

I. COMPREHENSIVE STATEMENT

A. Overall Responsibilities

The Employment Security Department's major responsibilities are to implement and operate a public labor exchange system that is accessible to all employers, applicants, and other residents of the state who need those services in accordance with state and federal laws, regulations and policies; to administer unemployment insurance and related programs in accordance with state and federal laws; to serve as the Governor's Administrative Entity (GAE) for all Arkansas programs funded via the Job Training Partnership Act (JTPA) and Welfare-to-Work; to serve as the lead agency for the Governor's statewide Dislocated Worker Program Task Force; to provide other special manpower services in accordance with agreements with other federal and state agencies; and to provide labor market information to all individuals or groups who can use the information to enhance the quality of life for residents of the state.

B. Factors Impacting ESD Operations

There are many factors which impact the operation of the Employment Security Department in Arkansas. However, the four major factors are: (1) Economic conditions within the state; (2) State laws, policies and emphases; (3) National laws, policies and emphases; and (4) the availability of Federal funds.

II. AGENCY FINANCIAL STATUS

Appropriation Request Summary

The source of funding for the Employment Security Department are various grants/contracts from the U.S. Department of Labor, and JTPA subrecipients; Unemployment Insurance Contributions; Penalty and Interest Payments; and Advance Interest Tax. The appropriation totals requested for the Department are \$483,170,682 in FY 00 (an increase of 13.0% from FY 99) and \$479,642,128 in FY 01 (a decrease of 1.0% from FY 00).

In some areas the Department is requesting excess appropriation to allow the agency to address unforeseen economic situations.

<p>AGENCY</p> <p>EMPLOYMENT SECURITY DEPARTMENT</p>	<p>DIRECTOR</p>  <p>ED ROLLE</p>	<p>AGENCY PROGRAM COMMENTARY</p> <p>BR21</p>	<p>PAGE</p> <p>69</p>
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ARKANSAS BUDGET SYSTEM
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We are requesting appropriation authority to meet forecasted Taxable Employers benefit payments through the 99-01 biennium. The excess appropriation requested in the other areas is to avoid having to call a Special Session during the biennium and is based on the knowledge that: (1) Unemployment Insurance benefit payments could be higher than projected; and (2) operating expenditures could also rise as the result of other Federally funded programs.

The agency's position request is 780 Regular Salaried and 400 Extra Help positions in each of the two years of the Biennium.

Current Status

The agency has experienced budget reductions since the start of Federal Fiscal Year 1982 (October 1981). As of result of the reductions in Federal funds the agency has:

- (1) Closed 8 local employment offices, 12 outreach offices and 10 WIN offices since June of 1981. Converted 7 local employment offices to outreach offices and added 5 additional outreach offices since 1987. The agency is currently operating 25 local employment offices and 30 outreach offices.
- (2) Regular Salaried staff has been reduced from 1,192 in September 1981 to 536 in June 1998.

Future Outlook

Since the agency is entirely Federally funded, any action taken to balance the Federal Budget and eliminate the deficit can be expected to have an adverse impact on the Agency's funding level.

Assuming that the current unemployment rate remains at the 20 year low, we expect the Unemployment Insurance Trust Fund to remain solvent through the 99-01 Biennium and to end the biennium with a balance of approximately \$206.5 million. This balance of \$206.5 million allows the fund to meet the very minimum Trust Fund solvency standards. Our forecasts project no Trust Fund Loans or UI Loan Interest Payments.

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III. AGENCY PROGRAM AREAS

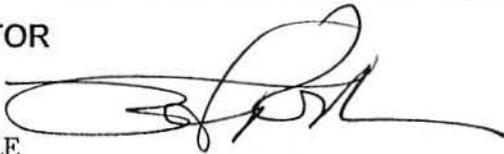
A. Public Labor Exchange System

The Employment Security Department offers services to employers and job seekers at 25 local offices and 30 outreach offices throughout the state. Applicant services include: Job finding assistance to all persons legally qualified to work; job referral, job development, and placement services for workers who are "job ready", and assessment, counseling and testing, and referral to available training for those "not job ready." Veterans services are provided on a preferential basis as required by federal statute. Other special applicant groups such as youth, older workers, handicapped and economically disadvantaged receive special attention to remove barriers to employment. Unemployment insurance claimants are given special attention to encourage and assist their re-entry into jobs.

