

DHS - Administrative Services

Enabling Laws

Act 157 of 2012
A.C.A. §25-10-102

History and Organization

The Division of Administrative Services was originally created in Act 348 of 1985 when the Department went through reorganization. The Divisions of Management and Finance have subsequently merged into one division and is known as the Division of Administrative Services. The consolidation resulted in reduced administrative costs, alignment and streamlining of associated administrative functions and more significantly, strengthened internal controls for more efficient operations of not only the Division but the Department. The current configuration of the Division provides program divisions with a central point of contact for administrative, personnel, contracts, grants, purchasing, budgeting, funds management, payroll, accounts payable and receivable functions as well as departmental information technology. There are 309 positions budgeted in FY2011.

The Division of Administrative Services has two distinct areas of responsibility: All administrative functions of finance, accounting, personnel and contracting are assigned to the DHS Chief Administrative and Fiscal Officer and the area is known as the Office of Finance and Administration. All information technology functions are assigned to the Chief Information Officer and the area is known as the Office of Systems and Technology.

The Office of Finance and Administration is responsible for the following functions:

The CAFR Section directs and oversees the proper accounting of all DHS transactions. This section performs oversight and routine functions in three primary areas: financial accounting, contract/grant monitoring, and asset management. It is comprised of accounting staff including 5 CPAs, grants/contract specialists, and administrative support staff. Located in the CFOs office, this section secondarily serves as a data and special project resource for the department on financial matters.

The Accounting Unit conducts monthly reviews of the trial balance including 200 funds, makes all necessary adjusting entries, is responsible for all year end financial reporting to DFA-CAFR Section, performs bank reconciliations for over 90 commercial bank accounts and journals the activity from these accounts in AASIS, and serves as technical assistant for the DHS Risk Assessment annually. Routine monitoring by this unit includes not only revenue and expense accounts but also liability accounts used by the AASIS system in posting routine accounting transactions and asset purchase transactions.

The Asset Manager provides oversight and serves as the central point of contact for all DHS asset deactivations and asset audit inquiries. Additionally, the Asset Manager provides technical assistance to all DHS division asset managers and serves as liaison to DFA/AASIS personnel. Annual certifications of fixed asset inventories from DHS divisions are maintained by the Asset Manager.

The Grants/Contract Unit provides technical assistance, purchase order creation, good receipting, and general monitoring for grants and contracts for DHS program divisions. Routinely this unit works with division personnel to correct open items in the liability account utilized in purchase order processing in AASIS. This unit compiles, prepares and submits the Social Services Block Grant (SSBG) Statistical Report annually. Additionally, the administrative function of issuing and tracking DHS Central Office parking permits and all DHS employee picture ID badges is performed in this unit.

The General Operations Section directs the processing of travel reimbursements, payments of invoices for general operating expenses of the department, vendors, clients and providers and coordinates the distribution of various information pertaining to the Central Travel System Accounts. These functions are performed within Administration, Payables/Cash Management, Purchase Order and Payroll Units of the General Operations Section.

The Payables and Cash Management Units processes and disburses approximately 400,000 payments totaling more than one billion dollars yearly. These payments include approximately 163,000 travel reimbursements, provider payments, general expenses and credit card payments. The Unit processes payments to DHS clients who participate in the TEA Diversion and Transportation Programs which provide assistance to economically needy families, Foster Care Trust Program that manages the funds of over eight hundred fifty(850) children who are in the Foster Care Program. In addition, the Unit processes cash disbursements to vendors and clients for thirty-five (35) DHS checking accounts. It also reviews and disburses funds for payments made to vendors, providers, clients, and employees; issues telephone cards based on applications from the DHS divisions; certifies prior year payments, coordinates activities associated with the department Central Travel System Accounts, processes/reconciles approximately 215,000 Purchasing Card (P-card) transactions per month and prepares the Sales and Use Tax Rebates requests for county and local taxes, coordinates responses on 1099 information for DFA and submits vendor information to DFA to update the AASIS vendor file.

The Purchase Order Unit processes approximately 185,000 invoices within a fiscal year. These payments include utilities, rent for office space, postage, petty cash funds, janitorial services, medical services, judicial awards, nursing home fees, professional service fees, vendor/client information, processes warrant cancellations and warrant reissues requests. The Unit also assists in the preparation and submission of the weekly and monthly reports for Sales and Use Tax Rebates requests for county and local taxes, prepares vendor information to update the AASIS vendor file and coordinates the resolution of various items that create delays in the processing of invoices.

The Payroll Unit directs the centralized management and processing of the department's payroll and benefits functions for 7,968 employees. It also manages and coordinates the annual insurance enrollment process, transactions related to employees' retirement, sick and annual leave, overtime compensation and responds to an estimated 20,928 inquiries for technical assistance.

The General Operations Section has developed and implemented an on-line electronic travel reimbursement system that has reduced the length of time required to reimburse employees for out-of-pocket travel costs and an on-line database that is utilized to communicate problems related to the payment of invoices.

The Managerial Account Section directs the comprehensive management of budgeting/banking, cost allocation, funds and grants management, and accounts receivable functions within the department.

