

# WORKFORCE INVESTMENT BOARD

## Enabling Laws

Act 768 of 2007  
A.C.A. §15-4-2201

## History and Organization

The Arkansas Workforce Investment Board will coordinate and establish policy for conducting employment and training activities within the workforce investment system created by the federal Workforce Investment Act of 1998 (Public Law 105-220) and Arkansas Act 1125 of 1999, including all activities conducted in and through Arkansas' One-Stop career centers. The vision statement approved by the Arkansas Workforce Investment Board is as follows:

A globally recognized workforce in Arkansas-educated, trained, skilled-with the character and work ethic needed to excel in a changing economy.

The mission statement approved by the State Board is as follows:

To establish a unified, flexible, accountable workforce training system implemented through the collaboration of business, industry, labor and citizens, and characterized by accessible and responsive one-stop career development networks. The system will offer employers a resource for workers in existing and emerging occupations and empower Arkansans to receive employment services as well as job-specific training.

Public benefits of the Board as set forth in the Act include the development of a state workforce plan, monitoring of the continuous improvement of the system, assurance of the coordination and non-duplication of services, development of state performance measures, recommendation of programs which may be consolidated or realigned, and development of standards and the evaluation of the entire system. Major provisions are in the Act of Youth programs that are annual in scope and focus on development of basic skills. Eventually forty-eight (48) different workforce training programs operated in Arkansas through some \$400 million in federal and state funds will be coordinated by the state Workforce Investment Board.

Arkansas Act 1125 of 1999, the Arkansas Workforce Investment Act, implements the federal Workforce Investment Act, signed August 7, 1998, which coordinates a very complex series of programs including the following:

- Title I - Employment and Training Programs
- Title II - Adult Education and Family Literacy
- Title III - Wagner-Peyser amendments
- Title IV - Rehabilitation Act amendments
- Title V - Authority for State Unified Plan

Customers will benefit from a "One-Stop" delivery system, with career centers in their neighborhoods where they can access basic employment services and be referred directly to job training, education, or

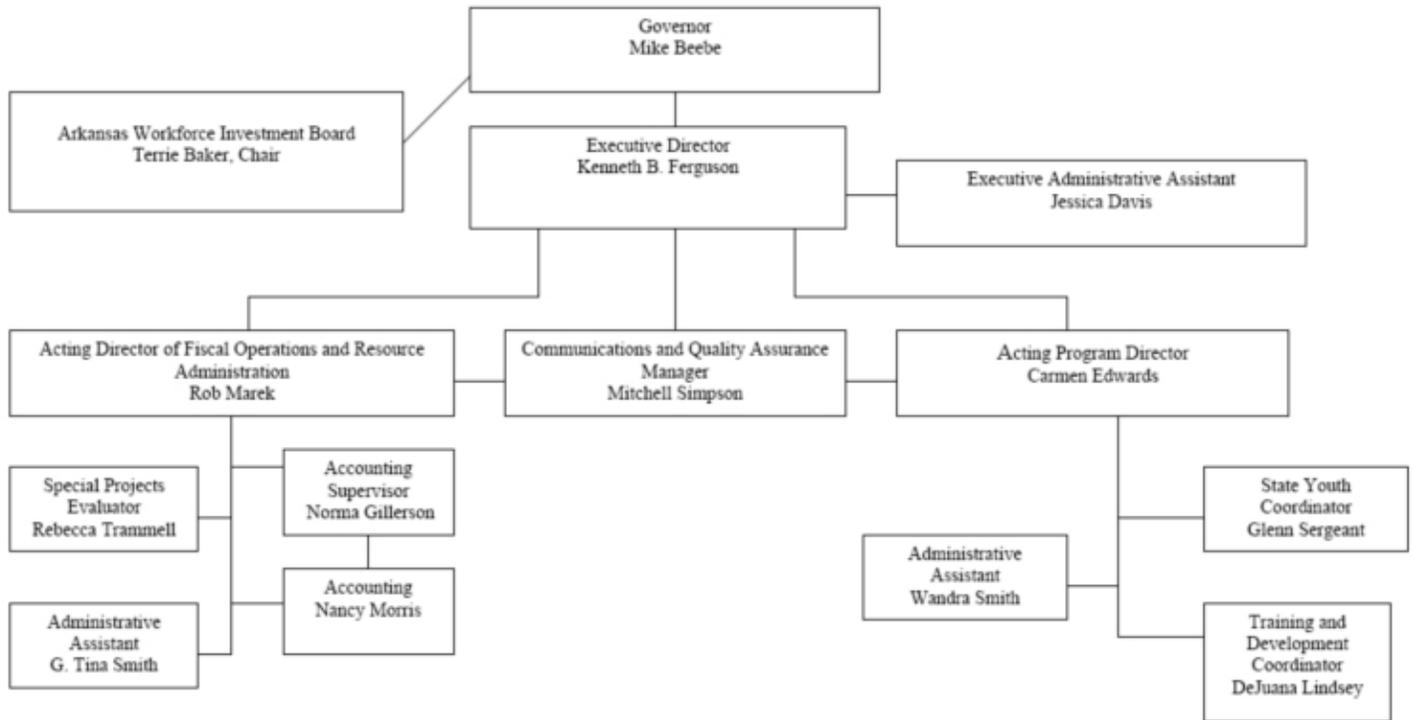
other services. One-Stop systems must be established in each local workforce investment area. Each local area must have a least one "full service center" location, which may be supplemented by other centers, electronic access points, and networks at affiliated sites. Local boards have flexibility in designing their One-Stop system, but they must at a minimum include all partners that provide basic services. Local Workforce Investment Boards establish a One-Stop system with the agreement of the local Chief Elected Officials.