Employer services include: Selection of qualified applicants for referral, use of aptitude tests to predict success on the job, labor surveys, recruitment of applicants in shortage occupations locally and nationwide, assistance to meet affirmative action goals and certifying applicants for Work Opportunity Tax Credits.

Ancillary services include: Cooperation with various entities providing services under the Job Training Partnership Act (JTPA), establishing Local Employer Advisory Committees in local office areas to improve the delivery of services, and release of Employment Service Tests and Labor Market Information to educational and community based organizations for use in preparing citizens for the world of work. The agency contracts with the State Director for Veterans Employment and Training Services to provide Local Veterans Employment Representatives and to carry out the Disabled Veterans Outreach Program as required by federal statute.

The delivery of service to both employers and applicants is enhanced by a computerized statewide order sharing system to bring applicants and employers together, thereby speeding up the placement process. To increase efficiency and save staff time in the delivery of services, ESD used a computerized file search system to match job applicants with employer openings. This process, known as the Online Data Display System (ODDS), involves all local offices in Arkansas.

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B. Unemployment Insurance and Worker Dislocation Programs

The Arkansas Unemployment Insurance Program provides workers protection against temporary loss of income during periods of involuntary unemployment.

Employers are subject to the Employment Security Law presently pay a quarterly payroll tax on the first \$9,000 of wages paid to each employee during the calendar year or, if a reimbursable employer, repay the Trust Fund for all unemployment insurance benefits paid to their employees. The experience rate for each tax paying employer with three or more years of benefit risk experience is determined by the contributions paid in, benefits paid and charged to the account and the average annual taxable payroll.

As of July 1, 1998, an individual may qualify for a maximum of \$294 and minimum of \$53 per week for 26 weeks of total unemployment. The maximum and minimum weekly benefit amounts are subject to change each July 1. An individual's weekly benefit amount represents approximately 50 percent of his/her average weekly wage.

During periods of high unemployment, individuals who have exhausted their regular benefits may be eligible for additional weeks of extended benefits under the Federal Unemployment Compensation Program. When the state's economic condition improves and the insured unemployment rate decreases, the extended benefit period ends.

In addition to the regular and emergency unemployment compensation programs, unemployment compensation is paid to former Federal Employees and ex-military personnel. As mentioned earlier, regular benefits are financed by a tax on employer payrolls, while the Federal and military unemployment benefits are financed by Federal monies.

Special benefits are paid to workers whose jobs or hours of work and wages have been adversely affected by foreign imports. These benefits are paid by authority of the Trade Act of 1974, as amended, and Title V of the North American Free Trade Agreement (NAFTA), and affords the individual opportunities for retraining and relocation to a more favorable labor market area.

Disaster Unemployment Assistance is paid to individuals who are unemployed due to a natural disaster.

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When a potential issue related to an unemployment insurance claim exists, a decision is made by the Agency based on facts gathered and application of the law. If either the claimant or employer object to the decision rendered, an appeal may be filed provided both the claimant or employer have protected their rights to file an appeal following stated procedures. The Appeal Tribunal is the first of two administrative steps in which a claimant/employer can request a review of his/her decision. The second step is the Board of Review.

The Board reviews the decisions handed down by the Appeal Tribunal. The Board of Review also evaluates the facts on the record and either affirms, reverses, or remands previously handed down decisions. If the Board of Review's decision is not favorable, the claimant or employer can file an appeal with Arkansas Court of Appeals.