The Budget Unit compiles and coordinates the Annual Operations Plan as well as the Departmental Biennial Budget totaling over \$4.5B. The Budget Unit is also responsible for ensuring that budgets are in balance at all times, income for each appropriation is updated with additional grant awards, monitors funds to the certified amounts of each appropriation, submits proper adjustments for entry into AASIS. The banking area is responsible for proper accounting and depositing of all cash funds received in the department, processing all requests for grant refunds to expenditure and coordinating the activities with DFA and the State Treasury for accurate posting and account activities.

The Cost Allocation/Research & Statistics Unit is responsible for the daily functions and maintenance of the department's Cost Allocation Plan (CAP) and guiding principles whereby the department can claim federal financial participation (FFP) on the allowable administrative costs associated with each grant administered by the agency. The CAP must be approved by the federal office of Cost Allocation, U. S. Department of Health and Human Services, Dallas Regional Office anytime there is a change. Changes can include items such as adding, changing or deleting cost coding information in a division or office, any reorganization or creation of new areas of operation. The Cost Allocation Unit is responsible for working with DHS divisions to develop, submit, and implement CAP amendments. CAP amendments must be submitted to the Division of Cost Allocation and receive approval prior to implementation. The Cost Allocation Unit, working with the Office of Systems and Technology has fully automated the cost allocation process eliminating manual data transfers, fully automating all reporting aspects, and eliminating manual worksheet percentage calculations from staff time study and headcount inputs. The most recent upgrades to the department's Cost Allocation system include the ability to report expenditures by specific Grant Award and accurately reflect Fund balances and Grant Award balances by funding source. The Research and Statistics unit is responsible for developing legislatively mandated Annual Statistical Report and performs other research and analysis as needed or requested.

Grants and Funds Management Unit is responsible for the management and proper accounting of all grant funds received by DHS, as well as ensuring funds are in the proper accounts to process payments through the AASIS system. All of the additional positions received in Managerial Accounting requiring a CPA license or CPA exam eligibility, are filled and the personnel in these positions have

been instrumental in developing and implementing processes, procedures, and requirements for the daily drawing of funds for direct and indirect expenditures. These new procedures strengthen the monitoring of fund balances and improve the capacity to provide timely information to all affected parties. A major accomplishment this year was the development of the Grants Database that contains detailed information on every federal grant award under the stewardship of DHS. The combination of the Grants Database and the newly established funds procedures provide information for accurate and timely reporting to the federal agencies, as well as the required grant year-end CAFR reporting to DFA. Additionally, the Funds Management Unit has implemented the DHS portion of the State's updated CMIA and monitors for compliance with the State's Treasury Agreement. The Grants and Funds Management Unit also coordinates the \$18M funds awarded the department under the Social Services Block Grant.

Accounts Receivable Unit is responsible for the collection process and receipt of overpayments within the department, repository for Receipts due to fraud and initiation of the State Tax Intercept for those monies not collectable by other means. The automated Overpayment System tracks responsible household members who have received an overpayment of Food Stamps, TEA, Medicaid, and to collect those over payments through recoupment of benefits. This system provides the ability to systematically load these debts to Treasury and DFA Income Tax Offset for collection, automatically generates reports for new claims established, payment history, claims paid, claims pending prosecution, automatically creates claim files for the Fraud Unit when a claim is suspected to have occurred as a result of fraudulent reporting or activity and automatically produces notices when prompted. This unit is responsible for collecting all debts owed the department and the State until and unless sufficient evidence is presented that clearly shows the claim is uncollectable, not allowable by law (Forensics unit) or legal process has cleared the debt. All supporting documentation is submitted along with a request to the Chief Fiscal Office of the State asking for abatement of the claim. The Chief Fiscal Officer of the State must provide written approval for the department to clear the DHS books of a debt owed.

The Human Resources Section provides administrative/personnel services that support DHS.

The Recruitment and Placement Section of HR markets and promotes DHS as a great place to work and regularly advertises vacant positions for all DHS divisions and locations. This section ensures that every qualified applicant is provided an equal opportunity for employment consideration in accordance with personnel/employment laws and policies. In 2009, the recruiters attended 96 job fairs in the State of Arkansas, as well as four border-states, in a concerted effort to attract qualified candidates to come work for DHS. In addition to recruiting activities, the Recruitment and Placement staff performs employment application processing and minimum qualification screening of applicants. For 2010 Fiscal year, DHS received 121,150 job applications, which is a record volume. To better manage this growing volume and reduce paper/postage costs, the Recruitment and Placement section designed and implemented a new electronic applicant tracking system which provides for submitting on-line job applications and on-line communication with applicants. The section includes the DHS main Call Center, which logged 36,990 calls in 2009, and 39,948 calls for FY 2010.

The Organizational Development and Training Section of HR, (formerly Staff Development), develops trainings/workshops for the professional development and training of DHS employees and improving the overall organization culture and work effectiveness.

Organizational Development (ODT) has provided leadership development training to over 1,100 managers/supervisors, and trained 610 new supervisors in basic management skills, employee performance evaluation and discipline procedures, and all mandated Personnel policies and procedures. In FY2010, ODT designed and implemented a new DHS employee Career Development Program, offering classes to 2,607 participating employees to enhance their interpersonal and professional skills, computer skills, and strengthen teamwork and customer service skills. With an aging workforce and senior level employees retiring, it is essential for DHS to continue to invest in the professional growth and development of the younger generation and entry-level employees through training and preparing them to assume more responsible roles in the future.