The State law established the composition of the Arkansas Workforce Investment Board. This act states that the Board shall consist of no more than 48 members, of which a majority will represent private business. The act directs the Governor to consider in his appointments the diverse regions of Arkansas - urban, rural and suburban areas - and mandates that the boards and/or commissions of the state educational and economic agencies be represented.

In accordance with Section 6 of Arkansas Act of 1125 of 1999 (the Arkansas Workforce Investment Act) the Arkansas Workforce Investment Board advises and assists the Governor and the General Assembly as follows:

- Development of a state workforce development plan
- Development and continuous improvement of a statewide system of activities that are funded under Arkansas Act 1125 of 1999 or carried out through a one-stop delivery system which receives funds under Arkansas Act 1125 of 1999 including development of linkages in order to assure coordination and non-duplication among the programs and activities, and review of local plans
- Commenting on an annual basis on the measures taken pursuant to section 113(b) (14) of the Carl D. Perkins Vocational and Applied Technology Education Act
- Designation of local workforce investment areas
- Development of an allocation formula for the distribution of funds for adult employment and training activities and youth activities to local area
- Development and continuous improvement of comprehensive state performance measures, including state adjusted levels of performance, to assess the effectiveness of the workforce investment activities in the State
- Preparation of the annual report to the United States Secretary of Labor
- Development of a statewide employment statistics systems as described in Section 15(e) of the Wagner-Peyser Act
- Development of an application for an incentive grant
- Recommendation of the programs identified in Section 7 (b)(8)(A) of Arkansas Act 1125 of 1999 which may be consolidated or realigned
- Creation of workforce investment program accountability measures and standards
- Development of workforce training standards
- Evaluation of the entire Arkansas workforce investment system, including but not limited to the education system, the Career Development system and the youth programs, to determine if it is meeting the goals of the Arkansas Workforce Investment Act
- Re-evaluation of the Arkansas Workforce Investment Act
- Coordination of state agencies to assist in the development of the state workforce development plan
- Development of additional state workforce development plans every three years
- Use of federal, state or private funds, donations, and grants made available for the development of the Arkansas Workforce Development Plan

- Establishing procedures that will be taken by the State to assure coordination of and avoid duplication among Workforce Investment Programs
- Provide a report prior to each regular session to the Arkansas General Assembly with recommendations for appropriate statutory changes that may enhance the delivery of Workforce Investment in and for Arkansas



## **Agency Commentary**

The Arkansas Workforce Investment Board is responsible for coordinating and establishing policy for conducting employment and training activities within the workforce investment system created by the Federal Workforce Investment Act of 1998 (Public Law 105-220) and Arkansas Act 1125 of 1999, including all activities conducted in and through Arkansas' One-Stop career centers known as Arkansas Workforce Centers.

The Arkansas Workforce Investment Board is federally funded by the Workforce Investment Act. The biennial budget request represents the support of a 43-member board and a support staff of 13.

The Arkansas Workforce Investment Board's Biennial Request is for Base Level.

# Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS WORKFORCE INVESTMENT BOARD

FOR THE YEAR ENDED JUNE 30, 2007

### Findings

Our review of Agency credit card transactions revealed that five former employees charged personal purchases totaling \$1,048 to Agency credit cards during the two-year period ended June 30, 2007. The personal charges were properly reimbursed by the employees.