Fraud detection, both internal and external, overpayment prevention, and recovery are inherently important aspects of the Unemployment Insurance program. A toll-free "Hotline" is available for any individual's use to report a suspected case of fraud or abuse with no obligation to the caller to reveal his/her identity. A special computer program cross-matches wages reported by employers with benefits paid to claimants. Unemployment Insurance Investigators conduct on-site investigations of potentially fraudulent claims, and a close working relationship is maintained with county officials in order to prosecute persons fraudulently claiming benefits. Arkansas is participating in the Quality Control Program which is based on comprehensive reviews of a probability sample of UI payments made statewide to determine the precise nature of improper payments. The audit produces estimates of overpayment rates, underpayment rates, and total error rates. It also identified types and causes of errors. Arkansas also participates in the Revenue Quality Control program designed to insure proper reporting of payroll information and payment of contributions due from employers.

C. Job Training Partnership Act Programs

The Arkansas Employment Security Department serves as the Governor's Administrative Entity (GAE) for all Arkansas programs funded by the Job Training Partnership Act (JTPA), both statewide and local in scope.

JTPA seeks to provide needed employment and training services for adults, older workers, youth and dislocated workers through programs administered by private non profit agencies in the ten service delivery areas (SDAs), Green Thumb, Inc., and the Department of Workforce Education.

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1. Title IIA SDA programs for adults (77% of Title IIA funds) are directed by a Private Industry Council, which includes local business people, to provide employment and training services to economically disadvantaged persons, 22 years of age or older.
2. Title IIA program for older individuals (5% of Title IIC funds), administered by Green Thumb which provides services and training to Arkansans who are economically disadvantaged and are age 55 and older.
3. Title IIC SDA programs for youth only (82% of Title IIC funds) funds are provided to the state's ten SDAs to provide employment and training services to economically disadvantaged youth, 14-21 years of age.
4. Titles IIA and IIC Administrative Activities (5%) which provide for JTPA administration, auditing, and other prescribed activities.
5. Titles IIA and IIC Performance Incentives, Capacity Building, and Technical Assistance (5%) which provides for incentives awarded to SDAs exceeding performance standards, and provides funds which may be used for preventive or corrective technical assistance to SDAs and necessary training to increase the capacity of staff to better serve JTPA clients.
6. Titles IIA and IIC State Education Coordination and Grants (8%) which provides the Department of Workforce Education with funds to develop cooperative agreements with each SDA and their respective educational entities. Funds are used to provide training and employment activities in the following areas: School-to-Work Transition, Literacy and Lifelong Learning and Non-Traditional Employment for Women.
7. Title IIB Summer Youth Employment and Training Program. This program funds employment and training activities for eligible youth ages 14-21 years.
8. Title III Dislocated Workers Program (includes Secretary of Labor's discretionary program). This program provides various activities designed to train and find employment for workers dislocated due to plant closings or workforce reduction. It includes the Governor's Dislocated Task Force (DLWTF).

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JTPA program activities include work experience, on-the-job training, classroom training, supportive services necessary for those participating to be involved in the program, and various other activities which are designed to assess and develop each participant's potential employment.

JTPA planning and program operations require coordination among business, labor, governmental entities, education, and the general public. JTPA requires that plans be reviewed by various members of the aforementioned groups and/or their representatives.

Federal legislation affecting JTPA may be enacted during the biennium.

D. Other Special Employment and Training Services in Accordance with State and Federal Agencies

The following services are provided by the Employment Security Department through contract or financial agreement: cooperate with the Department of Labor in determining what persons should be allowed into this country to fill existing employer needs; and inspect housing of agricultural workers who are legally eligible to work in the United States.

E. Labor Market Information

The Labor Market Information (LMI) program is administered by the U.S. Department of Labor through four (4) organizations; the Employment and Training Administration (ETA), the Bureau of Labor Statistics (BLS), the State Employment Security Agency (SESA), and the State Occupational Information Coordinating Committee (SOICC).

1. The Employment and Training Administration (ETA) is responsible for funding, monitoring, and evaluating the LMI activities relating to the development of local labor market information.