The Classification and Compensation section is responsible for coordinating and processing personnel actions affecting positions, job classifications/titles, and employee compensation to ensure uniform application of federal and state personnel laws and policies regarding classified career service and professional and executive pay plans and salaries for over 7,500 employees. This section coordinates with the State Office of Personnel Management(OPM) in properly classifying positions and special compensation decisions, including requests for special Labor Market Rates/ Exceptionally Well Qualified, Concurrent Employment requests, Fair Labor Standard Act, job classification/salary studies, and the Nursing classifications pay grid are processed in this area. This area also processes all DHS Division's Hiring Freeze Requests to fill vacant positions and coordinates approval processing with OPM.

The Personnel Processing Section is responsible for processing/data entry of personnel status change transactions bi-weekly into AASIS, which includes new hires, terminations, promotions, retirements, cross grades and other personnel changes. The Processing Unit performs maintenance of approximately 7,500 employee manual Personnel files and electronic records and an automated imaging system of scanning all files for a paperless filing system. This unit processes approximately 1,000 personnel status actions monthly for DHS.

The Policy and Administrative Program Management Section in Human Resources assists with writing and promulgating administrative and personnel policies for program divisions and communicating policy changes to affected employees. The section is directly involved in daily processing of drug screens for new hires and employees through and independent laboratory, and also conducts criminal background checks of new hires. This section is responsible for the administration of the employee Catastrophic Leave Program, and compliance with Family Medical Leave Act, Americans with Disabilities Act, and ensures compliance with all Personnel laws and policies. This section is also responsible for coordination of the emergency evacuation plan and procedures for the DHS central office complex in Little Rock, AR.

The Contract Support Section (CCS) directs procurement, purchasing, contracting, facility management, and sub-granting functions throughout DHS as well as providing direct logistical support to all agency elements for warehousing, printing/copying services, mailroom services, telecommunication services and installation, and vehicle fleet management activities with a staff of specialists in ten field units statewide. On an annual basis CSS coordinates approximately 5,300 legal agreements to fulfill the entire spectrum of DHS primary mission, including more than 560 professional service contracts valued at approximately \$800 million; over 740 sub-grants

valued at approximately \$120 million; and approximately 4,000 day care voucher agreements. Field and Little Rock contracts officers work intensively with all ten program divisions to develop professional service contracts in a timely and accurate manner to provide program continuity and full administrative compliance despite a changing operational/regulatory environment and challenging budget constraints. CSS coordinates presentation of contracts and sub-grants for legislative review, in compliance with state procurement statutes and Act 1032 of 1999. Field and Little Rock staff performs on-site monitoring of contracts to insure administrative compliance with stringent provisions of Social Service Block Grant in regard to eligibility of clients, comprehensive documentation of service delivery by demographic categories; and verification of program integrity through service-to-billing audits. CSS provides centralized procurement of all technical services and commodities over \$25,000 for the agency, under special delegation order from the DFA Office of State Procurement, and performs the resulting creation of over 6,000 purchase orders valued at approximately \$18 million.

Central Support Unit (CSU) directs facility construction projects valued at \$48 million through planning, approval, legislative review, execution, and payment phases for all DHS institutions and program divisions. Related activities include leasing functions and facility management assistance for more than 112 DHS facilities statewide, including central headquarters complexes at Donaghey Plaza and Markham campus in Little Rock and county offices statewide.

In addition, CSU directs fleet management of 459 vehicles statewide, including periodic maintenance tracking; and coordination of vehicle reporting and replacement through the Department of Finance and Administration. CSS provides technical assistance and field support for all DHS program divisions statewide for materiel storage and distribution, mail and shipping services, copying/printing, and telecommunication/data installation.

The Office of Systems and Technology's stated mission is to provide, coordinate, and manage information technology solutions in a manner that best supports DHS strategic objectives, and to embrace a technological vision that makes us integral partners in the delivery of human services to Arkansas citizens. To accomplish this mission, the 39 positions in this office are dedicated to ensuring that the program divisions and other support divisions of the department have the application software and the technology infrastructure needed to efficiently and effectively perform their duties. This section also upholds the public trust that all information contained on the DHS networks is reliable and protected from disclosure except to those who have a need to know. To accomplish these goals, the office is organized into the following sections:

The Administration section, in addition to taking care of clerical tasks for the entire office, provides centralized purchasing for all information technology procurements within the entire department. Standards are established and maintained for equipment and software to provide the department with better pricing due to volume purchases and with reduced maintenance costs and time spent since our technical support personnel have a defined inventory of equipment to service. Any purchase that is for non-standard equipment or software must be approved by the Chief Information Officer. All purchases are also checked to make sure they were included in the state's biennial IT plan. The purchasing group is responsible for purchasing over 2,500 desktops/laptops each fiscal year and all servers and software required to operate a network of 108 locations, 7,500 workstations, and 130 servers.

In addition to centralized and coordinated purchasing, the administrative section is also responsible for negotiating, executing, and monitoring of the department's information systems support contract. This multi-year contract provides quality assurance, project management, application maintenance, application development, network engineering and network administration for the department. Any new program developments with a scope of effort in excess of 6 months are handled through this contract as well as the maintenance of most of the department's 103 applications.

