2,420,648,517	100.0%	2,539,677,293	100.0%
Excess Appro./ (Funding)		(10,594,565)		(5,807,256)		5,146,682		4,220,360		8,401,784		7,739,527	
TOTAL		2,044,862,889		2,222,944,055		2,431,540,453		2,548,121,958		2,429,050,301		2,547,416,820	
DEPARTMENT				See Footnotes on BR22 for Discrepancies					DEPARTMENT APPROPRIATION SUMMARY				
DEPARTMENT OF HUMAN SERVICES (710)				DIRECTOR: RICHARD A. WEISS, ACTING DIRECTOR					BR 40				

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

**DEPARTMENT OF HUMAN SERVICES
GENERAL REVENUE FUNDING REQUESTS**

AGENCY REQUEST

	FY1999 BUDGETED LEVEL	FY2000			FY2001		
		BASE LEVEL	CHANGE LEVEL	TOTAL	BASE LEVEL	CHANGE LEVEL	TOTAL
DIRECTOR'S OFFICE/CHIEF COUNSEL	\$5,607,123	\$5,615,154	\$0	\$5,615,154	\$5,710,462	\$0	\$5,710,462
ADMINISTRATIVE SVC	\$9,192,653	\$9,460,030	\$0	\$9,460,030	\$9,575,612	\$0	\$9,575,612
VOLUNTEERISM	\$406,795	\$549,253	\$0	\$549,253	\$555,186	\$0	\$555,186
TOTAL ADMINISTRATION	\$15,206,571	\$15,624,437	\$0	\$15,624,437	\$15,841,260	\$0	\$15,841,260
AGING & ADULT SVC	\$10,272,063	\$10,402,236	\$271,203	\$10,673,439	\$10,461,445	\$271,203	\$10,732,648
CHILDREN & FAMILY SVC	\$38,963,783	\$39,477,547	\$2,242,668	\$41,720,215	\$39,717,416	\$2,961,414	\$42,678,830
CHILD CARE/EARLY CHILDHOOD EDUC	\$352,266	\$373,196	\$0	\$373,196	\$379,270	\$0	\$379,270
YOUTH SERVICES**	\$38,206,078	\$38,670,452	\$2,000,000	\$40,670,452	\$38,972,534	\$3,800,000	\$42,772,534
DEVELOP DISABILITIES SVC	\$39,681,450	\$40,583,000	\$1,429,600	\$42,012,600	\$41,089,134	\$1,429,600	\$42,518,734
MEDICAL SERVICES	\$4,771,590	\$4,923,486	\$280,033	\$5,203,519	\$5,035,808	\$212,717	\$5,248,525
MENTAL HEALTH SERVICES	\$52,411,238	\$54,401,636	\$0	\$54,401,636	\$55,020,734	\$0	\$55,020,734
SERVICES FOR THE BLIND	\$1,823,891	\$1,842,517	\$0	\$1,842,517	\$1,866,885	\$0	\$1,866,885
COUNTY OPERATIONS	\$40,385,558	\$42,121,557	\$0	\$42,121,557	\$42,807,034	\$0	\$42,807,034
INDIGENT CARE-UAMS	\$4,934,708	\$4,934,708	\$0	\$4,934,708	\$4,934,708	\$0	\$4,934,708
COUNTY OPERATIONS-GRANTS	\$12,453,160	\$12,453,160	\$0	\$12,453,160	\$12,453,160	\$0	\$12,453,160
MEDICAL SERVICES-GRANTS	\$303,933,445	\$303,933,445	\$45,906,991	\$349,840,436	\$303,933,445	\$74,506,138	\$378,439,583
CHILD CARE-GRANTS	\$2,814,155	\$2,814,155	\$0	\$2,814,155	\$2,814,155	\$0	\$2,814,155
TOTAL DGF GRANTS	\$319,200,760	\$319,200,760	\$45,906,991	\$365,107,751	\$319,200,760	\$74,506,138	\$393,706,898
SUBTOTAL-DHS SPECIFIC FUNDS	\$566,209,956	\$572,555,532	\$52,130,495	\$624,686,027	\$575,326,988	\$83,181,072	\$658,508,060
HUA-AGING-SENIOR OLYMPICS*	\$50,000	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000
PUBLIC SCHOOL FUND-CHILD CARE*	\$168,121	\$168,679	\$0	\$168,679	\$170,313	\$0	\$170,313
TOTAL DHS FUNDING	\$566,428,077	\$572,774,211	\$52,130,495	\$624,904,706	\$575,547,301	\$83,181,072	\$658,728,373

*Has been requested to be funded through agency specific funds

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DEPARTMENT OF HUMAN SERVICES	Name: VARIOUS APPROPRIATIONS	Name: ALL DHS GENERAL REVENUE FUNDS	BUDGET REQUEST	10
Code: 710	Code: VARIOUS	Code: VARIOUS	BR20	

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

**DEPARTMENT OF HUMAN SERVICES
GENERAL REVENUE FUNDING RECOMMENDATIONS**

EXECUTIVE RECOMMENDATIONS

	FY1999 BUDGETED LEVEL	FY2000			FY2001		
		BASE LEVEL	CHANGE LEVEL	TOTAL	BASE LEVEL	CHANGE LEVEL	TOTAL
DIRECTOR'S OFFICE/CHIEF COUNSEL	\$5,607,123	\$5,598,695	\$0	\$5,598,695	\$5,693,608	\$0	\$5,693,608
ADMINISTRATIVE SVC	\$9,192,653	\$10,581,736	\$0	\$10,581,736	\$10,724,168	\$0	\$10,724,168
VOLUNTEERISM	\$406,795	\$549,253	\$0	\$549,253	\$555,186	\$0	\$555,186
TOTAL ADMINISTRATION	\$15,206,571	\$16,729,684	\$0	\$16,729,684	\$16,972,962	\$0	\$16,972,962
AGING & ADULT SVC	\$10,272,063	\$10,452,236	\$0	\$10,452,236	\$10,511,445	\$0	\$10,511,445
CHILDREN & FAMILY SVC	\$38,963,783	\$39,074,951	\$2,242,668	\$41,317,619	\$39,305,436	\$2,961,414	\$42,266,850
CHILD CARE/EARLY CHILDHOOD EDUC	\$352,266	\$541,875	\$0	\$541,875	\$549,583	\$0	\$549,583
YOUTH SERVICES**	\$38,206,078	\$38,476,472	\$2,000,000	\$40,476,472	\$38,773,855	\$3,800,000	\$42,573,855
DEVELOP DISABILITIES SVC	\$39,681,450	\$40,583,000	\$2,000,000	\$42,583,000	\$41,089,134	\$3,825,346	\$44,914,480
MEDICAL SERVICES	\$4,771,590	\$4,787,386	\$0	\$4,787,386	\$4,896,313	\$0	\$4,896,313
MENTAL HEALTH SERVICES	\$52,411,238	\$54,315,763	\$0	\$54,315,763	\$54,932,787	\$0	\$54,932,787
SERVICES FOR THE BLIND	\$1,823,891	\$1,842,517	\$0	\$1,842,517	\$1,866,885	\$0	\$1,866,885
COUNTY OPERATIONS	\$40,385,558	\$41,834,859	\$0	\$41,834,859	\$42,513,433	\$0	\$42,513,433
INDIGENT CARE-UAMS	\$4,934,708	\$4,934,708	\$0	\$4,934,708	\$4,934,708	\$0	\$4,934,708
COUNTY OPERATIONS-GRANTS	\$12,453,160	\$12,453,160	\$0	\$12,453,160	\$12,453,160	\$0	\$12,453,160
MEDICAL SERVICES-GRANTS	\$303,933,445	\$303,933,445	\$43,394,928	\$347,328,373	\$303,933,445	\$71,545,819	\$375,479,264
CHILD CARE-GRANTS	\$2,814,155	\$2,814,155	\$0	\$2,814,155	\$2,814,155	\$0	\$2,814,155
TOTAL DGF GRANTS	\$319,200,760	\$319,200,760	\$43,394,928	\$362,595,688	\$319,200,760	\$71,545,819	\$390,746,579
SUBTOTAL-DHS SPECIFIC FUNDS	\$566,209,956	\$572,774,211	\$49,637,596	\$622,411,807	\$575,547,301	\$82,132,579	\$657,679,880
HUA-AGING-SENIOR OLYMPICS*	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0
PUBLIC SCHOOL FUND-CHILD CARE*	\$168,121	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL DHS FUNDING	\$566,428,077	\$572,774,211	\$49,637,596	\$622,411,807	\$575,547,301	\$82,132,579	\$657,679,880

*Has been recommended to be funded through agency specific funds

AGENCY Name: DEPARTMENT OF HUMAN SERVICES Code: 710	APPROPRIATION Name: VARIOUS APPROPRIATIONS Code: VARIOUS	TREASURY FUND Name: ALL DHS GENERAL REVENUE FUNDS Code: VARIOUS	ANALYSIS OF BUDGET REQUEST BR20	PAGE 11
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**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

**DEPARTMENT OF HUMAN SERVICES
GRANTS FUND (DGF) GENERAL REVENUE REQUESTS**

AGENCY REQUEST

	FY1999 BUDGETED LEVEL	FY2000			FY2001		
		BASE LEVEL	CHANGE LEVEL	TOTAL	BASE LEVEL	CHANGE LEVEL	TOTAL
CHILD CARE/EARLY CHILDHOOD EDUC							
Child Care Block Grant (Appro 405)	\$2,814,155	\$2,814,155	\$0	\$2,814,155	\$2,814,155	\$0	\$2,814,155
COUNTY OPERATIONS							
Aid to Aged, Blind, Disabled (Appro 396)	\$6,000	\$6,000	\$0	\$6,000	\$6,000	\$0	\$6,000
TANF Block Grant (Appro 398)	\$12,247,160	\$12,247,160	\$0	\$12,247,160	\$12,247,160	\$0	\$12,247,160
Community Service Block Grant (Appro 407)	\$200,000	\$200,000	\$0	\$200,000	\$200,000	\$0	\$200,000
Subtotal-County Operations	\$12,453,160	\$12,453,160	\$0	\$12,453,160	\$12,453,160	\$0	\$12,453,160
MEDICAL SERVICES							
Children's Medical Services (Appro 397)	\$1,729,279	\$1,729,279	\$0	\$1,729,279	\$1,729,279	\$0	\$1,729,279
Private Nursing Home Care (Appro 399)	\$80,965,160	\$80,965,160	\$3,293,152	\$84,258,312	\$80,965,160	\$5,744,937	\$86,710,097
Infant Infirmary (Appro 401)	\$3,929,810	\$3,929,810	\$394,464	\$4,324,274	\$3,929,810	\$521,423	\$4,451,233
Public Nursing Home Care (Appro 402)	\$2,202,201	\$2,202,201	\$1,335,695	\$3,537,896	\$2,202,201	\$2,330,240	\$4,532,441
Prescription Drugs (Appro 403)	\$39,657,064	\$39,657,064	\$6,048,966	\$45,706,030	\$39,657,064	\$13,337,074	\$52,994,138
Hospital & Medical Services (Appro 404)*	\$173,349,931	\$173,349,931	\$34,834,714	\$208,184,645	\$173,349,931	\$52,572,464	\$225,922,395
Child/Family Life Institute (Appro 406)	\$2,100,000	\$2,100,000	\$0	\$2,100,000	\$2,100,000	\$0	\$2,100,000
Subtotal-Medical Services	\$303,933,445	\$303,933,445	\$45,906,991	\$349,840,436	\$303,933,445	\$74,506,138	\$378,439,583
TOTAL GRANTS FUND-GEN REV REQUEST	\$319,200,760	\$319,200,760	\$45,906,991	\$365,107,751	\$319,200,760	\$74,506,138	\$393,706,898