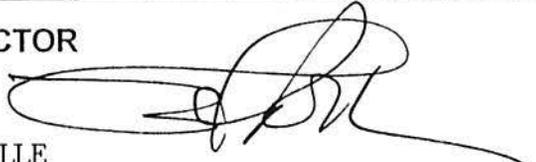
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2. The Bureau of Labor Statistics (BLS) is responsible for developing methods and procedures for federal-state programs. The Bureau is authorized to collect labor market information and reimburse SESAs to provide national statistical information. More specifically, BLS is responsible for funding, administering and providing technical guidance for the Current Employment Statistics (CES), Local Area Unemployment Statistics (LAUS), Occupational Employment Statistics (OES), and ES-202 (Employment and Wages Report).
3. State Employment Security Agency (SESA) Research and Analysis/Labor Market Information sections carry out the basic work in compliance with the Employment and Training Administration's policies and the Bureau of Labor Statistics' technical directives.
4. The State Occupational Information Coordinating Committee (SOICC) coordinates the development of occupational information needed by LMI users. The Committee operates within a multi-agency framework and receives funding through the agency designated for the oversight and management of labor market information under the Job Training Partnership Act (JTPA).

The Labor Market Information program in Arkansas provides five basic types of information output:

1. Occupation employment projections, employment supply and demand data, labor force statistics on employment and unemployment, and employment estimates by industry are produced for the state and many of its labor market areas. This information, along with other Labor Market Information (LMI), is now available via Internet through ESD's home page. Also Arkansas is now a LMI access consortium member and most LMI will be available on CD Rom by August 1999 utilizing the LMI Access system. LMI Access CD Rom's should be available to counselors, employers, planners, job seekers and others needing occupational, career and workforce information by the Fall of 1999.
2. Computerized delivery of a career information delivery system (CIDS) provides guidance personnel, students, training program participants, and other job seekers with current information about careers and their requirements. The Arkansas Occupational/Educational Information System (AOEIS) is now being redesigned and updated in a Microsoft windows environment and will be distributed to users in the Fall of 1998 on CD-ROM. The redesigned system will allow staff to update the system at least annually or on a more regular basis.

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3. Publications that provide the following type of labor market information are produced on a regular basis: monthly analyzes of total employment, unemployment, industrial employment, and hours and earning statistics for the state and major labor areas; monthly labor force estimates and unemployment rates for the state and 75 counties; annual affirmative action information for the state and its 75 counties; annual planning information for the state, service delivery areas (SDAs), and metropolitan statistical areas (MSAs); projections of employment by industry and occupation for the state and SDAs; and wage data for manufacturing industries and occupations within those industries for the state, SDAs and 75 counties. A directory of labor market information publication is also available.
4. Technical assistance and training in the availability and use of labor market information are offered. Additionally, materials are distributed for pre-service and in-service counselor education and training needs. Also, training on the availability and uses of LMI, occupational and career information is now being offered through the Arkansas Public Administration Consortium (APAC) training program entitled TEAM UP and through special SOICC sponsored focused LMI Training Seminars.
5. Research and special projects are conducted to update labor market information techniques and output, particularly those that streamline programs through computerization.

Labor Market Information is needed by planners and administrators who decide which programs best develop and use the State's human resources. The LMI program allows the Employment Security Department to place current occupational and labor market information in Arkansas schools through the delivery of both hard copy and computerized data, as well as through personal visits by LMI staff. These delivery techniques provide teachers and counselors with the information needed to assist school officials in establishing specific training to meet labor shortages, and to assist students in selecting appropriate careers. Through these vital program linkages, students, counselors, job seekers, planners, and administrators develop a better knowledge of the State's economic conditions.

Labor Market Information is used by Congress to allocate billions of dollars for employment and training programs, economic development, and public work projects conducted by local, state, and national governments. Also, LMI development and use will be an integral part of the new one stop career center operations in Arkansas. Many new pamphlets, flyers, publications and additions to the career and planning information systems including on-line products are now being developed primarily for use in these centers.