A position of Information Technology Security Officer was added to the office during state fiscal year 2007. In the past, the CIO had taken care of security in his spare time but we all know that security is a full time job in and of itself. This new position is responsible for making certain our network is protected from outside intrusions and develops and monitors security policies and security training for the employees of the department.

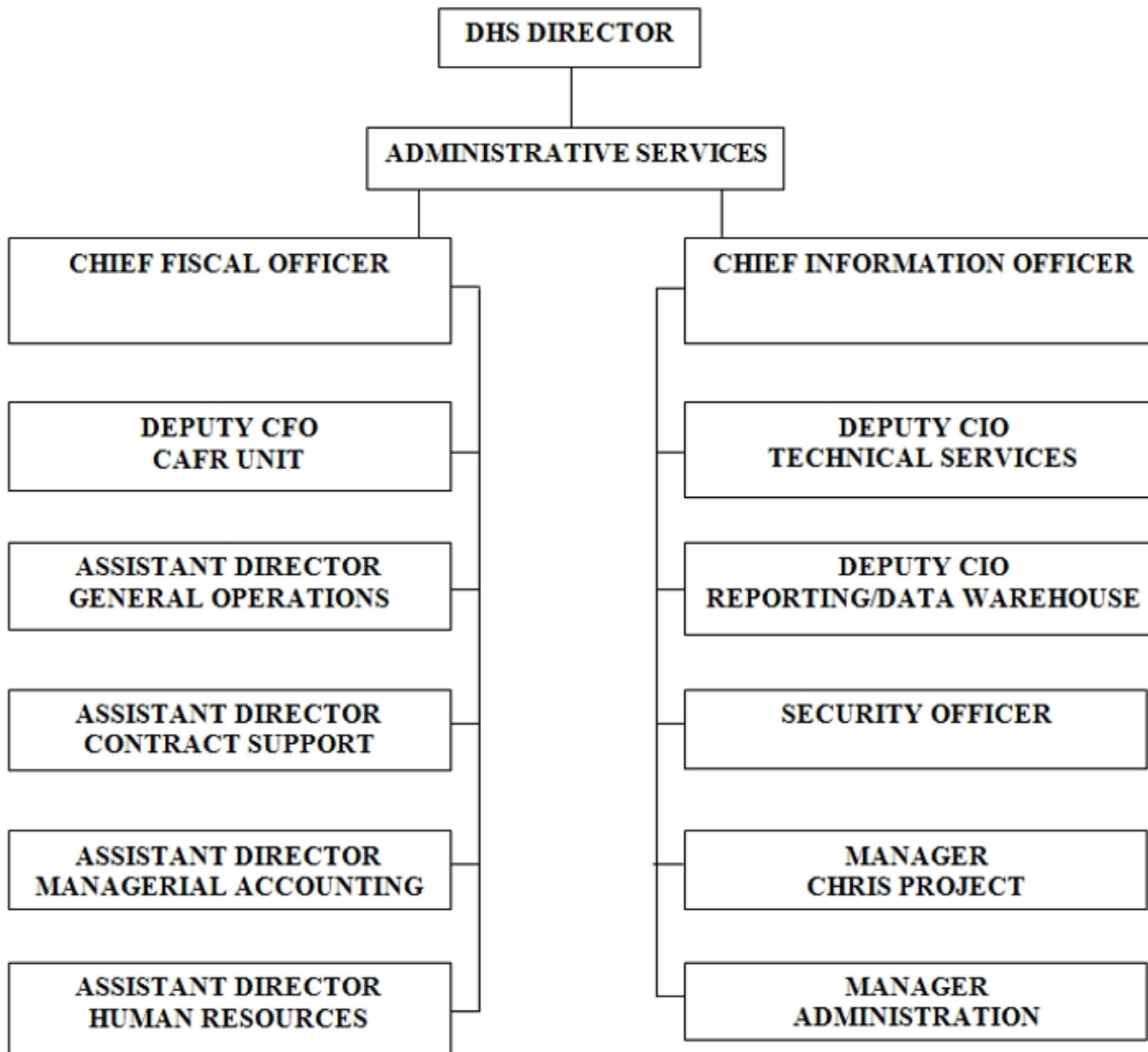
The Chief Information Officer also serves as technical advisor for the program divisions and support offices. Whenever they have a need, problem, or question, this is the person to ask.

The Technical Support section is primarily responsible for keeping the equipment in our facilities outside of Pulaski County updated and operating properly. This small group of technical support specialists maintains almost 6,000 workstations in addition to the servers supporting these facilities. They not only make sure the equipment in their regions are running smoothly but also answer technical questions our employees might have while they are on site.

This section is also responsible for maintenance of the content of the Department's internet and intranet web sites as well as assisting in the setup of new employee network and email accounts. The office has developed a daily monitoring of employee movements/hiring/terminations using extracts from the state personnel files to ensure that network access is quickly removed for employees leaving the department and is quickly created for our new employees.

The CHRIS Project Management Team, created during the development of the Children's Reporting and Information System (CHRIS) application, continues the overall Management of the CHRIS reporting system. This application was developed to comply with the requirements of the federal DHHS/Administration of Children and Families State Automated Child Welfare Information System project (SACWIS). It was a multi-year project, completed in the fall of 2006. Arkansas is one of the states that have met the rigorous requirements of this application.

