

# DHS - Services For The Blind

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HUMAN SERVICES  
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

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

## **State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2015**

State Contracts over \$50,000 awarded to Minority Owned Businesses are reported under the DHS Director's Office/Office of Chief Counsel.

## Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Recommendations					
	2014-2015		2015-2016		2015-2016		2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
896 Division of Services for the Blind	4,692,187	77	7,381,161	82	6,706,020	76	6,707,870	76	6,707,870	76	6,707,870	76
898 Purchase of Services	3,589,261	0	6,720,187	0	5,019,977	0	5,019,977	0	5,019,977	0	5,019,977	0
Total	8,281,448	77	14,101,348	82	11,725,997	76	11,727,847	76	11,727,847	76	11,727,847	76
Funding Sources		%		%			%		%		%	
General Revenue 4000010	1,902,108	23.0	1,883,424	13.4		1,904,194	16.7	1,904,194	16.7	1,904,194	16.7	
Federal Revenue 4000020	6,379,340	77.0	12,207,215	86.6		9,523,653	83.3	9,523,653	83.3	9,523,653	83.3	
Various Program Support 4000730	0	0.0	10,709	0.1		0	0.0	0	0.0	0	0.0	
Total Funds	8,281,448	100.0	14,101,348	100.0		11,427,847	100.0	11,427,847	100.0	11,427,847	100.0	
Excess Appropriation/(Funding)	0		0			300,000		300,000		300,000		
Grand Total	8,281,448		14,101,348			11,727,847		11,727,847		11,727,847		

Budget exceeds Authorized Appropriation in FC 896 Division of Services for the Blind and FC 898 Purchase of Services due to a transfer from the Miscellaneous Federal Grant Holding Account.

## **Analysis of Budget Request**

**Appropriation:** 896 - DHS–Admin Paying Account

**Funding Sources:** PWP - Administration Paying

In 1983, Act 481 was passed, creating the Division of State Services for the Blind (DSB). The Act removed the Division from the jurisdiction of the Department of Rehabilitation Services and made it an autonomous state agency within the Department of Human Services. The Division is responsible for its own State Plan under the Federal Rehabilitation Act. Agency direction and performance responsibility lies with a seven (7) member consumer board comprised of organization representatives involved in providing services for people who have visual impairments. The member organizations include those such as Arkansas Lions, Blinded Veterans Association, Lions World Services for the Blind, Arkansas School for the Blind, and the Arkansas Affiliate of the National Federation of the Blind. By law, the majority of the members of the Board must be persons who are blind. This organizational structure was maintained in the reorganization of the Department when Act 348 of 1985 was passed. Services to individuals with visual impairments are provided by agency staff and by contracting with service providers who specialize in services for people with visual impairments.

DSB serves consumers through three interdependent units: Field Services, Vending Facility Program, and the DSB Directors Office. These three service units were designed by the DSB Board to offer two advantages to the State of Arkansas:

- First, to enhance the personal self-sufficiency of consumers eliminating costs associated with unnecessary skilled care; and
- Second, to maximize the potential contributions made by consumers as citizens and taxpayers.

The agency is funded through general revenue (DSB - State Services for the Blind Fund Account). Federal funding sources include revenues derived from the federal Department of Education - Rehabilitation Services Administration, Social Security Administration; as well as, federal grant funding such as the Social Services Block Grant. Other revenues which are indicated as various program support can include sources such as M&R proceeds and refunds.

896 DHS - Administrative Paying Account

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

898 DHS - Grants Paying Account

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

## Appropriation Summary

**Appropriation:** 896 - DHS--Admin Paying Account

**Funding Sources:** PWP - Administration Paying

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	2,563,531	3,056,181	2,903,231	2,904,731	2,904,731	2,904,731
	<b>#Positions</b>	<b>77</b>	<b>82</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>76</b>
Extra Help	5010001	51,828	384,174	384,174	384,174	384,174	384,174
	<b>#Extra Help</b>	<b>15</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
Personal Services Matching	5010003	974,015	1,147,494	1,090,478	1,090,828	1,090,828	1,090,828
Operating Expenses	5020002	957,596	1,999,812	1,584,637	1,584,637	1,584,637	1,584,637
Conference & Travel Expenses	5050009	63,389	105,000	55,000	55,000	55,000	55,000
Professional Fees	5060010	63,406	663,500	663,500	663,500	663,500	663,500
Data Processing	5090012	0	0	0	0	0	0
Purchase of Services	5100004	3,589,261	6,720,187	5,019,977	5,019,977	5,019,977	5,019,977
Capital Outlay	5120011	18,422	25,000	25,000	25,000	25,000	25,000
<b>Total</b>		<b>8,281,448</b>	<b>14,101,348</b>	<b>11,725,997</b>	<b>11,727,847</b>	<b>11,727,847</b>	<b>11,727,847</b>
<b>Funding Sources</b>							
General Revenue	4000010	1,902,108	1,883,424		1,904,194	1,904,194	1,904,194
Federal Revenue	4000020	6,379,340	12,207,215		9,523,653	9,523,653	9,523,653
Various Program Support	4000730	0	10,709		0	0	0
<b>Total Funding</b>		<b>8,281,448</b>	<b>14,101,348</b>		<b>11,427,847</b>	<b>11,427,847</b>	<b>11,427,847</b>
Excess Appropriation/(Funding)		0	0		300,000	300,000	300,000
<b>Grand Total</b>		<b>8,281,448</b>	<b>14,101,348</b>		<b>11,727,847</b>	<b>11,727,847</b>	<b>11,727,847</b>

Budget exceeds Authorized Appropriation in Regular Salaries, Personal Services Matching, Operating Expenses, Conference & Travel Expenses, and Purchase of Services due to a transfer from the Miscellaneous Federal Grant Holding Account.