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F. Welfare-to-Work Programs

The Arkansas Employment Security Department (ESD) is the State Administrative Agency for the Welfare-to-Work Program for all Arkansas WtW programs, both statewide and local in scope. ESD is the Governor's designated agency to receive the WtW funds.

These funds will provide welfare recipients with job placement services, transitional employment, job retention and support services to achieve the ultimate goal of long-term employment and economic self-sufficiency. This is accomplished by the funds being passed to the Private Industry Councils (PICs) established through JTPA. Activities provided by the PICs to assist in the transition from welfare to work are job readiness, job placement services, post-employment services, and job retention services.

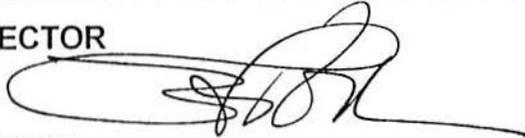
The Employment Security Department is responsible for allocating the funds to the PICs, monitoring, and evaluating the WtW activities relating to program and financial systems as they relate to WtW, Federal and State law and regulations. ESD is also responsible for monthly and quarterly reporting to U.S. Department of Labor on WtW financial and program data.

G. Arkansas Career Development Center System

The Arkansas Career Development Center System (formerly One-Stop) is the organizing vehicle transforming current employment, education, and training programs into a complete and coordinated delivery system to assist customers seeking new or better jobs and for employers seeking to build a competitive workforce. Easy access, customer choice, and quality services are our keys to success.

Arkansas received a three-year implementation grant in December 1997 and will establish at least one full-service career development center in each of 10 geographical areas using Service Delivery Area boundary lines and electronically connect each county to a full-service Career Development Center.

Arkansas will use \$350,000 of implementation funds to purchase a server to electronically connect customers with America's Job Bank and America's Talent Bank. Job seekers and employers will be able to enter resumes or job orders directly to this system at any career development center and from any Internet site.

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ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets

Cash and Investments	Fixed	Other	Total
\$ 213,074,296	\$ 0	\$ 0	\$ 213,074,296

<u>Liabilities</u>		Total	Total Equity
Current	Long-Term		
\$ 0	\$ 0	\$ 0	\$ 213,074,296

Revenues

Inter-governmental	Federal	Licenses and Fees	Other	Total
\$ 0	\$ 61,426,027	\$ 0	\$ 200,619,962	\$ 262,045,989

Expenditures

Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	Other Source (Uses)
\$ 25,732,320	\$ 0	\$ 1,990,639	\$ 224,925,940	\$ 252,648,899	\$

Findings

1. DATA PROCESSING DEFICIENCY - OUTSTANDING CHECKS - (The Department has recently converted its electronic data processing system to updated IBM hardware and software. This conversion has resulted in AESD's failure to produce an accurate and current list of outstanding checks for the unemployment insurance benefit cash account to be used in monthly reconciliations.)
2. FEDERAL EQUIPMENT INVENTORY - The Department has not taken a physical inventory of fixed assets acquired with federal money within the required two-year period due to the conversion process of their computer system.

Recommendations

1. Investigate the difference and reconcile account as soon as possible.

AGENCY RESPONSE

Because of program problems resulting from the conversion from a Unisys to environment and a high MICR level reject rate the date for reconciling the Benefit Account has been changed to September 30, 1998.

2. None

AGENCY RESPONSE

The physical inventory of Agency-owned non-expendable personal property started on December 2, 1997 and is expected to be completed by March 31, 1998.

Audited by Baird, Kurtz & Dobson
Certified Public Accountants
SA2181097

() Noted in previous year's audit report.