Reporting and Programming: The final section of OST is the one that supports any reporting assistance needed by any division in extracting meaningful reports from the information contained in their application databases. In addition, this group supports the use of our intranet web site (DHS Share) and the agency imaging application (Edoctus).



Agency Commentary

The Divisions' requests for the 2013-2015 Biennium consists of a request for restoration of 41 positions not budgeted in fiscal year 2013. This request is due to our internal needs but also to assist the program divisions when/if there is a need for a position and utilize internally the resources available to the Department. There have been circumstances when we were able to provide a position through the Reallocation of Resources provision of the Administration Appropriation Act which allowed a program division to provide a direct service in the community. Without the transfer (and transfer authority), services would have been less or non-existent for people across the state to whom the Department provides services. Additionally, we need to be able to provide needed assistance for the myriad functions of this division. Examples of the needs are federal financial reporting responsibilities, on-going requirement of reconciliation of funds, reconciliation of expenses to cost allocation, requesting funds from granting agencies, development, implementation and monitoring of contracts and processing invoices for payments, monitoring and balancing checking accounts, processing travel documents, processing payroll every two weeks, managing the financial aspects of the Foster Care Trust Fund as well as the processing and management of accounts receivable functions. We must also be able to continue to provide the support for the infrastructure necessary for technological operations. The Department has invested a great deal of effort to automation activities for efficient and effective operations and without adequate personnel to support these activities, we will continue to operate manual systems, respond to requests slowly and inadequately, and fail to meet federal requirements for automated systems.

We also request unfunded appropriation for maintenance and operations if additional funding becomes available, for conferences and fees due to increased involvement in the National Association of Human Services Financial Officers, and for Professional Fees and Services if additional funding becomes available for our "going paperless projects."

We have also discontinued our ARRA appropriation and funding.

Audit Findings

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

Findings

Recommendations

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

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

None

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
1200100	\$0	Checking	Not Established

Statutory/Other Restrictions on use:

Purchase of Service-Immediate care, short-term, or emergency services to eligible clients.

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Utilized on an emergency basis.

Fund Balance Utilization:

None

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Arkansas Department of Human Services (SFY) Statistical Report	Act 414, Section 24 of 1961	Y	Y	15	Law requires. Distribution has decreased from 200 to 15 published copies. Outside requestors will be informed to access the web. Data is used for trending analysis, research and/or studies.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1DE Various Building Construction	3,533,285	0	7,648,900	0	7,688,100	0	7,648,900	0	7,648,900	0	7,648,900	0	7,648,900	0	7,648,900	0	7,648,900	0
414 Consolidated Cost	646,289	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0
896 Division of Administrative Services	29,443,011	305	29,940,595	291	34,556,971	338	30,029,061	291	34,087,022	332	34,087,022	332	30,042,121	291	34,100,082	332	34,100,082	332
898 Social Srvs Blk Grant-Fed	0	0	139,733	0	139,733	0	139,733	0	139,733	0	139,733	0	139,733	0	139,733	0	139,733	0
C99 Client Specific Emergency Services-Cash	0	0	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0	120,000	0
NOT REQUESTED FOR THE BIENNIUM																		
58G ARRA of 2009	8,111,327	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	41,733,912	305	39,170,728	291	43,326,304	338	38,759,194	291	42,817,155	332	42,817,155	332	38,772,254	291	42,830,215	332	42,830,215	332

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	5,442,393	11.7	4,933,565	12.5		367,809	0.9	367,809	0.9	367,809	0.9	0	0.0	0	0.0	0	0.0
General Revenue	4000010	11,158,735	23.9	11,086,659	28.0		11,268,689	29.1	11,268,689	29.1	11,268,689	29.1	11,272,669	29.1	11,272,669	29.1	11,272,669	29.1
Federal Revenue	4000020	12,009,045	25.7	12,743,988	32.2		12,814,298	33.1	12,814,298	33.1	12,814,298	33.1	12,821,229	33.1	12,821,229	33.1	12,821,229	33.1
Cash Fund	4000045	0	0.0	120,000	0.3		120,000	0.3	120,000	0.3	120,000	0.3	120,000	0.3	120,000	0.3	120,000	0.3
Merit Adjustment Fund	4000055	235,400	0.5	154,008	0.4		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA	4000244	0	0.0	25,000	0.1		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reimbursement	4000425	11,135,784	23.9	3,583,144	9.1		7,281,091	18.8	7,281,091	18.8	7,281,091	18.8	7,648,900	19.7	7,648,900	19.7	7,648,900	19.7
Various Program Support	4000730	6,686,120	14.3	6,892,173	17.4		6,907,307	17.8	6,907,307	17.8	6,907,307	17.8	6,909,456	17.8	6,909,456	17.8	6,909,456	17.8
Total Funds		46,667,477	100.0	39,538,537	100.0		38,759,194	100.0	38,759,194	100.0	38,759,194	100.0	38,772,254	100.0	38,772,254	100.0	38,772,254	100.0
Excess Appropriation/(Funding)		(4,933,565)		(367,809)			0		4,057,961		4,057,961		0		4,057,961		4,057,961	
Grand Total		41,733,912		39,170,728			38,759,194		42,817,155		42,817,155		38,772,254		42,830,215		42,830,215	