*Includes ARKids First Program

AGENCY Name: DEPARTMENT OF HUMAN SERVICES Code: 710	APPROPRIATION Name: VARIOUS APPROPRIATIONS Codes: 396,397,398,399,401,402,403,404,405,406,407	TREASURY FUND Name: DHS Grants Fund Code: DGF	ANALYSIS OF BUDGET REQUEST BR20	PAGE 12
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**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

**DEPARTMENT OF HUMAN SERVICES
GRANTS FUND (DGF) GENERAL REVENUE RECOMMENDATIONS**

EXECUTIVE RECOMMENDATION

	FY1999 BUDGETED LEVEL	FY2000			FY2001		
		BASE LEVEL	CHANGE LEVEL	TOTAL	BASE LEVEL	CHANGE LEVEL	TOTAL
CHILD CARE/EARLY CHILDHOOD EDUC							
Child Care Block Grant (Appro 405)	\$2,814,155	\$2,814,155	\$0	\$2,814,155	\$2,814,155	\$0	\$2,814,155
COUNTY OPERATIONS							
Aid to Aged, Blind, Disabled (Appro 396)	\$6,000	\$6,000	\$0	\$6,000	\$6,000	\$0	\$6,000
TANF Block Grant (Appro 398)	\$12,247,160	\$12,247,160	\$0	\$12,247,160	\$12,247,160	\$0	\$12,247,160
Community Service Block Grant (Appro 407)	\$200,000	\$200,000	\$0	\$200,000	\$200,000	\$0	\$200,000
Subtotal-County Operations	\$12,453,160	\$12,453,160	\$0	\$12,453,160	\$12,453,160	\$0	\$12,453,160
MEDICAL SERVICES							
Children's Medical Services (Appro 397)	\$1,729,279	\$1,729,279	\$0	\$1,729,279	\$1,729,279	\$0	\$1,729,279
Private Nursing Home Care (Appro 399)	\$80,965,160	\$80,965,160	\$2,381,828	\$83,346,988	\$80,965,160	\$4,686,964	\$85,652,124
Infant Infirmary (Appro 401)	\$3,929,810	\$3,929,810	\$350,908	\$4,280,718	\$3,929,810	\$470,722	\$4,400,532
Public Nursing Home Care (Appro 402)	\$2,202,201	\$2,202,201	\$970,075	\$3,172,276	\$2,202,201	\$1,905,108	\$4,107,309
Prescription Drugs (Appro 403)	\$39,657,064	\$39,657,064	\$5,553,393	\$45,210,457	\$39,657,064	\$12,770,715	\$52,427,779
Hospital & Medical Services (Appro 404)*	\$173,349,931	\$173,349,931	\$34,138,724	\$207,488,655	\$173,349,931	\$51,712,310	\$225,062,241
Child/Family Life Institute (Appro 406)	\$2,100,000	\$2,100,000	\$0	\$2,100,000	\$2,100,000	\$0	\$2,100,000
Subtotal-Medical Services	\$303,933,445	\$303,933,445	\$43,394,928	\$347,328,373	\$303,933,445	\$71,545,819	\$375,479,264
TOTAL GRANTS FUND-GEN REV RECOMM	\$319,200,760	\$319,200,760	\$43,394,928	\$362,595,688	\$319,200,760	\$71,545,819	\$390,746,579

*Includes ARKids First Program

AGENCY Name: DEPARTMENT OF HUMAN SERVICES Code: 710	APPROPRIATION Name: VARIOUS APPROPRIATIONS Codes: 396,397,398,399,401,402,403, 404,405,406,407	TREASURY FUND Name: DHS Grants Fund Code: DGF	ANALYSIS OF BUDGET REQUEST BR20	PAGE 13
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**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

**DEPARTMENT OF HUMAN SERVICES
POSITION NEEDS**

AGENCY REQUEST

	CURRENT AUTHORIZED LEVEL	FY1999 BUDGETED LEVEL	FILLED AS OF 9/30/98	FY2000			FY2001		
				BASE LEVEL	CHANGE LEVEL	TOTAL	BASE LEVEL	CHANGE LEVEL	TOTAL
DIRECTOR'S OFFICE	16	16	14	16	0	16	16	0	16
CHIEF COUNSEL	155	155	130	155	0	155	155	0	155
ADMINISTRATIVE SVC	371	349	304	349	0	349	349	0	349
VOLUNTEERISM	25	24	21	24	0	24	24	0	24
TOTAL ADMINISTRATION	567	544	469	544	0	544	544	0	544
AGING & ADULT SVC	104	102	97	102	6	108	102	6	108
CHILD CARE/EARLY CHILDHOOD EDUC*	100	99	89	99	0	99	99	0	99
CHILDREN & FAMILY SVC**	1,025	961	930	961	155	1,116	961	155	1,116
COUNTY OPERATIONS***	1,965	1,875	1,832	1,874	30	1,904	1,874	30	1,904
DEVELOP DISABILITIES SVC	2,489	2,318	2,264	2,318	91	2,409	2,318	91	2,409
MEDICAL SERVICES	409	375	347	375	19	394	375	19	394
MENTAL HEALTH SERVICES	1,189	995	935	995	114	1,109	995	114	1,109
SERVICES FOR THE BLIND	84	76	71	76	0	76	76	0	76
YOUTH SERVICES	457	380	305	380	77	457	380	77	457
TOTAL DHS POSITIONS	8,389	7,725	7,339	7,724	492	8,216	7,724	492	8,216

"Authorized Level" reflects position authorizations by Division as of 9/30/98.

**Child Care's Authorized positions found within Children & Family Services*

***Children & Family Svc includes 8 MFG positions*

****County Operations' FY99 figure reflects a Supplemental Position (Welfare Czar) not requested in biennium*

AGENCY Name: DEPARTMENT OF HUMAN SERVICES Code: 710	APPROPRIATION Name: VARIOUS APPROPRIATIONS Code: VARIOUS	TREASURY FUND Name: ALL DHS GENERAL REVENUE FUNDS Code: VARIOUS	ANALYSIS OF BUDGET REQUEST BR20	PAGE 14
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**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

**DEPARTMENT OF HUMAN SERVICES
POSITION NEEDS**

EXECUTIVE RECOMMENDATION

	CURRENT AUTHORIZED LEVEL	FY1999 BUDGETED LEVEL	FILLED AS OF 9/30/98	FY2000			FY2001		
				BASE LEVEL	CHANGE LEVEL	TOTAL	BASE LEVEL	CHANGE LEVEL	TOTAL
DIRECTOR'S OFFICE	16	16	14	15	0	15	15	0	15
CHIEF COUNSEL	155	155	130	155	0	155	155	0	155
ADMINISTRATIVE SVC	371	349	304	417	0	417	417	0	417
VOLUNTEERISM	25	24	21	24	0	24	24	0	24
TOTAL ADMINISTRATION	567	544	469	611	0	611	611	0	611
AGING & ADULT SVC	104	102	97	102	6	108	102	6	108
CHILD CARE/EARLY CHILDHOOD EDUC*	100	99	89	99	0	99	99	0	99
CHILDREN & FAMILY SVC**	1,025	961	930	933	155	1,088	933	155	1,088
COUNTY OPERATIONS***	1,965	1,875	1,832	1,857	30	1,887	1,857	30	1,887
DEVELOP DISABILITIES SVC	2,489	2,318	2,264	2,318	91	2,409	2,318	91	2,409
MEDICAL SERVICES	409	375	347	368	0	368	368	0	368
MENTAL HEALTH SERVICES	1,189	995	935	990	114	1,104	990	114	1,104
SERVICES FOR THE BLIND	84	76	71	76	0	76	76	0	76
YOUTH SERVICES	457	380	305	370	77	447	370	77	447
TOTAL DHS POSITIONS	8,389	7,725	7,339	7,724	473	8,197	7,724	473	8,197

"Authorized Level" reflects position authorizations by Division as of 9/30/98.

**Child Care's Authorized positions found within Children & Family Services*

***Children & Family Svc includes 8 MFG positions*

****County Operations' FY99 figure reflects a Supplemental Position (Welfare Czar) not requested in biennium*

EXECUTIVE RECOMMENDATIONS REFLECT RELOCATING 68 POSITIONS FROM VARIOUS AREAS TO
DIVISION OF ADMINISTRATIVE SERVICES AS SUBMITTED THROUGH ACA 25-10-112 REQUEST IN NOVEMBER, 1998.

AGENCY Name: DEPARTMENT OF HUMAN SERVICES Code: 710	APPROPRIATION Name: VARIOUS APPROPRIATIONS Code: VARIOUS	TREASURY FUND Name: ALL DHS GENERAL REVENUE FUNDS Code: VARIOUS	ANALYSIS OF BUDGET REQUEST BR20	PAGE 15
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DHS - MEDICAID PROGRAM - AGENCY REQUEST