ARKANSAS BUDGET SYSTEM
 EMPLOYMENT SUMMARY
 AS REQUIRED BY ACT 358 OF 1993
 (A.C.A 19-4-307)

AGENCY TITLE 810 - AR EMPLOYMENT SECURITY DEPARTMENT

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>166</u>	<u>190</u>	<u>356</u>	<u>66%</u>
BLACK EMPLOYEES	<u>43</u>	<u>132</u>	<u>175</u>	<u>33%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>3</u>	<u>2</u>	<u>5</u>	<u>1%</u>
TOTAL EMPLOYED AS OF 08/08/98			<u>180</u>	<u>34%</u>
DATE			TOTAL MINORITIES	<u> </u>
			<u>536</u>	<u>100%</u>
			TOTAL EMPLOYEES	<u> </u>



 AGENCY DIRECTOR

CASH FUND BALANCE DESCRIPTION

AS OF JUNE 30, 1998

AGENCY: Employment Security Department

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE: A.C.A. 11-10-320 establishes the Employment Security Administration Fund. A.C.A.11-10-321 states money in this fund shall not be commingled with other state funds, but shall be maintained in a separate account on the books of a depository bank.
FUND ACCT.	BALANCE	TYPE	LOCATION	
Cash Operations (A36)	\$0.00			STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: N/A
				REVENUE RECEIPTS CYCLE: Funds are drawn down from the federal funding source as needed.
				FUND BALANCE UTILIZATION: Funds are used for the administration of the Department
ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE: A.C.A. 11-10-544 authorizes the Director to enter into agreements with any federal agency to pay benefits to employees of the United States or members of the U. S. armed forces
FUND ACCT.	BALANCE	TYPE	LOCATION	
Federal Employees Benefits (A37)	\$0.00			STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: A.C.A. 11-10-801 authorizes contributions to be deposited in the Trust Fund
				REVENUE RECEIPTS CYCLE: Reimbursement by Federal employers is deposited daily to the Trust Fund
				FUND BALANCE UTILIZATION: Funds are used exclusively for the payment of Benefits

CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 1998

AGENCY: Employment Security Department

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
Taxable Employers Benefits (A38)	\$218,842,498	1)Clearing Acct. 1)Benefit Paying Acct.	First Commercial Little Rock, AR	A.C.A. 11-10-801 establishes that the agency is to administer the Unemployment Compensation Trust Fund
				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: A.C.A 11-10-801 authorizes contributions to be deposited in the Trust Fund
				REVENUE RECEIPTS CYCLE: Contributions from employers are collected quarterly
				FUND BALANCE UTILIZATION: Funds are used exclusively for the payment of Benefits
ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
Reimbursable Employers Benefits (A39)	\$0.00			A.C.A.11-10-713 authorizes non-profit organizations or government units to elect to reimburse the agency for regular benefits
				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: A.C.A 11-10-801 authorizes contributions to be deposited in the Trust Fund
				REVENUE RECEIPTS CYCLE: Contributions from employers are collected quarterly
				FUND BALANCE UTILIZATION: Funds are used exclusively for the payment of Benefits

CASH FUND BALANCE DESCRIPTION

AS OF JUNE 30, 1998

AGENCY: Employment Security Department

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
Reed Act (A40)	\$0.00			A.C.A. 11-10-803(d) authorizes the agency to administer the funds through Unemployment Trust Fund pursuant to Section 903 of the Social Security Act, as amended.
				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: N/A
				REVENUE RECEIPTS CYCLE: Funds are distributed to states through the Unemployment Trust Fund
				FUND BALANCE UTILIZATION: Funds are utilized as directed by the Federal Legislation
ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:
				REVENUE RECEIPTS CYCLE:
				FUND BALANCE UTILIZATION:

ARKANSAS BUDGET SYSTEM DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE		1997-99				1999-01				1999-01			
Employment Security Department (810)		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.
136	Operations - Cash	\$9,006,213		\$52,044,796		\$64,831,675		\$58,441,175		\$64,831,675		\$58,441,175	
137	Fed Employ Benefit Pay	6,543,273		70,000,000		70,000,000		70,000,000		70,000,000		70,000,000	
138	UI Benefits - Taxable Employers - Cash	177,243,462		210,000,000		210,000,000		210,000,000		210,000,000		210,000,000	
139	UI Benefits -Reimbursable Employers - Cash	5,991,693		14,000,000		14,000,000		14,000,000		14,000,000		14,000,000	
140	Bldg Improv/Land - Reed Act	0		1,000,000		5,000,000		Carry Forward		5,000,000		Carry Forward	
IJA	New Hire Registry - State	117,620	1	102,000	1	175,721	1	176,461	1	175,721	1	176,461	1
IJB	New Hire Registry - Federal	228,323		198,000		342,412		343,884		342,412		343,884	
397	Administration Building Upkeep	37,493		417,507		455,000		Carry Forward		455,000		Carry Forward	
398	Bldg/Land Acq Outside Pulaski County	14,834		185,166		200,000		Carry Forward		200,000		Carry Forward	
399	Interstate Conference Assessment	18,000		25,000		25,000		25,000		25,000		25,000	
100	Rent of Buildings	0		96,708		96,708		Carry Forward		96,708		Carry Forward	
101	Special Improvement District Taxes	22		978		1,000		Carry Forward		1,000		Carry Forward	
102	Excess Unemployment Benefits & Expenses	1,761,883		9,000,000		20,000,000		22,000,000		20,000,000		22,000,000	
371	ESD Personal Services	25,113,028	596	29,339,827	624	35,731,765	780	36,559,444	780	33,041,346	698	33,801,203	698
372	Job Training Partnership Act Grant Payments	22,406,843		51,000,000		58,000,000		58,000,000		58,000,000		58,000,000	
373	UI Trust Fund Interest/Unemploy Insurance	214,465		3,000,001		3,000,001		3,000,001		3,000,001		3,000,001	
TOTALS		\$248,697,152	597	\$440,409,983	625	\$481,859,282	781	\$472,545,965	781	\$479,168,863	699	\$469,787,724	699
Funding Sources			% of		% of		% of		% of		% of		% of
			Total		Total		Total		Total		Total		Total
	Fund Balances	\$209,590,661	44.4%	\$223,842,498	40.9%	\$226,202,599	39.1%	\$211,502,586	37.5%	\$226,202,599	39.1%	\$211,502,586	37.5%
	General Revenues	117,620	0.1%	102,000	0.1%	175,721	0.1%	176,461	0.1%	175,721	0.1%	176,461	0.1%
	Special Revenues												
	Federal Funds	63,297,680	13.3%	107,679,997	19.7%	128,427,292	22.3%	120,218,692	21.3%	128,427,292	22.3%	120,218,692	21.3%
	Constitutional Officers Fund												
	State Central Services Fund												
	General Revenue Transfer from DHS			4,200,000	0.8%								
	Cash Funds												
	Penalty/Interest; UI Contrib; Advance Tax	199,533,689	42.2%	211,159,484	38.5%	222,950,970	38.5%	231,487,462	41.1%	222,950,970	38.5%	231,487,462	41.1%
	Total Funding	472,539,650	100.0%	546,983,979	100.0%	577,756,582	100.0%	563,385,201	100.0%	577,756,582	100.0%	563,385,201	100.0%
	Excess Appro./ (Funding)	(223,842,498)		(106,573,996)		(95,897,300)		(90,839,236)		(98,587,719)		(93,597,477)	
	TOTAL	\$248,697,152		\$440,409,983		\$481,859,282		\$472,545,965		\$479,168,863		\$469,787,724	
DEPARTMENT				DIRECTOR					DEPARTMENT APPROPRIATION SUMMARY				
EMPLOYMENT SECURITY DEPARTMENT (810)				Ed Rolle					BR 40				
Fund Balances reflect actual levels anticipated by the Department													