Administrative Services (58G) Appropriation was established through the authority of the Miscellaneous Federal Program Act.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
359	281	146	427	-68	21.73 %	338	278	0	278	60	17.75 %	338	276	15	291	47	18.34 %

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

Analysis of Budget Request

Appropriation: 1DE - Various Building Construction

Funding Sources: DHR - Human Services Renovation Fund

The Various Building Construction appropriation is for the purpose of construction, acquisition, renovation, maintenance, repair and equipping facilities of the Department of Human Services and for paying disallowances cited by the federal government. Facilities are those operated by the Divisions of Developmental Disabilities-Human Development Centers; Behavioral Health-Arkansas State Hospital and Arkansas Health Center; and Youth Services-Youth Services Centers and Wilderness Camps.

Funding for this appropriation is from the Human Services Renovation Fund and is derived from three sources. Federal reimbursement received by the Department. General revenue transferred from these three (3) Divisions with an annual maximum of five million dollars. Other funds may be utilized as determined to be available. At the request of the Director of the Department of Human Services and upon certification of the availability of such funds, the Chief Fiscal Officer of the State shall initiate the necessary transfer documents to reflect the transfer on the books of record of the Treasurer of State, the Auditor of State, the Chief Fiscal Officer of the State and the Department. Arkansas Code Annotated §19-5-1020 was amended by Act 1537 of 1999 to require that transfers into the Renovation Fund must be submitted to and receive approval from the Chief Fiscal Officer of the State, the Governor and the Legislative Council prior to the effective date of the transfer. This appropriation is centralized within the DHS Director's purview in order that the needs of the Department can be prioritized, however, maintained by the Division of Administrative Services. Expenditures for this appropriation are contingent upon available funding provided from within the Department.

The Agency Base Level and total request for this appropriation is \$7,648,900 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1DE - Various Building Construction

Funding Sources: DHR - Human Services Renovation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Construction	5090005	3,533,285	7,648,900	7,688,100	7,648,900	7,648,900	7,648,900	7,648,900	7,648,900	7,648,900
Total		3,533,285	7,648,900	7,688,100	7,648,900	7,648,900	7,648,900	7,648,900	7,648,900	7,648,900
Funding Sources										
Fund Balance	4000005	5,442,393	4,933,565		367,809	367,809	367,809	0	0	0
Reimbursement	4000425	3,024,457	3,083,144		7,281,091	7,281,091	7,281,091	7,648,900	7,648,900	7,648,900
Total Funding		8,466,850	8,016,709		7,648,900	7,648,900	7,648,900	7,648,900	7,648,900	7,648,900
Excess Appropriation/(Funding)		(4,933,565)	(367,809)		0	0	0	0	0	0
Grand Total		3,533,285	7,648,900		7,648,900	7,648,900	7,648,900	7,648,900	7,648,900	7,648,900

Reimbursements are from Other funds that may be utilized as determined to be available.

Analysis of Budget Request

Appropriation: 414 - Consolidated Cost

Funding Sources: MCC - Consolidated Cost Revolving Fund

The Division of Administrative Services is responsible for the centralized purchasing of postage, forms printing, and warehouse storage for the Department. Purchases are made through this appropriation with funding transferred from the respective Divisions to the Consolidated Cost Revolving Fund.

Funding for this appropriation, as indicated as various program support, is revenue transferred based on cost allocation derived from the program to which funds are assigned and can be a mix of funding sources such as general revenue, federal revenue, other revenue and/or a combination of each.

The Agency Base Level and total request for this appropriation is \$821,500 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 414 - Consolidated Cost

Funding Sources: MCC - Consolidated Cost Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	646,289	821,500	821,500	821,500	821,500	821,500	821,500	821,500	821,500
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		646,289	821,500	821,500	821,500	821,500	821,500	821,500	821,500	821,500
Funding Sources										
Various Program Support	4000730	646,289	821,500		821,500	821,500	821,500	821,500	821,500	821,500
Total Funding		646,289	821,500		821,500	821,500	821,500	821,500	821,500	821,500
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		646,289	821,500		821,500	821,500	821,500	821,500	821,500	821,500

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

The Division of Administrative Services was created by the combining of the Division of Management Services and the Division of Finance in the spring of 1994. The DHS Director merged the two Divisions for the purpose of streamlining administrative functions, reducing the administrative costs, aligning associated functions operating independently and strengthening internal controls. This configuration has provided the program divisions a central point of contact regarding administrative issues. The goal of the merger was improved communications, cooperation and coordination between administrative functions and decreased positions in the Division.

The Division of Administrative Services has two (2) distinct areas of designation: Finance and Administration and Office Systems and Technology from which support services are provided to the other DHS Division staff, consumers and providers.

Office of Finance and Administration

Responsibilities include employee recruitment, applicant testing, classification and compensation, personnel file maintenance and personnel policy development and interpretation. Staff development is provided through this office and offers professional and personal growth and development courses available to all employees. Financial support services encompasses grant development, purchase of services, maintenance and monitoring of contract and grant obligated funds, management of state owned/leased property, construction and maintenance, payroll, accounts payable, budget/banking, cost accounting/research and statistics, reporting and forecasting, funds and grants management and accounts receivable.

