

2017 - 2019 REQUEST FOR SPECIAL LANGUAGE IN APPROPRIATION ACT

0610 DFA - Management Services Division

ACT#: 248

SECTION#: 21

CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)

EXECUTIVE RECOMMENDATION

MATCHING FUNDS. The funds appropriated in this Act for Department of Justice Non-Victim Assistance Matching Grants shall be used for matching funds for administering the Federal Grants provided in this Act for the Department of Justice Non-Victim Assistance Grants. The Department of Finance and Administration - Management Services Division is hereby authorized to call upon all state agencies to assist in the implementation of the Department of Justice Non-Victim Assistance Grants. The funds appropriated in this Act for Department of Justice Non-Victim Assistance Matching Grants shall be used to provide one hundred percent (100%) of the required matching funds for state agencies and to provide up to sixty percent (60%) of the required matching funds for local governments. Such funds and appropriation shall be transferred to eligible state agencies or paid to local governments to be used for matching federal funds for administration of the Department of Justice Non-Victim Assistance Grants in such amounts as determined by the Arkansas Alcohol and Drug Abuse Coordinating Council or other oversight agency as designated by the Governor. Any unobligated balances in funds in this Act for the Department of Justice Non-Victim Assistance Grants may be used by state agencies as matching funds for other U.S. Department of Justice Grants in an amount determined by the Chief Fiscal Officer of the State.

Any unexpended balances in funds provided for Department of Justice Non-Victim Assistance Matching Grants in this act remaining on June 30, ~~2016~~ 2017, may be carried forward and used for the same purpose during the fiscal year ending June 30, ~~2017~~ 2018.

The provisions of this section shall be in effect only from July 1, ~~2016~~ 2017 through June 30, ~~2017~~ 2018.

AGENCY REQUEST

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CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)

EXECUTIVE RECOMMENDATION

SELECTION OF AUDITOR. The Legislative Auditor and Chief Fiscal Officer of the State shall jointly select the independent auditor to audit the Comprehensive Annual Financial Report for the period ending June 30, ~~2017~~2018.

The provisions of this section shall be in effect only from July 1, ~~2016~~ 2017 through June 30, ~~2017~~ 2018.

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EXECUTIVE RECOMMENDATION

~~ENTERPRISE FRAUD PILOT PROJECT.~~

AGENCY REQUEST

~~(a) So that savings to Arkansas businesses and taxpayers and recoveries may be realized as soon as possible, at the direction of the Governor, the Office of Accounting in the Department of Finance and Administration shall initiate the Enterprise Fraud Pilot Project focused on fraud, waste, abuse, and improper payments, and employer compliance within the Department of Workforce Services' Unemployment Insurance program, the Temporary Assistance for Needy Families program, and the Department of Human Services' Supplemental Nutrition Assistance Program that will implement state-of-the-art enterprise fraud detection technology that can further support detection and prevention across state agencies, programs and functions.~~

~~—— (b) Unless precluded under federal law or regulation or under state law, the Department of Workforce Services' Unemployment Insurance program, the Temporary Assistance for Needy Families program, and the Department of Human Services' Supplemental Nutrition Assistance program may support and participate in the efforts of the Department to develop the Enterprise Fraud Pilot Project.~~

~~—— (c) Unless precluded under federal law or regulation or state law, each state agency shall share any and all data under its control or administration that might have value in detecting or preventing fraud and abuse.~~

~~—— (d) Upon initiation by the Governor, the request for a bid shall be sent to the Health Reform Legislative Task Force for review, and their recommendation shall be submitted to the Arkansas Legislative Council or~~

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EXECUTIVE RECOMMENDATION

Joint Budget Committee.

~~———— (e) At the direction of the Governor, the department shall enter into a vendor license agreement for the operation of a vendor hosted fraud, waste, abuse and improper payments detection and prevention system. Vendor technology for the project shall include without limitation the following capabilities:~~

~~———— (1) Automated detection and alerting;~~

~~———— (2) Continuous monitoring of program transactions and activity, with the ability to identify fraud, non-compliance and improper payments both prospectively and retrospectively;~~

~~———— (3) The ability to detect non-traditional fraud such as program eligibility issues and identify theft;~~

~~———— (4) Use of state-of-the-art analytical techniques, including without limitation;~~

~~———— (A) Predictive modeling;~~

~~———— (B) Complex pattern analysis;~~

~~———— (C) Link analysis;~~

~~———— (D) Text mining; and~~

~~———— (E) Geospatial analysis;~~

~~———— (5) Feedback and self-learning capability to adapt to changing schemes and trends;~~

~~———— (6) Advanced entity resolution capabilities to create a holistic view of entities across state agencies, programs and databases;~~

~~and~~

~~———— (7) The ability to extend and adapt to all areas of state~~

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government; and

~~_____ (8) Demonstrate experience hosting sensitive and regulated state data.~~

~~_____ (f) The office shall enter into a vendor license agreement for the project in an amount not to exceed the potential cost savings as estimated by the office in cooperation with impacted state agencies under the project.~~

~~_____ (1) Payments shall be structured to coincide with expected savings.~~

~~_____ (g) Unless extended, the project shall expire 24 months after implementation;~~

~~_____ (h) After implementation, the Office of Accounting in the Department of Finance and Administration shall provide annual reports to the co-chairs of the Joint Performance Review Committee and the House and Senate Committees on State Agencies and the Health Reform Legislative Task Force;~~

~~_____ (i) A report under this section shall include without limitation:~~

~~_____ (1) Comprehensive data regarding the establishment and operations of the Enterprise Fraud Pilot Project; and~~

~~_____ (2) The resources and processes of each participating state agency to investigate the leads provided by the vendor; and~~

~~_____ (3) Incidents, types and amounts of fraud identified by state agency; and~~

~~_____ (4) The amount actually recovered as a result of fraud identifications by state agency; and~~

~~_____ (5) Expected cost avoidance through benefits not issued or~~

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~~denied, pre-payment intervention, and future behavior change through intervention; and~~

~~————— (6) Procedural changes resulting from fraud identification and the timeline for implementation each by state agency.~~

~~————— The provisions of this section shall be in effect only from July 1, 2016 through June 30, 2017.~~