PROGRAM/PRIMARY FUNDING SOURCE	FY98 EXPENDITURES	FY99 ALLOCATION	FY00 REQUEST				FY01 REQUEST			
			Base Level	Changes	Total	FY99-00 % Inc	Base Level	Changes	Total	FY00-01 % Inc
Private Nursing Home Care	\$285,533,691	\$297,343,654	\$297,343,654	\$8,272,590	\$305,616,244	2.8%	297,343,654	16,772,354	\$314,116,008	5.6%
FUNDING SOURCES										
General Revenue	64,793,067	80,965,160	80,965,160	3,293,152	84,258,312	4.1%	80,965,160	5,744,937	86,710,097	7.1%
Federal Funds	207,986,327	\$216,366,607	\$216,366,607	\$4,979,438	221,346,045	2.3%	216,366,607	11,027,417	227,394,024	5.1%
Other Funds	12,754,297	11,887	11,887	0	11,887	0.0%	11,887	0	11,887	0.0%
TOTAL FUNDING	\$285,533,691	297,343,654	297,343,654	8,272,590	305,616,244	2.8%	297,343,654	16,772,354	314,116,008	5.6%
Infant Infirmary	\$13,069,680	\$14,517,215	\$14,517,215	\$1,267,144	\$15,784,359	8.7%	14,517,215	1,708,933	\$16,226,148	11.8%
FUNDING SOURCES										
General Revenue	3,148,704	3,929,810	3,929,810	394,464	4,324,274	10.0%	3,929,810	521,423	4,451,233	13.3%
Federal Funds	9,534,076	\$10,587,405	\$10,587,405	\$872,680	11,460,085	8.2%	10,587,405	1,187,510	11,774,915	11.2%
Other Funds	386,900	0	0	0	0	#DIV/0!	0	0	0	#DIV/0!
TOTAL FUNDING	\$13,069,680	14,517,215	14,517,215	1,267,144	15,784,359	8.7%	14,517,215	1,708,933	16,226,148	11.8%
Public Nursing Home Care	\$118,354,581	\$120,665,730	\$120,665,730	\$3,354,507	\$124,020,237	2.8%	120,665,730	6,802,269	\$127,467,999	5.6%
FUNDING SOURCES										
General Revenue	2,233,094	2,202,201	2,202,201	1,335,695	3,537,896	60.7%	2,202,201	2,330,240	4,532,441	105.8%
Federal Funds	86,341,888	\$88,001,517	\$88,001,517	\$2,018,812	90,020,329	2.3%	88,001,517	4,472,029	92,473,546	5.1%
Other Funds	29,779,599	30,462,012	30,462,012	0	30,462,012	0.0%	30,462,012	0	30,462,012	0.0%
TOTAL FUNDING	\$118,354,581	120,665,730	120,665,730	3,354,507	124,020,237	2.8%	120,665,730	6,802,269	127,467,999	5.6%
Prescription Drugs	\$144,601,582	\$165,702,952	\$165,702,952	\$20,176,313	\$185,879,265	12.2%	165,702,952	46,788,856	\$212,491,808	28.2%
FUNDING SOURCES										
General Revenue	26,140,534	39,657,064	39,657,064	6,048,966	45,706,030	15.3%	39,657,064	13,337,074	52,994,138	33.6%
Federal Funds	105,524,708	\$120,845,888	\$120,845,888	\$14,127,347	134,973,235	11.7%	120,845,888	33,451,782	154,297,670	27.7%
Other Funds	12,936,340	5,200,000	5,200,000	0	5,200,000	0.0%	5,200,000	0	5,200,000	0.0%
TOTAL FUNDING	\$144,601,582	165,702,952	165,702,952	20,176,313	185,879,265	12.2%	165,702,952	46,788,856	212,491,808	28.2%
Hospital & Medical Services	\$896,902,204	\$898,982,054	\$898,982,054	\$96,867,594	\$995,849,648	10.8%	898,982,054	161,706,244	\$1,060,688,298	18.0%
FUNDING SOURCES										
General Revenue	196,035,767	173,349,931	173,349,931	34,834,714	208,184,645	20.1%	173,349,931	52,572,464	225,922,395	30.3%
Federal Funds	650,150,065	\$652,214,532	\$652,214,532	\$67,532,880	719,747,412	10.4%	652,214,532	114,633,780	766,848,312	17.6%
Other Funds	50,716,372	73,417,591	73,417,591	(5,500,000)	67,917,591	-7.5%	73,417,591	(5,500,000)	67,917,591	-7.5%
TOTAL FUNDING	\$896,902,204	898,982,054	898,982,054	96,867,594	995,849,648	10.8%	898,982,054	161,706,244	1,060,688,298	18.0%
TOTAL MEDICAID BUDGET	\$1,458,461,738	\$1,497,211,605	\$1,497,211,605	\$129,938,148	\$1,627,149,753	8.7%	\$1,497,211,605	\$233,778,656	\$1,730,990,261	15.6%
TOTAL FUNDING SOURCES										
General Revenue	\$292,351,166	\$300,104,166	\$300,104,166	\$45,906,991	\$346,011,157	15.3%	\$300,104,166	\$74,506,138	\$374,610,304	24.8%
Federal Funds	\$1,059,537,064	\$1,088,015,949	\$1,088,015,949	\$89,531,157	\$1,177,547,106	8.2%	\$1,088,015,949	\$164,772,518	\$1,252,788,467	15.1%
Other Funds	\$106,573,508	\$109,091,490	\$109,091,490	(\$5,500,000)	\$103,591,490	-5.0%	\$109,091,490	(\$5,500,000)	\$103,591,490	-5.0%
TOTAL FUNDING	\$1,458,461,738	\$1,497,211,605	\$1,497,211,605	\$129,938,148	\$1,627,149,753	8.7%	\$1,497,211,605	\$233,778,656	\$1,730,990,261	15.6%
Hospital & Medical includes ARKidsFirst										

DHS - MEDICAID PROGRAM - EXECUTIVE RECOMMENDATION

PROGRAM/PRIMARY FUNDING SOURCE	FY98 EXPENDITURES	FY99 ALLOCATION	FY00 REQUEST				FY01 REQUEST			
			Base Level	Changes	Total	FY99-00 % Inc	Base Level	Changes	Total	FY00-01 % Inc
Private Nursing Home Care	\$285,533,691	\$297,343,654	\$297,343,654	\$8,272,590	\$305,616,244	2.8%	297,343,654	16,772,354	\$314,116,008	5.6%
FUNDING SOURCES										
General Revenue	64,793,067	80,965,160	80,965,160	2,381,828	83,346,988	2.9%	80,965,160	4,686,964	85,652,124	5.8%
Federal Funds	207,986,327	\$216,366,607	\$216,366,607	\$5,890,762	222,257,369	2.7%	216,366,607	12,085,390	228,451,997	5.6%
Other Funds	12,754,297	11,887	11,887	0	11,887	0.0%	11,887	0	11,887	0.0%
TOTAL FUNDING	\$285,533,691	297,343,654	297,343,654	8,272,590	305,616,244	2.8%	297,343,654	16,772,354	314,116,008	5.6%
Infant Infirmery	\$13,069,680	\$14,517,215	\$14,517,215	\$1,267,144	\$15,784,359	8.7%	14,517,215	1,708,933	\$16,226,148	11.8%
FUNDING SOURCES										
General Revenue	3,148,704	3,929,810	3,929,810	350,908	4,280,718	8.9%	3,929,810	470,722	4,400,532	12.0%
Federal Funds	9,534,076	\$10,587,405	\$10,587,405	\$916,236	11,503,641	8.7%	10,587,405	1,238,211	11,825,616	11.7%
Other Funds	386,900	0	0	0	0	#DIV/0!	0	0	0	#DIV/0!
TOTAL FUNDING	\$13,069,680	14,517,215	14,517,215	1,267,144	15,784,359	8.7%	14,517,215	1,708,933	16,226,148	11.8%
Public Nursing Home Care	\$118,354,581	\$120,665,730	\$120,665,730	\$3,354,507	\$124,020,237	2.8%	120,665,730	6,802,269	\$127,467,999	5.6%
FUNDING SOURCES										
General Revenue	2,233,094	2,202,201	2,202,201	970,075	3,172,276	44.1%	2,202,201	1,905,108	4,107,309	86.5%
Federal Funds	86,341,888	\$88,001,517	\$88,001,517	\$2,384,432	90,385,949	2.7%	88,001,517	4,897,161	92,898,678	5.6%
Other Funds	29,779,599	30,462,012	30,462,012	0	30,462,012	0.0%	30,462,012	0	30,462,012	0.0%
TOTAL FUNDING	\$118,354,581	120,665,730	120,665,730	3,354,507	124,020,237	2.8%	120,665,730	6,802,269	127,467,999	5.6%
Prescription Drugs	\$144,601,582	\$165,702,952	\$165,702,952	\$20,176,313	\$185,879,265	12.2%	165,702,952	46,788,856	\$212,491,808	28.2%
FUNDING SOURCES										
General Revenue	26,140,534	39,657,064	39,657,064	5,553,393	45,210,457	14.0%	39,657,064	12,770,715	52,427,779	32.2%
Federal Funds	105,524,708	\$120,845,888	\$120,845,888	\$14,622,920	135,468,808	12.1%	120,845,888	34,018,141	154,864,029	28.2%
Other Funds	12,936,340	5,200,000	5,200,000	0	5,200,000	0.0%	5,200,000	0	5,200,000	0.0%
TOTAL FUNDING	\$144,601,582	165,702,952	165,702,952	20,176,313	185,879,265	12.2%	165,702,952	46,788,856	212,491,808	28.2%
Hospital & Medical Services	\$896,902,204	\$898,982,054	\$898,982,054	\$103,504,762	\$1,002,486,816	11.5%	898,982,054	168,343,412	\$1,067,325,466	18.7%
FUNDING SOURCES										
General Revenue	196,035,767	173,349,931	173,349,931	34,138,724	207,488,655	19.7%	173,349,931	51,712,310	225,062,241	29.8%
Federal Funds	650,150,065	\$652,214,532	\$652,214,532	\$74,866,038	727,080,570	11.5%	652,214,532	122,131,102	774,345,634	18.7%
Other Funds	50,716,372	73,417,591	73,417,591	(5,500,000)	67,917,591	-7.5%	73,417,591	(5,500,000)	67,917,591	-7.5%
TOTAL FUNDING	\$896,902,204	898,982,054	898,982,054	103,504,762	1,002,486,816	11.5%	898,982,054	168,343,412	1,067,325,466	18.7%
TOTAL MEDICAID BUDGET	\$1,458,461,738	\$1,497,211,605	\$1,497,211,605	\$136,575,316	\$1,633,786,921	9.1%	\$1,497,211,605	\$240,415,824	\$1,737,627,429	16.1%
TOTAL FUNDING SOURCES										
General Revenue	\$292,351,166	\$300,104,166	\$300,104,166	\$43,394,928	\$343,499,094	14.5%	\$300,104,166	\$71,545,819	\$371,649,985	23.8%
Federal Funds	\$1,059,537,064	\$1,088,015,949	\$1,088,015,949	\$98,680,388	\$1,186,696,337	9.1%	\$1,088,015,949	\$174,370,005	\$1,262,385,954	16.0%
Other Funds	\$106,573,508	\$109,091,490	\$109,091,490	(\$5,500,000)	\$103,591,490	-5.0%	\$109,091,490	(\$5,500,000)	\$103,591,490	-5.0%
TOTAL FUNDING	\$1,458,461,738	\$1,497,211,605	\$1,497,211,605	\$136,575,316	\$1,633,786,921	9.1%	\$1,497,211,605	\$240,415,824	\$1,737,627,429	16.1%
Hospital & Medical includes ARKidsFirst										