Office of Systems and Technology

Technical services, program applications, support services and administrative services related to information/data systems is provided through staff and a contractual arrangement.

Funding for this appropriation includes general revenues (DAS - Department of Human Services Administration Fund Account), federal and other funds. The federal funds are derived from support services allocated through cost allocation and social service block grant federal funds. Other funding which is indicated as various program support is derived through cost allocation and can also include M&R proceeds.

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

The Agency Base Level request for this appropriation is \$30,029,061 in FY2014 and \$30,042,121 in FY2015 with 291 budgeted base level positions.

The Agency Change Level request for this appropriation is \$4,057,961 each year of the biennium with no new general revenue, and reflects the following:

- Restoration of forty-one (41) positions that are authorized but not budgeted with salary and matching appropriation due to internal needs and to assist program Divisions when there is a need to provide services to individuals.
- \$655,102 each year of the biennium is requested for the Operating Expenses line item for rent of facilities and meals.
- \$10,780 each year of the biennium is requested for the Conference and Travel Expenses line item due to increased involvement in the National Association of Human Services Financial Officers.
- \$1,755,521 each year of the biennium is requested for the Professional Fees line item for continuing support of the going paperless projects.

Additionally, the agency is requesting to discontinue the American Recovery and Reinvestment Act (ARRA) line item. ARRA funds will expire in FY2013.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	11,943,354	11,682,254	14,358,321	11,717,658	12,882,107	12,882,107	11,728,258	12,892,707	12,892,707
#Positions		305	291	338	291	332	332	291	332	332
Extra Help	5010001	7,840	64,480	64,480	64,480	64,480	64,480	64,480	64,480	64,480
#Extra Help		3	20	20	20	20	20	20	20	20
Personal Services Matching	5010003	3,794,516	4,082,664	4,695,491	4,160,726	4,632,835	4,632,835	4,163,186	4,635,295	4,635,295
Overtime	5010006	481	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	2,913,110	2,844,898	3,104,383	2,844,898	3,500,000	3,500,000	2,844,898	3,500,000	3,500,000
Conference & Travel Expenses	5050009	19,671	19,220	20,000	19,220	30,000	30,000	19,220	30,000	30,000
Professional Fees	5060010	8,771,130	9,244,479	10,311,696	9,244,479	11,000,000	11,000,000	9,244,479	11,000,000	11,000,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	30,276	0	0	0	0	0	0	0	0
Data Processing Services	5900044	1,962,633	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600	1,967,600
ARRA of 2009	5900052	0	25,000	25,000	0	0	0	0	0	0
Total		29,443,011	29,940,595	34,556,971	30,029,061	34,087,022	34,087,022	30,042,121	34,100,082	34,100,082

Funding Sources										
General Revenue	4000010	11,158,735	11,086,659		11,268,689	11,268,689	11,268,689	11,272,669	11,272,669	11,272,669
Federal Revenue	4000020	12,009,045	12,604,255		12,674,565	12,674,565	12,674,565	12,681,496	12,681,496	12,681,496
Merit Adjustment Fund	4000055	235,400	154,008		0	0	0	0	0	0
Federal Funds-ARRA	4000244	0	25,000		0	0	0	0	0	0
Various Program Support	4000730	6,039,831	6,070,673		6,085,807	6,085,807	6,085,807	6,087,956	6,087,956	6,087,956
Total Funding		29,443,011	29,940,595		30,029,061	30,029,061	30,029,061	30,042,121	30,042,121	30,042,121
Excess Appropriation/(Funding)		0	0		0	4,057,961	4,057,961	0	4,057,961	4,057,961
Grand Total		29,443,011	29,940,595		30,029,061	34,087,022	34,087,022	30,042,121	34,100,082	34,100,082

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

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	30,029,061	291	30,029,061	100.0	30,042,121	291	30,042,121	100.0
C03	Discontinue Program	(25,000)	0	30,004,061	99.9	(25,000)	0	30,017,121	99.9
C05	Unfunded Appropriation	4,057,961	41	34,062,022	113.4	4,057,961	41	34,075,082	113.4
C16	ARRA	25,000	0	34,087,022	113.5	25,000	0	34,100,082	113.5

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	30,029,061	291	30,029,061	100.0	30,042,121	291	30,042,121	100.0
C03	Discontinue Program	(25,000)	0	30,004,061	99.9	(25,000)	0	30,017,121	99.9
C05	Unfunded Appropriation	4,057,961	41	34,062,022	113.4	4,057,961	41	34,075,082	113.4
C16	ARRA	25,000	0	34,087,022	113.5	25,000	0	34,100,082	113.5

Justification

C03	Reduction in American Recovery and Reinvestment Act (ARRA) Funding and/or expiration of funding limitations.
C05	Restoration of positions due to internal needs and to assist program divisions when there is a need to assist a program that provides services to individuals. There have been circumstances when we were able to provide a program division a position that resulted in a direct service provided in a community. We further need to be able to provide necessary assistance within our own division for jobs such as federal financial reporting, contract services, payable & receivable services as well as payroll, grants management and IT staff. Unfunded appropriation for maintenance and operations if additional funding becomes available, for conferences and fees due to increased involvement in the National Association of Human Services Financial Officers, and for Professional Fees and Services if additional funding becomes available for our "going paperless projects".
C16	American Recovery and Reinvestment Act (ARRA) appropriation.