Review of equipment revealed that the Agency had inadequate management review procedures over equipment which contributed to the following deficiencies:

- Sixty-one items valued at \$82,285 out of 82 items valued at \$109,122 on the Agency's equipment listing did not include an identifying field such as a tag number or serial number to properly identify the items;
- All ancillary charges, such as sales tax, freight and installation costs were not added to the value of equipment;
- Fifteen items of low value equipment valued at \$14,605 were not properly added to inventory; and
- Prior year additions totaling \$5,031 were not added to inventory.

### Recommendations

Agency credit cards be utilized for business purposes only in accordance with State policy.

The Agency ensure that equipment is properly accounted for by strengthening internal controls related to equipment.

# Employment Summary

	Male	Female	Total	%
White Employees	2	2	4	33 %
Black Employees	2	6	8	67 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			8	67 %
Total Employees			12	100 %

# Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Report	PL 105-220	N	Y	1,000	Federal Requirement

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	
13	10	3	13	0	23.08 %	13	11	2	13	0	15.38 %	13	12	1	13	0	7.69 %

## **Analysis of Budget Request**

**Appropriation:** 554 - Workforce Investment

**Funding Sources:** MIB - Workforce Investment

Public Law 105-220 created the federal Workforce Investment Act to promote and fund employment and training activities at the state level. A.C.A. §15-4-2204 established the Arkansas Workforce Investment Board to develop a State plan to provide workforce investment activities that increase employment, retention and earnings of participants and increases skill attainment thereby improving the quality of the workforce, reducing welfare dependency and enhancing productivity and competitiveness. The Board consists of 48 representatives of the Executive and Legislative branches of government and members of the business community. The Board is authorized to select from among its membership a maximum of 15 members to serve as the Executive Committee reporting to the Board quarterly.

The duties of the Board are to advise and assist the Governor and the General Assembly in the development of a State workforce development plan; develop and improve a system of activities through the one-stop career centers funded by federal workforce investment funds; designate local workforce investment areas; develop allocation formulas for distribution of funds to the local areas; develop and improve comprehensive state performance measures; prepare an annual report for submission to the U. S. Secretary of Labor; develop a statewide information management system; develop an application process for inventive grants; make recommendations on program consolidation or realignment; and evaluate the workforce investment system statewide and report to the Arkansas General Assembly prior to each regular session recommendations for statutory changes that would enhance workforce investment in Arkansas.

This appropriation is 100% federally funded through the federal Workforce Investment Act as a transfer from the Department of Workforce Services.

The Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A 2.3 % Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency requests Base Level for the 2009-2011 biennium.

The Executive Recommendation is to transfer the Base Level appropriation and positions established for this Agency to the Department of Workforce Services (see page 651).

## Appropriation Summary

**Appropriation:** 554 - Workforce Investment

**Funding Sources:** MIB - Workforce Investment

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	532,483	578,898	589,757	598,131	598,131	0	611,551	611,551	0
<b>#Positions</b>		<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>0</b>	<b>13</b>	<b>13</b>	<b>0</b>
Personal Services Matching	5010003	182,879	191,510	206,050	207,937	207,937	0	211,115	211,115	0
Operating Expenses	5020002	122,596	222,394	222,394	222,394	222,394	0	222,394	222,394	0
Conference & Travel Expenses	5050009	6,705	24,092	24,092	24,092	24,092	0	24,092	24,092	0
Professional Fees	5060010	5,500	30,000	30,000	30,000	30,000	0	30,000	30,000	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
<b>Total</b>		<b>850,163</b>	<b>1,046,894</b>	<b>1,072,293</b>	<b>1,082,554</b>	<b>1,082,554</b>	<b>0</b>	<b>1,099,152</b>	<b>1,099,152</b>	<b>0</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	850,163	1,046,894		1,082,554	1,082,554	0	1,099,152	1,099,152	0
Total Funding		850,163	1,046,894		1,082,554	1,082,554	0	1,099,152	1,099,152	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>850,163</b>	<b>1,046,894</b>		<b>1,082,554</b>	<b>1,082,554</b>	<b>0</b>	<b>1,099,152</b>	<b>1,099,152</b>	<b>0</b>

The Executive Recommendation is to transfer the Base Level positions and appropriation associated with this program to the Department of Workforce Services (see page 651).

## Change Level by Appropriation

**Appropriation:** 554 - Workforce Investment

**Funding Sources:** MIB - Workforce Investment

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,082,554	13	1,082,554	100.0	1,099,152	13	1,099,152	100.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,082,554	13	1,082,554	100.0	1,099,152	13	1,099,152	100.0
C07	Agency Transfer	(1,082,554)	(13)	0	0.0	(1,099,152)	(13)	0	0.0

### Justification

C07	The Executive Recommendation is to transfer the positions and appropriation established for this Agency to the Department of Workforce Services.
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