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

**MEDICAID ISSUES
AGENCY REQUEST - CHANGE LEVELS**

ISSUE	FY2000				FY2001				
	GEN REV	FEDERAL	OTHER	TOTAL	GEN REV	FEDERAL	OTHER	TOTAL	
FUND FY99 SHORTFALL									
Hospital/Medical	\$9,134,777	\$24,610,245	\$0	\$33,745,022	\$9,734,932	\$26,227,138	\$0	\$35,962,070	
CONTINUED FUNDING FOR ARKIDS FIRST									
Hospital/Medical	\$5,500,000	\$0	(\$5,500,000)	\$0	\$5,500,000	\$0	(\$5,500,000)	\$0	
GROWTH									
Hospital/Medical	\$14,424,896	\$38,862,494	\$0	\$53,287,390	5.3%	\$31,373,247	\$84,523,490	\$0	\$115,896,737
Prescription Drugs	\$5,461,728	\$14,714,585	\$0	\$20,176,313	10.9%	\$12,665,744	\$34,123,112	\$0	\$46,788,856
Private Nursing Homes	\$2,239,390	\$6,033,200	\$0	\$8,272,590	2.7%	\$4,540,276	\$12,232,078	\$0	\$16,772,354
Infant Infirmaries	\$109,249	\$294,330	\$0	\$403,579	2.6%	\$222,342	\$599,019	\$0	\$821,361
Public Nursing Homes	\$908,065	\$2,446,442	\$0	\$3,354,507	2.7%	\$1,841,374	\$4,960,895	\$0	\$6,802,269
SUBTOTAL	\$23,143,328	\$62,351,051	\$0	\$85,494,379		\$50,642,983	\$136,438,594	\$0	\$187,081,577
LOSS OF FMAP %									
Hospital/Medical	\$2,969,940	(\$2,969,940)	\$0	\$0		\$3,165,065	(\$3,165,065)	\$0	\$0
Prescription Drugs	\$587,238	(\$587,238)	\$0	\$0		\$671,330	(\$671,330)	\$0	\$0
Private Nursing Homes	\$1,053,762	(\$1,053,762)	\$0	\$0		\$1,204,661	(\$1,204,661)	\$0	\$0
Infant Infirmaries	\$51,448	(\$51,448)	\$0	\$0		\$58,815	(\$58,815)	\$0	\$0
Public Nursing Homes	\$427,630	(\$427,630)	\$0	\$0		\$488,866	(\$488,866)	\$0	\$0
SUBTOTAL	\$5,090,018	(\$5,090,018)	\$0	\$0		\$5,588,737	(\$5,588,737)	\$0	\$0
MENTAL HEALTH PARITY									
Hospital/Medical	\$1,600,000	\$4,218,182	\$0	\$5,818,182		\$1,705,120	\$4,495,317	\$0	\$6,200,437
INFORMATION TECHNOLOGY									
Hospital/Medical	\$1,205,100	\$2,811,900	\$0	\$4,017,000		\$1,094,100	\$2,552,900	\$0	\$3,647,000
ADDITIONAL EASTER SEALS BEDS									
Infant Infirmaries	\$233,767	\$629,798	\$0	\$863,565		\$240,266	\$647,306	\$0	\$887,572
HOSPITAL CO-PAY ADJUSTMENT									
Hospital/Medical	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
TOTALS									
Hospital/Medical	\$34,834,713	\$67,532,881	(\$5,500,000)	\$96,867,594		\$52,572,464	\$114,633,780	(\$5,500,000)	\$161,706,244
Prescription Drugs	\$6,048,966	\$14,127,347	\$0	\$20,176,313		\$13,337,074	\$33,451,782	\$0	\$46,788,856
Private Nursing Homes	\$3,293,152	\$4,979,438	\$0	\$8,272,590		\$5,744,937	\$11,027,417	\$0	\$16,772,354
Infant Infirmaries	\$394,464	\$872,680	\$0	\$1,267,144		\$521,423	\$1,187,510	\$0	\$1,708,933
Public Nursing Homes	\$1,335,695	\$2,018,812	\$0	\$3,354,507		\$2,330,240	\$4,472,029	\$0	\$6,802,269
GRAND TOTAL	\$45,906,991	\$89,531,157	(\$5,500,000)	\$129,938,148		\$74,506,138	\$164,772,518	(\$5,500,000)	\$233,778,656

AGENCY Name: DHS-MEDICAL SERVICES Code: 710	APPROPRIATION Name: VARIOUS APPROPRIATIONS Codes: 399,401,402,403,404	TREASURY FUND Name: DHS Grants Fund Code: DGF	ANALYSIS OF BUDGET REQUEST BR20	PAGE 18
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**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

MEDICAID ISSUES

EXECUTIVE RECOMMENDATION - CHANGE LEVELS

ISSUE	FY2000				FY2001				
	GEN REV	FEDERAL	OTHER	TOTAL	GEN REV	FEDERAL	OTHER	TOTAL	
FUND FY99 SHORTFALL									
Hospital/Medical	\$9,151,650	\$24,593,372	\$0	\$33,745,022	\$9,752,913	\$26,209,157	\$0	\$35,962,070	
CONTINUED FUNDING FOR ARKIDS FIRST									
Hospital/Medical	\$5,500,000	\$0	(\$5,500,000)	\$0	\$5,500,000	\$0	(\$5,500,000)	\$0	
GROWTH									
Hospital/Medical	\$14,451,540	\$38,835,850	\$0	\$53,287,390	5.3%	\$31,431,195	\$84,465,542	\$0	\$115,896,737
Prescription Drugs	\$5,471,816	\$14,704,497	\$0	\$20,176,313	10.9%	\$12,689,138	\$34,099,718	\$0	\$46,788,856
Private Nursing Homes	\$2,243,526	\$6,029,064	\$0	\$8,272,590	2.7%	\$4,548,662	\$12,223,692	\$0	\$16,772,354
Infant Infirmaries	\$109,451	\$294,128	\$0	\$403,579	2.6%	\$222,753	\$598,608	\$0	\$821,361
Public Nursing Homes	\$909,742	\$2,444,765	\$0	\$3,354,507	2.7%	\$1,844,775	\$4,957,494	\$0	\$6,802,269
SUBTOTAL	\$23,186,076	\$62,308,303	\$0	\$85,494,379		\$50,736,524	\$136,345,053	\$0	\$187,081,577
LOSS OF FMAP %									
Hospital/Medical	\$452,543	(\$452,543)	\$0	\$0		\$452,543	(\$452,543)	\$0	\$0
Prescription Drugs	\$81,577	(\$81,577)	\$0	\$0		\$81,577	(\$81,577)	\$0	\$0
Private Nursing Homes	\$138,302	(\$138,302)	\$0	\$0		\$138,302	(\$138,302)	\$0	\$0
Infant Infirmaries	\$7,259	(\$7,259)	\$0	\$0		\$7,259	(\$7,259)	\$0	\$0
Public Nursing Homes	\$60,333	(\$60,333)	\$0	\$0		\$60,333	(\$60,333)	\$0	\$0
SUBTOTAL	\$740,014	(\$740,014)	\$0	\$0		\$740,014	(\$740,014)	\$0	\$0
MENTAL HEALTH PARITY									
Hospital/Medical	\$1,577,891	\$4,240,291	\$0	\$5,818,182		\$1,681,559	\$4,518,878	\$0	\$6,200,437
INFORMATION TECHNOLOGY									
Hospital/Medical	\$1,205,100	\$2,811,900	\$0	\$4,017,000		\$1,094,100	\$2,552,900	\$0	\$3,647,000
ADDITIONAL EASTER SEALS BEDS									
Infant Infirmaries	\$234,199	\$629,366	\$0	\$863,565		\$240,710	\$646,862	\$0	\$887,572
HOSPITAL CO-PAY ADJUSTMENT									
Hospital/Medical	\$1,800,000	\$4,837,168	\$0	\$6,637,168		\$1,800,000	\$4,837,168	\$0	\$6,637,168
TOTALS									
Hospital/Medical	\$34,138,724	\$74,866,038	(\$5,500,000)	\$103,504,762		\$51,712,310	\$122,131,102	(\$5,500,000)	\$168,343,412
Prescription Drugs	\$5,553,393	\$14,622,920	\$0	\$20,176,313		\$12,770,715	\$34,018,141	\$0	\$46,788,856
Private Nursing Homes	\$2,381,828	\$5,890,762	\$0	\$8,272,590		\$4,686,964	\$12,085,390	\$0	\$16,772,354
Infant Infirmaries	\$350,908	\$916,236	\$0	\$1,267,144		\$470,722	\$1,238,211	\$0	\$1,708,933
Public Nursing Homes	\$970,075	\$2,384,432	\$0	\$3,354,507		\$1,905,108	\$4,897,161	\$0	\$6,802,269
GRAND TOTAL	\$43,394,928	\$98,680,388	(\$5,500,000)	\$136,575,316		\$71,545,819	\$174,370,005	(\$5,500,000)	\$240,415,824

AGENCY Name: DHS-MEDICAL SERVICES Code: 710	APPROPRIATION Name: VARIOUS APPROPRIATIONS Codes: 399,401,402,403,404	TREASURY FUND Name: DHS Grants Fund Code: DGF	ANALYSIS OF BUDGET REQUEST BR20	PAGE <div style="font-size: 24pt; font-weight: bold;">19</div>
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ARKANSAS BUDGET SYSTEM
 EMPLOYMENT SUMMARY
 AS REQUIRED BY ACT 358 OF 1993
 (A.C.A 19-4-307)

AGENCY TITLE 710 - DEPT OF HUMAN SERVICES

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>1,156</u>	<u>3,856</u>	<u>5,012</u>	<u>68%</u>
BLACK EMPLOYEES	<u>474</u>	<u>1,847</u>	<u>2,321</u>	<u>31%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>21</u>	<u>62</u>	<u>83</u>	<u>1%</u>
TOTAL EMPLOYED AS OF <u>08/08/98</u> DATE			<u>2,404</u>	<u>32%</u>
			TOTAL MINORITIES	
			<u>7,416</u>	<u>100%</u>
			TOTAL EMPLOYEES	



 AGENCY DIRECTOR

DEPARTMENT OF HUMAN SERVICES
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1996

Assets					Liabilities			Total Equity	
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total			
\$ 35,045,751	\$ 158,008,109	\$ 124,728,761	\$ 317,782,621	\$ 47,953,905	\$ 35,581,934	\$ 83,535,839	\$ 234,246,782		

Revenues					Expenditures				Other Sources (Uses)	
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 528,526,764	\$ 1,356,529,975	\$ 9,263,229	\$ 64,762,887	\$ 1,959,082,855	\$ 231,519,348	\$ 1,592,813,239	\$ 5,569,564	\$ 116,950,905	\$ 1,946,853,056	\$ (7,740,789)

Findings

A. INTERNAL CONTROL AND STATE COMPLIANCE MATTERS:

1. BURGLARIES - During the audit of the Department of Human Services for the period July 1, 1995 to June 30, 1996 and subsequent period, the Agency reported a burglary at the Central Office in Little Rock in which a laptop computer, purchased May 22, 1991 and valued at \$1,044.36, was taken. The computer was discovered missing during an office inventory. An investigation performed in this incident by Agency personnel and the Little Rock Police was inconclusive as to the identity of the burglar.
2. PETTY CASH FUNDS - The audit of the Office of Chief Counsel and the Children and Family Services legal and filing fees petty cash funds revealed the Agency had not reconciled the bank balance to the Agency's fund balance for June 30, 1996 and subsequent months. Chapter II-7 of the State Accounting Procedures Manual states that the Agency's petty cash records should be reconciled periodically and, at all times, equal the amount established for the fund.
3. CASH IN BANK - The review of the Agency's records related to cash in bank revealed the following weaknesses:
 - a. (COUNTY OFFICES' CLIENT BENEFIT FUNDS - The Agency receives private donations restricted for the benefit of indigent persons. These funds are received and maintained at the county level and are generally to be used at the discretion of the Agency. Our review of nine county office selected for testing revealed that expenditures for the year ended June 30, 1996 were not always documented. Chapter II-1.2 of the State Accounting Procedures Manual requires that expenditures be accompanied by proper supporting papers as evidence that the indebtedness has been incurred and to support the amount of the check written. Support documentation for fourteen of thirty-nine payments tested was not available resulting in a thirty-six percent (36%) rate of noncompliance.)

Recommendations

1. Our findings in this matter are being reported in accordance with Ark. Code Ann. 10-4-111 and 21-2-708.
2. Review and comply with State regulations regarding the proper accountability and reporting of petty cash funds.
3. a. (Review and comply with State regulations regarding supporting documentation for expenditures.)