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The Division of Administrative Services administers the social services block grant (SSBG). The Office of Community Services, Administration for Children and Families, U. S. Department of Health and Human Services is responsible for the administration of the grant program at the federal level with grants made directly to the State. Grant amounts are determined by a statutory formula based on individual state population. Up to 10 percent of block grant funds are allowed to be transferred to other block grant programs for support of health services, health promotion and disease prevention campaigns, and low-income home energy assistance.

Under the provisions of the block grant, each state has the authority to determine the most appropriate social services for the state's citizens. Included are services such as assistance to individuals and families to become more independent relative to financial support and personal care, family maintenance and avoidance of institutional care. These services are rendered through contracts with community programs across the state to provide services to people with developmental disabilities, mental illness, the elderly, and children. The agency has elected to allocate the majority of the SSBG funds to various divisions within the Department and other departments in state government - Workforce Education, Rehabilitation Services and Spinal Cord Commission thus eliminating the need for the majority of this appropriation. Each of the DHS divisions and other departments certify the funds in the respective division/department and budget for utilization of these funds.

Funding for this appropriation is 100% federal funds and is provided under Title XX of the Social Security Act (Omnibus Budget Reconciliation Act of 1981 as amended, P.L. 97-35; Jobs Training Bill, P.L. 98-8; P.L. 98-473; Medicaid and Medicare Patient and Program Act of 1987; Omnibus Budget Reconciliation Act of 1987, P.L. 100-203; Family Support Act of 1988, P.L. 100-485; Omnibus Budget Reconciliation Act of 1993, P.L. 103-66; 42 U.S.C. 1397 et seq.).

The Agency Base Level and total request for this appropriation is \$139,733 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	139,733	139,733	139,733	139,733	139,733	139,733	139,733	139,733
Total	0	139,733	139,733	139,733	139,733	139,733	139,733	139,733	139,733
Funding Sources									
Federal Revenue 4000020	0	139,733		139,733	139,733	139,733	139,733	139,733	139,733
Total Funding	0	139,733		139,733	139,733	139,733	139,733	139,733	139,733
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	139,733		139,733	139,733	139,733	139,733	139,733	139,733

Analysis of Budget Request

Appropriation: C99 - Client Specific Emergency Services–Cash

Funding Sources: 120 - Client Specific Emergency Services-Cash

This appropriation is a contingency for immediate, short term and specific client emergencies such as shelter, food or transportation. Federal social services block grant funds would be utilized should payments be necessary. There were no expenditures made under this appropriation in FY2012 and \$120,000 is budgeted in FY2013.

The Agency Base Level and total request for this appropriation is \$120,000 each year of the biennium.

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

Appropriation Summary

Appropriation: C99 - Client Specific Emergency Services–Cash

Funding Sources: 120 - Client Specific Emergency Services-Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Purchase of Services 5900043	0	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Total	0	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Funding Sources									
Cash Fund 4000045	0	120,000		120,000	120,000	120,000	120,000	120,000	120,000
Total Funding	0	120,000		120,000	120,000	120,000	120,000	120,000	120,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	120,000		120,000	120,000	120,000	120,000	120,000	120,000

Analysis of Budget Request

Appropriation: 58G - ARRA of 2009

Funding Sources: PWP - Administration Paying

The American Recovery and Reinvestment Act of 2009 appropriation was established in the 87th Legislative Session to allow expenditures for capital improvements, information technologies and one-time costs of the Department of Human Services. This appropriation is centralized within the DHS Director's purview in order that the needs of the Department can be prioritized, however, maintained by the Division of Administrative Services. Expenditures for this appropriation are contingent upon available funding provided from the American Recovery and Reinvestment Act of 2009.

There is no agency Base Level request for this appropriation.

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 58G - ARRA of 2009

Funding Sources: PWP - Administration Paying

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
ARRA of 2009 5900052	8,111,327	500,000	0	0	0	0	0	0	0
Total	8,111,327	500,000	0	0	0	0	0	0	0
Funding Sources									
Reimbursement 4000425	8,111,327	500,000		0	0	0	0	0	0
Total Funding	8,111,327	500,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	8,111,327	500,000		0	0	0	0	0	0

Appropriation was established through the authority of the Miscellaneous Federal Program Act.
 APPROPRIATION NOT REQUESTED FOR THE 2013-2015 BIENNIUM

Change Level by Appropriation

Appropriation: 58G - ARRA of 2009
Funding Sources: PWP - Administration Paying

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C03	Discontinue Program	(500,000)	0	(500,000)	100.0	(500,000)	0	(500,000)	100.0
C16	ARRA	500,000	0	0	0.0	500,000	0	0	0.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C03	Discontinue Program	(500,000)	0	(500,000)	100.0	(500,000)	0	(500,000)	100.0
C16	ARRA	500,000	0	0	0.0	500,000	0	0	0.0

Justification

C03	Reduction in American Recovery and Reinvestment Act (ARRA) Funding and/or expiration of funding limitations.
C16	American Recovery and Reinvestment Act (ARRA) appropriation.