() Noted in previous year's audit report.

DEPARTMENT OF HUMAN SERVICES
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1996

Findings (Continued)

A. INTERNAL CONTROL AND STATE COMPLIANCE MATTERS: (Continued)

3. CASH IN BANK (Continued)

b. (MENTAL HEALTH PATIENT'S BENEFIT ACCOUNT CASH FUND (501) - The Agency maintains checking accounts at all Mental Health Service locations for the benefit of clients. For the year ended June 30, 1996, the Agency failed to report all receipt and disbursement transactions for entry in the Accounting Federal Grants Management System (AFGM). In total, only \$22,799.83 in expenditures for all such accounts were submitted by the Agency to the Department of Finance and Administration for examination and approval as required by Ark. Code Ann. 19-4-800, et. al. [Arkansas Cash Fund Law]. As a result, expenditures for the fund, totaling \$394,326.94, exceeded total appropriation of \$135,000.00, as established by Acts 89 and 1198 of 1995.)

4. RECEIPTING PROCEDURES - The Agency collects and records cash for various fees, program income and refunds, donations and client personal funds in institutions and county offices throughout the State. The Agency utilizes several methods for recording income including prenumbered manual receipts, cash registers and receipt logs. The Agency's internal control structure for processing income was inadequate and not committed to writing in most areas selected for review and as a result the following internal control weaknesses were noted:

a. (Cash income items are not always recorded using the receipting methods described above. Chapter 201-III(A) of the Department of Human Services Administrative Procedures Manual requires that all cash fund items be receipted using prenumbered receipts issued by the Agency, or by an alternative method of receipting approved in writing by Managerial Accounting.)

b. (Duties connected with cash receipting are not segregated to the extent possible. Employees opening mail and receiving cash fund items also have access to customer records, record fund transactions, prepare and make deposits, write checks and reconcile accounts. Chapter 201-III(B) of the Department of Human Services Administrative Procedures Manual and good internal control over cash receipts require that these functions be separate.)

Recommendations (Continued)

3. (Continued)

b. (Review and comply with State law regarding the reporting and disbursement of appropriated cash funds.)

4. Periodically review the receipting function in all locations authorized to receive cash fund items to ensure controls are adequate and that approved policies and procedures are being followed by personnel.

DEPARTMENT OF HUMAN SERVICES
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1996

Findings (Continued)

- A. INTERNAL CONTROL AND STATE COMPLIANCE MATTERS: (Continued)
4. RECEIPTING PROCEDURES (Continued)
- c. (Cash fund items are not always recorded immediately upon opening the mail.)
 - d. Check remittances are not always restrictively endorsed by the person opening the mail.
 - e. (Receipt records are not always independently reconciled to deposits.)
5. STOREROOM INVENTORIES - INTERNAL CONTROLS - The review of procedures and controls relating to storeroom inventories revealed the following weaknesses:
- a. (Perpetual inventory records are not properly maintained at the following locations:)
 - 1. Alexander Human Development Center medical and maintenance supplies.
 - 2. Conway Human Development Center clothing and maintenance supplies.
 - 3. Central Arkansas Observation and Assessment Center food service, maintenance, office and clothing supplies.

(Department of Human Services Supply Inventory System Policy No.1063 requires that records pertaining to all supply items be maintained accurately and up-to-date.)
 - b. (Merchandise released from storeroom inventories does not always require a signed, dated prenumbered requisition at the following locations:)
 - 1. Alexander Human Development Center medical supplies.
 - 2. Conway Human Development Center maintenance supplies.
 - 3. Alexander Youth Service Center medical and maintenance supplies.

(Department of Human Services Supply Inventory System Policy No. 1063 requires that all supplies be issued using requisitions that identify the ordering unit and items ordered.)

Recommendations (Continued)

5. Review and comply with Department of Human Services Supply Inventory System Policies and initiate internal control procedures to provide assurance that storeroom inventories are properly safeguarded and accounted for.

DEPARTMENT OF HUMAN SERVICES
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1996

Findings (Continued)

A. INTERNAL CONTROL AND STATE COMPLIANCE MATTERS: (Continued)
5. STOREROOM INVENTORIES - INTERNAL CONTROLS (Continued)

- c. Requisitions for food service, office and household supplies at the Alexander Human Development Center and for medical supplies at the Conway Human Development Center are not controlled and independently accounted for.

(Good internal control over inventories requires that blank requisitions be prenumbered and that a file of signed and voided requisitions be maintained and accounted for by someone independent of storeroom operations.)

- d. (Inventories are not properly controlled to prevent access to materials by unauthorized persons at the following locations:)

1. Alexander Human Development Center food service, office, household and maintenance supplies.
2. Conway Human Development Center food service, office, household, medical and maintenance supplies.

(Department of Human Services Supply Inventory System Policy No. 1063 requires that supplies be stored in areas that do not allow general access. Furthermore, good internal control over inventories requires that access to inventories be restricted to persons responsible for the custody of assigned inventories.)

- e. (Persons having custodial responsibilities over inventories also have the ability to modify inventory records at the following locations:)

1. Alexander Human Development Center food service, office and household supplies.
2. Conway Human Development Center medical supplies.
3. Arkansas State Hospital food service, office, household and maintenance supplies.
4. (Alexander Youth Service Center food service, office, household, medical, clothing and maintenance supplies.)

Department of Human Services Supply Inventory System Policy No. 1063 states that "staff responsible for the receipt and issuance of supplies may have inquiry access to inventory records, but should not have the capability to update or alter the records."

Recommendations (Continued)

DEPARTMENT OF HUMAN SERVICES
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1996

Findings (Continued)

A. INTERNAL CONTROL AND STATE COMPLIANCE MATTERS: (Continued)
5. STOREROOM INVENTORIES (Continued)

f. (Changes in inventory are not independently reconciled at the following locations:)

1. Alexander Human Development Center food service, office, household, medical, pharmacy and maintenance supplies.
2. Conway Human Development Center medical and pharmacy supplies.
3. Arkansas State Hospital food service, office, household and maintenance supplies.
4. Alexander Youth Service Center maintenance supplies.

Good internal control over inventory requires that changes in inventory be periodically reconciled to purchase orders, receiving reports and requisitions by persons independent of storeroom operations. Furthermore, adjustments to inventory records should be adequately documented and explained and variances between perpetual records and physical counts reported to management.

g. Physical counts are performed by persons with responsibility for the custody and issuing of inventory at the following locations:

1. Alexander Human Development Center food service, office, household and maintenance supplies.
2. Conway Human Development Center medical supplies.
3. Arkansas State Hospital pharmacy.
4. Alexander Youth Service Center food service, office, household, medical, clothing and maintenance supplies.

Department of Human Services Supply Inventory System Policy No. 1063 states that "the counting of supply items should be conducted by staff that is not involved with the day-to-day issuing of the supplies being counted."

Recommendations (Continued)

() Noted in previous year's audit report.

DEPARTMENT OF HUMAN SERVICES
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1996

Findings (Continued)

- A. INTERNAL CONTROL AND STATE COMPLIANCE MATTERS: (Continued)
6. (EQUIPMENT OBSERVATION - The Agency was unable to locate equipment items selected for observation) at the following locations:
- a. Central Office - Seven equipment items valued at \$5,206.26 out of eighty-two selected equipment items valued at \$149,377.14 were unlocated.
 - b. Crittenden County Office - Seven equipment items valued at \$7,614.17 out of forty-nine selected equipment items valued at \$87,359.29 were unlocated.
 - c. Miller County Office - Three equipment items valued at \$3,853.45 out of forty-two selected equipment items valued at \$84,402.25 were unlocated.
 - d. Mississippi County Office - Thirteen equipment items valued at \$26,032.09 out of thirty-four selected equipment items valued at \$72,937.71 were unlocated.
 - e. Alexander Human Development Center - Sixteen equipment items valued at \$10,346.73 out of sixty-eight selected equipment items valued at \$109,816.36 were unlocated.
 - f. Arkansas State Hospital - Five equipment items valued at \$4,949.55 out of seventy-two selected equipment items valued at \$126,777.38 were unlocated.

This finding also applies to all federal programs.

7. (CANTEEN OPERATIONS - The review of profitability for the Agency's canteen operations revealed a gross profit percentage of 20.9% for the Arkansas State Hospital Canteen for the year ended June 30, 1996. This resulted in a decrease of 8.7% when compared to the previous year's gross profit percentage of 29.6%. Additionally, profitability for the Booneville Human Development Center Canteen revealed a negative gross profit percentage of 5.2% for the year ended June 30, 1996, and a negative gross profit percentage of 8.2% for the year ended June 30, 1995. Monthly profit analysis were not performed and unexpected variances in gross profit were not documented and explained.)

Recommendations (Continued)

6. Review the current policies regarding the reporting and safeguarding of equipment at all Agency locations and develop procedures to ensure the accountability of all equipment items.
7. (Review the current policy regarding the profitability of canteen operations and ensure, at minimum, recovery of costs associated with each operation. Also, require monthly reporting of all canteen operations by management in order to monitor variances in expected profitability and to give assurance that all sales are recorded and that inventory is properly safeguarded.)

() Noted in previous year's audit report.

DEPARTMENT OF HUMAN SERVICES
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1996

Findings (Continued)

B. FEDERAL GRANT COMPLIANCE MATTERS:

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
ARKANSAS STATE COMMISSION ON NATIONAL AND COMMUNITY SERVICE (94.003)

MATCHING - The matching requirements for this program were not met. The match required for the year ended June 30, 1996 was \$51,397.00. The Agency could document only \$18,598.00 as eligible match.

Recommendations (Continued)

Review program matching requirements and implement procedures to ensure the requirements are met.

Audited by Division of Legislative Audit
SA1971096

() Noted in previous year's audit report.

WESTERN ARKANSAS COUNSELING AND GUIDANCE CENTER
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets					Liabilities			Total Equity	
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total			
\$ 2,118,995	\$ 3,874,105	\$ 853,806	\$ 6,846,906	\$ 165,269	\$ 106,967	\$ 272,236	\$ 6,574,670		

Revenues					Expenditures				Other Sources (Uses)	
Inter- governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 2,043,943	\$ 744,301	\$ 0	\$ 2,944,566	\$ 5,732,810	\$ 3,633,714	\$ 0	\$ 0	\$ 2,176,415	\$ 5,810,129	\$ 16,707

Findings	Recommendations
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None

None

SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets										
Assets				Liabilities			Total Equity			
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total				
\$ 971,642	\$ 1,592,179	\$ 567,395	\$ 3,131,216	\$ 358,083	\$ 850,510	\$ 1,208,593	\$ 1,922,623			

Revenues					Expenditures					Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 1,809,095	\$ 378,992	\$ 0	\$ 2,288,357	\$ 4,476,444	\$ 2,936,461	\$ 0	\$ 0	\$ 1,729,060	\$ 4,665,521	\$ (5,804)

Findings	Recommendations
None	None

Audited by Thomas & Thomas
Certified Public Accountants

SAQA02597

SOUTHEAST ARKANSAS BEHAVIORAL HEALTHCARE SYSTEMS, INC.
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets									
Assets				Liabilities			Total Equity		
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total			
\$ 2,041,566	\$ 1,766,964	\$ 338,471	\$ 4,147,001	\$ 298,010	\$ 0	\$ 298,010	\$ 3,848,991		

Revenues					Expenditures					Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 1,091,814	\$ 322,177	\$ 0	\$ 4,402,104	\$ 5,816,095	\$ 3,320,834	\$ 0	\$ 0	\$ 2,015,330	\$ 5,336,164	\$ 0

Findings	Recommendations
None	None

SOUTHEAST ARKANSAS MENTAL HEALTH CENTER, INC.
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1996

Assets					Liabilities			Total Equity	
Cash and Investments	Fixed	Other	Total		Current	Long-Term	Total		Total Equity
\$ 1,424,533	\$ 1,847,200	\$ 380,798	\$ 3,652,531		\$ 283,471	\$ 0	\$ 283,471		\$ 3,369,060

Revenues					Expenditures					Other Sources (Uses)		
Inter- governmental	Federal	Licenses and Fees	Other	Total		Salaries and Matching	Grants and Aid	Capital	Other Operating	Total		Other Sources (Uses)
\$ 1,079,335	\$ 313,159	\$ 0	\$ 3,964,210	\$ 5,356,704		\$ 3,091,858	\$ 0	\$ 0	\$ 1,892,914	\$ 4,984,772		\$ 0

Findings	Recommendations
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None

None

SOUTH ARKANSAS REGIONAL HEALTH CENTER, INC.
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets										Total Equity
Assets				Liabilities		Total		Total Equity		Total Equity
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total		Total Equity		Total Equity
\$ 2,358,683	\$ 2,982,968	\$ 1,101,277	\$ 6,442,928	\$ 458,526	\$ 589,190	\$ 1,047,716		\$ 5,395,212		\$ 5,395,212

Revenues					Expenditures					Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	Other Sources (Uses)
\$ 1,610,429	\$ 828,778	\$ 0	\$ 4,555,754	\$ 6,994,961	\$ 3,823,911	\$ 0	\$ 0	\$ 2,809,660	\$ 6,633,571	\$ 0

Findings

Recommendations

None

None

PROFESSIONAL COUNSELING ASSOCIATES, INC.
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets

<u>Cash and Investments</u>	<u>Fixed</u>	<u>Other</u>	<u>Total</u>	<u>Current</u>	<u>Liabilities Long-Term</u>	<u>Total</u>	<u>Total Equity</u>
\$ 3,431,153	\$ 1,820,511	\$ 543,355	\$ 5,795,019	\$ 375,777	\$ 1,712,269	\$ 2,088,046	\$ 3,706,973

Revenues

<u>Inter-governmental</u>	<u>Federal</u>	<u>Licenses and Fees</u>	<u>Other</u>	<u>Total</u>
\$ 1,458,985	\$ 401,340	\$ 0	\$ 3,284,718	\$ 5,145,043

Expenditures

<u>Salaries and Matching</u>	<u>Grants and Aid</u>	<u>Capital</u>	<u>Other Operating</u>	<u>Total</u>	<u>Other Sources (Uses)</u>
\$ 3,241,744	\$ 0	\$ 0	\$ 1,532,771	\$ 4,774,515	\$ 0

Findings

None

Recommendations

None

Audited by Baird, Kurtz & Dobson
Certified Public Accountants
SAOAO2197

OZARK GUIDANCE CENTER, INC.
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets										Liabilities			Total Equity
Cash and Investments	Fixed		Other	Total	Current	Long-Term	Total		Total Equity				
\$ 1,035,532	\$ 8,191,358	\$ 1,022,363	\$ 10,249,253	\$ 1,794,652	\$ 3,846,089	\$ 5,640,741			\$ 4,608,512				

Revenues				Expenditures						Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	Other Sources (Uses)
\$ 1,955,102	\$ 811,376	\$ 0	\$ 7,889,431	\$ 10,655,909	\$ 8,087,253	\$ 0	\$ 0	\$ 2,381,447	\$ 10,468,700	\$ 0

Findings

None

Recommendations

None

OZARK COUNSELING SERVICES, INC.
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets									
Cash and Investments	Fixed		Other	Total	Current	Liabilities Long-Term		Total	Total Equity
\$ 336,186	\$ 663,437		\$ 432,300	\$ 1,431,923	\$ 123,229	\$ 250,293		\$ 373,522	\$ 1,058,401

Revenues					Expenditures					Other Sources (Uses)
Inter- governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 785,403	\$ 425,604	\$ 0	\$ 1,689,757	\$ 2,900,764	\$ 2,132,463	\$ 0	\$ 0	\$ 854,563	\$ 2,987,026	\$ (1,674)

Findings	Recommendations
None	None

DELTA COUNSELING ASSOCIATES
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets				Liabilities			Total Equity
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total	Total Equity
\$ 428,033	\$ 1,745,674	\$ 223,781	\$ 2,397,488	\$ 392,986	\$ 266,730	\$ 659,716	\$ 1,737,772

Revenues				Expenditures				Other Sources (Uses)		
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	Other Sources (Uses)
\$ 714,925	\$ 314,681	\$ 0	\$ 2,258,350	\$ 3,287,956	\$ 2,292,908	\$ 0	\$ 0	\$ 2,169,866	\$ 4,462,774	\$ (100,000)

Findings

THIRD PARTY BILLING DOCUMENTATION - (Documentation to support billing to third party reimbursements for fee-for-services, was not adequate or was missing. Documentation to support billings to third party pay sources must be able to support billings. Because the documentation could not support the billings, those billings, amounting to \$515.00, may be disallowed.)

Recommendations

Questioned costs be refunded to the appropriate agencies.

Audited by Searcy & Company, Ltd.
Certified Public Accountants
SAQA01297

() Noted in previous year's audit report.

THE COUNSELING CLINIC, INC.
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets									
Assets				Liabilities			Total Equity		
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total			
\$ 1,075,036	\$ 597,501	\$ 529,175	\$ 2,201,712	\$ 721,550	\$ 50,079	\$ 771,629	\$ 1,430,083		

Revenues					Expenditures					Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 876,630	\$ 182,736	\$ 0	\$ 1,627,842	\$ 2,687,208	\$ 1,551,865	\$ 0	\$ 0	\$ 1,105,687	\$ 2,657,552	\$ 20,783

Findings	Recommendations
None	None

COUNSELING ASSOCIATES, INC.
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets					Liabilities			Total Equity	
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total	Total Equity		
\$ 1,315,629	\$ 3,298,461	\$ 2,627,755	\$ 7,241,845	\$ 1,966,139	\$ 885,444	\$ 2,851,583	\$ 4,390,262		

Revenues					Expenditures					Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	Other Sources (Uses)
\$ 1,171,127	\$ 3,006,924	\$ 0	\$ 7,288,653	\$ 11,466,704	\$ 6,176,983	\$ 0	\$ 0	\$ 4,867,025	\$ 11,044,008	\$ 0

Findings

FILE DOCUMENTATION

- A. From a population of approximately 200 patient files a sample of 30 files was selected and during testing, it was noted that one file did not have the initial screening signed by a mental health professional.
- B. From a population of approximately 75 tenant files a sample of 15 tenant files was selected and during testing it was noted that two of the files did not contain all of the required documentation.

Recommendations

- A. A system be put in place that will ensure all initial screenings are signed by a mental health professional.

AGENCY RESPONSE:

Medical records will begin reviewing all initial screenings to ensure that these are signed by the mental health professional before placing these in the client's chart. Additionally, as part of our ongoing quality control measures, a Compliance Review committee meets monthly to review a sampling of charts from each location for completeness and compliance with billing requirements.

- B. A system be put in place that will ensure all proper documentation be maintained in tenant files.

AGENCY RESPONSE:

A review will be completed on checklists currently being utilized for tenant files to ensure that these lists are up to date and being utilized. Additionally, Business Office personnel will review a sampling of tenant files from each housing project during fiscal year 1998 to verify that the checklists are being utilized and that the samples contain the required documentation.

BEHAVIORAL HEALTH SERVICES, INC. OF ARKANSAS
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets										Liabilities			Total Equity
Cash and Investments	Fixed		Other	Total	Current	Long-Term	Total	Total Equity					
\$ 321,309	\$ 2,828,541	\$ 1,541,803	\$ 4,691,653	\$ 747,108	\$ 950,527	\$ 1,697,635	\$ 2,994,018						

Revenues				Expenditures						Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	Other Sources (Uses)
\$ 1,358,164	\$ 218,045	\$ 0	\$ 7,442,256	\$ 9,018,465	\$ 5,330,812	\$ 0	\$ 0	\$ 3,933,978	\$ 9,264,790	\$ 0

Findings

Recommendations

INTERNAL CONTROL DEFICIENCIES classified as material weaknesses were noted as follows:

None

1. Bank accounts are not being reconciled.
2. There is no follow-up on accounts receivable once they are billed.
3. General ledger control is nonexistent. The general ledger is not printed each month and no analysis work is done to ensure that the financial statements are correct.
4. Purchase orders are being written after an item has been purchased.
5. Vendor invoices are not being entered in the accounts payable system until they are ready to be paid.

Audited by Lannie J. Travis
Certified Public Accountant.

SAQA01397

COMMUNITY COUNSELING SERVICES, INC.
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets					Liabilities				
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total	Total Equity		
\$ 666,158	\$ 3,883,620	\$ 1,221,942	\$ 5,771,720	\$ 438,863	\$ 2,694,025	\$ 3,132,888	\$ 2,638,832		

Revenues					Expenditures					Other Sources (Uses)
Inter- governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 1,073,181	\$ 555,417	\$ 0	\$ 5,497,856	\$ 7,126,454	\$ 5,150,228	\$ 0	\$ 0	\$ 1,910,831	\$ 7,061,059	\$ 2,500

Findings	Recommendations
None	None

Audited by Jordan, Woosley, Crone & Keaton, Ltd.
Certified Public Accountants
SAQA01897

NORTH ARKANSAS HUMAN SERVICES SYSTEM, INC.
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

<u>Assets</u>										<u>Liabilities</u>			<u>Total Equity</u>
<u>Cash and Investments</u>	<u>Fixed</u>		<u>Other</u>	<u>Total</u>	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>		<u>Total Equity</u>				
\$ 1,471,547	\$ 11,993,548	\$ 3,917,254	\$ 17,382,349	\$ 4,202,657	\$ 7,305,121	\$ 11,507,778			\$ 5,874,571				

<u>Revenues</u>				<u>Expenditures</u>						<u>Other Sources (Uses)</u>
<u>Inter-governmental</u>	<u>Federal</u>	<u>Licenses and Fees</u>	<u>Other</u>	<u>Total</u>	<u>Salaries and Matching</u>	<u>Grants and Aid</u>	<u>Capital</u>	<u>Other Operating</u>	<u>Total</u>	<u>Other Sources (Uses)</u>
\$ 2,030,578	\$ 1,438,902	\$ 0	\$ 12,528,165	\$ 15,997,645	\$ 5,357,483	\$ 0	\$ 0	\$ 10,372,751	\$ 15,730,234	\$ 0

<u>Findings</u>	<u>Recommendations</u>
None	None

Audited by Baird, Kurtz & Dobson
Certified Public Accountants
SAQA01797

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

The DHS Director's Office has the administrative authority for the Department and includes the legal functions of the Office of Chief Counsel and the Equal Employment Opportunity Office. The Office of Chief Counsel is included in the Director's Office appropriation but is budgeted in a separate allocation. The DHS Director's Office is requesting a base level appropriation and funding for this biennium. Approximately 50% of the administrative budget is funded with federal dollars with the remaining 50% funded through a combination of state and agency generated funds. The program appropriation is funded with state general revenue. The Director's Office is requesting to place positions in the Career Ladder Incentive Program without appropriation or funding in both years of the biennium.

AGENCY DHS-Director's Office	DIRECTOR 	AGENCY PROGRAM COMMENTARY BR21	PAGE 42
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**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

DEPARTMENT OF HUMAN SERVICES

OFFICE OF CHIEF COUNSEL

For SFY '99, the Office of Chief Counsel is operating with a budget of \$7,632,181 of which \$3,447,793 or 45.17% is generated from State General Revenue. The remaining budget of \$4,184,388 is comprised of \$4,003,587 in Federal match, which represents 52.46% of total funding, and \$180,801 from other sources representing 2.37% of total funding for SFY '99. The Office of Chief Counsel has 160 budgeted positions for SFY '99. Of these positions, 155 are regular staff positions and 5 are extra help positions.

The Office of Chief Counsel's total change level request is \$466,551 for SFY 1999-2000 and \$461,589 for SFY 2000-2001. The requests for both years of the biennium are for **appropriation only**.

• **Capital Outlay**

\$116,924 in FY00 and \$111,563 in FY01 to replace computer equipment that is obsolete or incapable of being upgraded in order to access the departmental information system network.

• **Operating Expenses**

Increased costs of \$53,320 in FY00 and \$53,320 in FY01 for Legal Operations and \$281,950 in FY00 and \$281,950 in FY01 for the Audit Section to cover additional expenses associated with additional positions received as a result of the implementation of the new initiative for ensuring program and fiduciary integrity through contract and compliance monitoring at the agency and provider levels.

• **Position Reclassification/Upgrades**

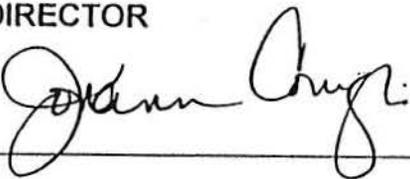
Reclassification/upgrade for one (1) manager in Fraud Investigations whose job duties have significantly increased over the past two bienniums. The upgrade is for 1 DHS Program Administrator.

Reclassification/upgrade for one (1) position in Audit. The job duties of this employee has changed significantly during the past biennium. The upgrade is for 1 Management Project Analyst I.

The total appropriation request for reclassification/upgrades is \$6,864 in FY00 and \$7,057 in FY01.

• **Career Ladder Incentive Program**

The total appropriation request for the Career Ladder Incentive Program is \$7,493 in FY00 and \$7,699 in FY01.

AGENCY DHS – OFFICE OF CHIEF COUNSEL	DIRECTOR 	AGENCY PROGRAM COMMENTARY BR21	PAGE 43
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ARKANSAS BUDGET SYSTEM DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE		1997-99				1999-01				1999-01			
DHS - Office of Director/Chief Counsel (710)		Expenditures				Biennium Request				Executive Recommendation			
Appropriations		Actual	No. of	Budgeted	No. of	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code	Name	1997-98	Pos.	1998-99	Pos.	1999-00	Pos.	2000-01	Pos.	1999-00	Pos.	2000-01	Pos.
868	Administration-Director	\$1,174,819	16	\$1,159,175	16	\$1,172,545	16	\$1,198,740	16	\$1,124,136	15	\$1,149,169	15
868	Administration-Chief Counsel	6,308,957	157	7,715,731	155	8,148,974	155	8,311,927	155	7,691,531	155	7,859,698	155
982	Inter-Divisional Programs	948,694	0	1,467,365	0	1,467,365	0	1,467,365	0	1,467,365	0	1,467,365	0
TOTALS		\$8,432,470	173	\$10,342,271	171	\$10,788,884	171	\$10,978,032	171	\$10,283,032	170	\$10,476,232	170
Funding Sources			% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances													
General Revenues		5,267,087	62.5%	5,607,123	54.2%	5,615,154	54.4%	5,710,462	54.3%	5,598,695	54.5%	5,693,608	54.4%
Special Revenues													
Federal Funds		3,626,602	43.0%	4,280,507	41.4%	4,268,095	41.3%	4,361,656	41.5%	4,236,145	41.2%	4,328,939	41.4%
Constitutional Officers Fund													
Merit Adjustment Fund				16,437	0.2%								
Fund Transfer-Medicaid		(813,098)	-9.6%										
Cash Funds													
Grants		351,879	4.1%	438,204	4.2%	439,084	4.3%	444,325	4.2%	439,084	4.3%	444,325	4.2%
Total Funding		8,432,470	100.0%	10,342,271	100.0%	10,322,333	100.0%	10,516,443	100.0%	10,273,924	100.0%	10,466,872	100.0%
Excess Appro./ (Funding)		0		0		466,551		461,589		9,108		9,360	
TOTAL		\$8,432,470		\$10,342,271		\$10,788,884		\$10,978,032		\$10,283,032		\$10,476,232	
DEPARTMENT				DIRECTOR					DEPARTMENT APPROPRIATION SUMMARY				
Department of Human Services Director's Office/Chief Counsel				Richard Weiss, Acting Director					BR 40				

ARKANSAS BUDGET SYSTEM DEPARTMENT PROGRAM SUMMARY

AGENCY TITLE	1997-99 Expenditures				1999-01 Biennium Request				1999-01 Executive Recommendation			
	Actual 1997-98	No. of Pos.	Budgeted 1998-99	No. of Pos.	Year 1 1999-00	No. of Pos.	Year 2 2000-01	No. of Pos.	Year 1 1999-00	No. of Pos.	Year 2 2000-01	No. of Pos.
DEPARTMENT OF HUMAN SERVICES (710) DIRECTOR'S OFFICE/CHIEF COUNSEL												
DIRECTOR' OFFICE												
Office of the Director	\$587,964	5	\$474,264	4	\$469,677	4	\$479,292	4	\$465,959	4	\$475,574	4
Office of the Deputy director	137,264	3	290,754	5	292,491	5	300,265	5	247,800	4	254,412	4
EEO/AA	350,949	7	281,753	6	293,294	6	299,692	6	293,294	6	299,692	6
Governor's Partnership	98,642	1	112,404	1	117,083	1	119,491	1	117,083	1	119,491	1
Inter-Divisional Programs	<u>948,694</u>	<u>0</u>	<u>1,467,365</u>	<u>0</u>	<u>1,467,365</u>	<u>0</u>	<u>1,467,365</u>	<u>0</u>	<u>1,467,365</u>	<u>0</u>	<u>1,467,365</u>	<u>0</u>
Sub-Total	2,123,513	16	2,626,540	16	2,639,910	16	2,666,105	16	2,591,501	15	2,616,534	15
CHIEF COUNSEL												
Chief Counsel	545,521	10	783,363	10	848,931	10	855,791	10	732,007	10	744,228	10
Legal Operations	631,966	19	818,006	15	842,624	15	861,199	15	789,304	15	807,879	15
County Legal Operations	1,886,534	48	2,172,110	49	2,264,059	49	2,314,988	49	2,264,059	49	2,314,988	49
Fraud/Internal Affairs	782,755	21	913,867	22	959,563	22	981,165	22	956,047	22	977,550	22
Audit	1,734,118	39	2,166,010	39	2,347,933	39	2,393,897	39	2,064,250	39	2,110,166	39
Appeals and Hearings	<u>728,063</u>	<u>20</u>	<u>862,375</u>	<u>20</u>	<u>885,864</u>	<u>20</u>	<u>904,887</u>	<u>20</u>	<u>885,864</u>	<u>20</u>	<u>904,887</u>	<u>20</u>
Sub-Total	6,308,957	157	7,715,731	155	8,148,974	155	8,311,927	155	7,691,531	155	7,859,698	155
TOTALS	\$8,432,470	173	\$10,342,271	171	\$10,788,884	171	\$10,978,032	171	\$10,283,032	170	\$10,476,232	170
Funding Sources												
		% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances												
General Revenues	5,267,087	62.5%	5,607,123	54.2%	5,615,154	54.4%	5,710,462	54.3%	5,598,695	54.5%	5,693,608	54.4%
Special Revenues												
Federal Funds	3,626,602	43.0%	4,280,507	41.4%	4,268,095	41.3%	4,361,656	41.5%	4,236,145	41.2%	4,328,939	41.4%
Constitutional Officers Fund												
Merit Adjustment Fund			16,437	0.2%								
Fund Transfer - Medicaid	(813,098)	-9.6%										
Cash Funds												
Grants	351,879	4.1%	438,204	4.2%	439,084	4.3%	444,325	4.2%	439,084	4.3%	444,325	4.2%
Total Funding	8,432,470	100.0%	10,342,271	100.0%	10,322,333	100.0%	10,516,443	100.0%	10,273,924	100.0%	10,466,872	100.0%
Excess Appro./ (Funding)	0		0		466,551		461,589		9,108		9,360	
TOTAL	\$8,432,470		\$10,342,271		\$10,788,884		\$10,978,032		\$10,283,032		\$10,476,232	
DEPARTMENT			DIRECTOR					DEPARTMENT PROGRAM SUMMARY				
DEPARTMENT OF HUMAN SERVICES OFFICE OF THE DIRECTOR/CHIEF COUNSEL			Richard Weiss, Acting Director					BR 22				

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

Act 348 of 1985 delegated administrative authority for the entire Department of Human Services to the Office of the Director. According to ACA §25-10-102, the Department operates under an integrated service delivery system provided by eleven divisions in addition to the Director's Office that includes the Office of Chief Counsel and the Equal Opportunity Office. Both the Director and Chief Counsel operate from the same appropriation but are given separate allocations. The DHS Director is responsible for establishing Departmental policy to carry out Executive Directives, federal and state legislative mandates or social coordination of services across Division lines when individuals and families are provided services by multiple programs. ACA§ 20-76-201 delineates the powers and duties of the Department of Human Services.

The Mission of the Department is "To provide quality services, within available resources, which enable people to maximize their potential and to increase their abilities; preserve and enhance human dignity and worth; and prevent or reduce the need for services."

The Office of Director has a total of 16 budgeted positions with 7 in the Equal Opportunity Office. This office is responsible for ensuring civil rights and equal opportunity. The Office provides technical assistance to employees and managers regarding their respective responsibilities as employees of the Department of Human Services.

The Office of Chief Counsel has 155 budgeted positions and provides legal, investigative, administrative hearing services and internal audit functions to the various Divisions and Offices within the Department of Human Services. There are six (6) specific areas of responsibility within OCC and a brief description follows:

Legal Operations include administrative issues as well as litigation pertaining to delivery of services, program administration, personnel, civil rights and overpayment collection. The County Legal Operations provides legal support services in all 75 counties. Currently attorneys are physically located in 15 county offices and provide assistance primarily in the areas of child welfare and adult protective services. Fraud Investigation staff pursue allegations of fraud with regard to matters such as Medicaid, food stamp and child nutrition with referrals for prosecution as necessary and appropriate. This unit also coordinates investigations with law enforcement agencies with regard to food stamp trafficking. The Appeals and Hearing services include those related to all categories of Medicaid, TANF, Child Maltreatment and employee grievances. The Audit Section conducts performance, compliance and financial audits and is also responsible for development of audit requirements and guidelines and monitors the resolution of issues identified in the audits performed.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS Director's Office	Name: Administration - Director	Name: Administrative	BUDGET REQUEST	46
Code: 710	Code: 868	Code: DAS	BR20	

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

The Director's Office/Office of Chief Counsel are funded from a mix of sources that include General Revenue, Federal Funds, and Other sources. Federal and Other funding is determined by the Department Cost Allocation plan with Other funds from sources such as client fees, food stamp and overpayment collections.

Base Level totals \$8,854,968 in FY00 and \$9,049,078 in FY01 with General Revenue of \$4,347,789 and \$4,443,097 respectively in FY00 and FY01 and includes a cost of living increase of 2.8% each year over the FY99 salary levels, and related personal services matching costs. Change Levels submitted are for appropriation only and total \$466,551 and \$461,589 in FY00 and FY01 respectively and include the following:

- Salaries and Personal Services Matching totaling \$14,357 in FY00 and \$14,757 in FY01 to accommodate the Career Ladder Incentive Program and position upgrades;
- Capital Outlay totaling \$126,924 in FY00 and \$121,563 in FY01 for replacement or upgrade of computer equipment in order to access the Departmental network;
- \$32,000 each year in Conference Fees and Travel for contract compliance monitoring activities; and
- \$293,270 each year for operating costs associated with the contract compliance monitoring activities throughout the Office of Chief Counsel.

The Executive Recommendation provides for Base Level, as reduced by restructuring actions necessary to accurately reflect the recent Resource Reallocation request presented to the Legislative Council's PEER Subcommittee. This restructuring has entailed the following realignments moving authorization to the Division of Administrative Services:

TRANSFERRED TO THE DIVISION OF ADMINISTRATIVE SERVICES

	# POS	REG SAL	MATCHING	OPER EXP	TRAVEL	TOTAL*	GEN REV FUNDS
FY 2000	1	\$34,843	\$9,848	\$3,483	\$235	\$48,409	\$16,459
FY 2001	1	\$35,819	\$10,034	\$3,483	\$235	\$49,571	\$16,854

**Balance of appropriation moved was federally funded*

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS Director's Office Code: 710	Name: Administration - Director Code: 868	Name: Administrative Code: DAS	BUDGET REQUEST BR20	47

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

Further, the Career Ladder Incentive program (CLIP) requests reflected in the Division's budget are intended to provide appropriate job classifications which may be utilized to promote classified employees who complete competency-based criteria during the biennium. The Executive Recommendation may reflect an adjustment in the requested CLIP levels for certain positions. These changes are to indicate the maximum job classification to which an employee would be expected to progress within the new biennium, based on the experience and other competency-based criteria required under the Program.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS Director's Office Code: 710	Name: Administration - Director Code: 868	Name: Administrative Code: DAS	BUDGET REQUEST BR20	48

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1999 - 01 BIENNIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----						
					97-98	98-99	-----FY 1999 - 00-----			-----FY 2000 - 01-----			-----EXECUTIVE-----		-----LEGISLATIVE-----				
					ACTUAL	BUDGETED	REQUEST			REQUEST			1999-00	2000-01	1999-00	2000-01			
001		PWP	710 868 150 04 FRAUD/INTERNAL AFFAIRS	C10			3,516 0					3,615 0							
<p>This request is to upgrade one (1) position in Fraud Investigations. The job duties of this position have significantly increased during the last two bienniums requiring a job audit be performed to properly classify this position. Appropriation without funding is requested for both years of the biennium.</p>																			
										2000	2001								
Appropriation only										\$3,516	\$3,615								
001		PWP	710 868 150 05 AUDIT	C01			281,950 0					281,950 0							
<p>This request is for unfunded appropriation to cover increases in Maintenance & Operations costs, Conference Fees and Travel costs, and Capital Equipment over the biennium associated with the additional audit positions to be received upon the implementation of a new initiative for ensuring program and fiduciary integrity through contract and compliance monitoring at the agency and provider levels. Appropriation without funding is requested for both years of the biennium.</p>																			
										2000	2001								
Appropriation only										\$281,950	\$281,950								
001		PWP	710 868 150 05 AUDIT	C10			3,348 0					3,442 0							
<p>This request is to upgrade one (1) position in the Audit Section. The job duties of this position have significantly changed during the last biennium requiring a job audit be performed to properly classify this position. Appropriation without funding is requested for both years of the biennium.</p>																			
										2000	2001								
Appropriation only										\$3,348	\$3,442								

DEPT 019 DEPARTMENT OF HUMAN SERVICES
AGY 710 DEPARTMENT OF HUMAN SERVICES
APPRO 868 ADMINISTRATION - DIRECTOR
FUND PWP DHS-(710)ADHIN PAYING

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ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19				
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1999 - 01 BIENNIIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----									
					---ACTUAL--- 97-98	---BUDGETED--- 98-99	-----FY 1999 - 00-----		-----FY 2000 - 01-----		-----EXECUTIVE-----		-----LEGISLATIVE-----									
							REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01										
002		PWP	710 868 100 03 EEO/AA OFFICE	C09			0	0														
<p>The Director's Office, Equal Employment Opportunity Unit is requesting positions be included in the Career Ladder Incentive Program without appropriation and funding for both years of the biennium.</p>																						
002		PWP	710 868 150 01 CHIEF COUNSEL	C09			0	0														
<p>This request is for the authorization of a Junior Auditor position at a higher level as part of the Career Ladder Incentive Program. No appropriation or funding is being requested in either year of the biennium.</p>																						
002		PWP	710 868 150 02 LEGAL OPERATIONS	C09			2,203	2,265														
<p>This request is for the authorization of several positions at a higher level as part of the Career Ladder Incentive Program. Most of these positions are Attorney classifications. One is an Administrative Assistant I. Appropriation without funding is requested for both years of the biennium.</p>																						
<table style="width: 100%; border: none;"> <tr> <td style="width: 40%;"></td> <td style="text-align: center; border-bottom: 1px solid black;">2000</td> <td style="text-align: center; border-bottom: 1px solid black;">2001</td> </tr> <tr> <td style="text-align: center;">Appropriation only</td> <td style="text-align: center;">\$2,203</td> <td style="text-align: center;">\$2,265</td> </tr> </table>																		2000	2001	Appropriation only	\$2,203	\$2,265
	2000	2001																				
Appropriation only	\$2,203	\$2,265																				

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 868 ADMINISTRATION - DIRECTOR
 FUND PWP DHS-(710)ADMIN PAYING

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ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19						
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1999 - 01 BIENNIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----											
					---ACTUAL--- 97-98	---BUDGETED--- 98-99	-----FY 1999 - 00 REQUEST-----			-----FY 2000 - 01 REQUEST-----			-----EXECUTIVE-----		-----LEGISLATIVE-----									
														1999-00	2000-01	1999-00	2000-01							
002		PWP	710 868 150 03 COUNTY LEGAL OPERATIONS	C09			2,550 0					2,619 0												
<p>This request is for the authorization of several positions at a higher level as part of the Career Ladder Incentive Program. All of the positions are Attorney classifications. Appropriation without funding is requested for both years of the biennium.</p>																								
<table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;"><u>2000</u></td> <td style="text-align: center;"><u>2001</u></td> </tr> <tr> <td style="text-align: right;">Appropriation only</td> <td style="text-align: right;">\$2,550</td> <td style="text-align: right;">\$2,619</td> </tr> </table>																<u>2000</u>	<u>2001</u>	Appropriation only	\$2,550	\$2,619				
	<u>2000</u>	<u>2001</u>																						
Appropriation only	\$2,550	\$2,619																						
002		PWP	710 868 150 04 FRAUD/INTERNAL AFFAIRS	C09			0 0					0 0												
<p>This request is for the authorization of three positions at a higher level as part of the Career Ladder Incentive Program. Two of the positions are Secretary II classifications and one is a Clerk Typist. No appropriation or funding is being requested in either year of the biennium.</p>																								
002		PWP	710 868 150 05 AUDIT	C09			2,740 0					2,815 0												
<p>This request is for the authorization of several positions at a higher level as part of the Career Ladder Incentive Program. All of these positions are Junior Auditor classifications. Appropriation without funding is requested for both years of the biennium.</p>																								
<table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;"><u>2000</u></td> <td style="text-align: center;"><u>2001</u></td> </tr> <tr> <td style="text-align: right;">Appropriation only</td> <td style="text-align: right;">\$2,740</td> <td style="text-align: right;">\$2,815</td> </tr> </table>																<u>2000</u>	<u>2001</u>	Appropriation only	\$2,740	\$2,815				
	<u>2000</u>	<u>2001</u>																						
Appropriation only	\$2,740	\$2,815																						

DEPT 019 DEPARTMENT OF HUMAN SERVICES
AGY 710 DEPARTMENT OF HUMAN SERVICES
APPRO 868 ADMINISTRATION - DIRECTOR
FUND PWP DHS-(710)ADMIN PAYING

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ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1999 - 01 BIENNIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					97-98	98-99	-----FY 1999 - 00-----		-----FY 2000 - 01-----				-----EXECUTIVE-----		-----LEGISLATIVE-----			
							REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01	
002		PWP	710 868 150 06	C09			0					0						

This request is for the authorization of two positions at a higher level as part of the Career Ladder Incentive Program. One position is a Management Project Analyst I and the other is a Secretary II. No appropriation or funding is requested in either year of the biennium.

DEPT 019 DEPARTMENT OF HUMAN SERVICES
AGY 710 DEPARTMENT OF HUMAN SERVICES
APPRO 868 ADMINISTRATION - DIRECTOR

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**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

The DHS Interdivisional Program Appropriation provides for integrated services and programs for individuals with complex needs requiring the combined efforts of multiple DHS Divisions. The programs/services are for individualized "wrap-around" services (e.g. respite care, in-home assistance, out of home support, etc.) to supplement and enhance available program options. The individualized wrap around services are alternatives to out-of-state placements and residential options in-state. This appropriation also includes the Governor's Partnership Council which is a collaborative effort of the DHS, Department of Health and Department of Education to facilitate services at the local community level, soliciting input from local area citizens regarding the needs of the individual community and developing the mechanisms for systemic modifications to best meet the ever changing needs of the persons receiving services through these agencies.

This appropriation is funded with General Revenue and Other funds from an Annie Casey Foundation Grant. There was a net decrease of \$394,399 in Appropriation in the FY97-99 Biennium. A total of \$1,761,792 in General Revenue funded this appropriation in FY98 with expenditures of \$948,694 and \$813,098 funding transferred to the Medicaid Program. Base Level and the budgeted amount in FY99 is \$1,467,365 with \$1,267,365 in General Revenues and \$200,000 in Other funding. The Agency's request is Base Level with no Change Levels.

The Executive Recommendation provides for the Base Level.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS - Director's Office Code: 710	Name: Director's Office Inter-Divisional Programs Code: 982	Name: DHS Administrative Code: DAS	BUDGET REQUEST BR20	55