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.
EMPLOYMENT SECURITY DEPARTMENT (810)												
OPERATIONS	\$34,465,184	597	\$81,684,623	625	\$101,081,573	781	\$95,520,964	781	\$98,391,154	699	\$92,762,723	699
U. I. BENEFITS	189,778,428		294,000,000		294,000,000		294,000,000		294,000,000		294,000,000	
REED ACT FUNDS			1,000,000		5,000,000		Carry Forward		5,000,000		Carry Forward	
SPECIAL FUND APPROPRIATIONS	1,832,232		9,725,359		20,777,708		22,025,000		20,777,708		22,025,000	
JTPA GRANT PAYMENTS	22,406,843		51,000,000		58,000,000		58,000,000		58,000,000		58,000,000	
U. I. TRUST FUND LOAN INTEREST/ UNEMPLOYMENT INSURANCE	214,465		3,000,001		3,000,001		3,000,001		3,000,001		3,000,001	
TOTALS	\$248,697,152	597	\$440,409,983	625	\$481,859,282	781	\$472,545,965	781	\$479,168,863	699	\$469,787,724	699
Funding Sources		% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances	\$209,590,661	44.4%	\$223,842,498	40.9%	\$226,202,599	39.1%	\$211,502,586	37.5%	\$226,202,599	39.1%	\$211,502,586	37.5%
General Revenues	117,620	0.1%	102,000	0.1%	175,721	0.1%	176,461	0.1%	175,721	0.1%	176,461	0.1%
Special Revenues												
Federal Funds	63,297,680	13.3%	107,679,997	19.7%	128,427,292	22.3%	120,218,692	21.3%	128,427,292	22.3%	120,218,692	21.3%
Constitutional Officers Fund												
State Central Services Fund												
General Revenue Transfer from DHS			4,200,000	0.8%								
Cash Funds												
Penalty/Interest; UI Contrib; Advance Tax	199,533,689	42.2%	211,159,484	38.5%	222,950,970	38.5%	231,487,462	41.1%	222,950,970	38.5%	231,487,462	41.1%
Total Funding	472,539,650	100.0%	546,983,979	100.0%	577,756,582	100.0%	563,385,201	100.0%	577,756,582	100.0%	563,385,201	100.0%
Excess Appro./ (Funding)	(223,842,498)		(106,573,996)		(95,897,300)		(90,839,236)		(98,587,719)		(93,597,477)	
TOTAL	\$248,697,152		\$440,409,983		\$481,859,282		\$472,545,965		\$479,168,863		\$469,787,724	
DEPARTMENT Employment Security Department (810)	DIRECTOR Ed Rolle						DEPARTMENT PROGRAM SUMMARY BR 22					
Fund Balances reflect actual levels anticipated by the Department												

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

This appropriation, which is funded by federal dollars deposited into a cash account, provides for the operational costs of the Employment Security Department. When the Department converted to the State Payroll System, a separate appropriation was created to accommodate employee direct deposits, therefore, the personnel costs for the Agency are reflected in the ESD Personal Services Appropriation (671).

Base Level is \$33,100,034 both years of the biennium with a total of \$64,831,675 in FY00 and \$58,441,175 in FY01 requested in appropriation authority. Anticipated funding totals approximately \$62.7 million in FY00 and \$56 million in FY01. Excess appropriation is requested to be maintained in the Base Level to address any unforeseen economic change occurring. Change Level requests include additional appropriation under five Maintenance and Operation categories. Operating Expenses has been requested at a 14.9% increase in FY00 and a 4.6% increase in FY01; Conference Fees and Travel has been requested at a 4% each year; Professional Fees and Services has been requested at a 400% increase in FY00 primarily for Year 2000 compliance and .4% increase in FY01; Capital Outlay has been requested at a 800% increase in FY00 and a 733% increase in FY01 and includes necessary equipment for the Year 2000 compliance as well as implementation of an electronic benefit claims system and Data Processing has been requested at a 44% increase in FY01 and a 60% increase in FY01 for services provided by the Department of Information Services. The increases are requested reflect the needs for on-going daily operations of the Department and the One-Stop Migrant Center, implementation of the Career Centers across the State and the Welfare to Work Initiative. Construction of the Hope Migrant Farm Labor Center has been completed and the appropriation for construction is no longer needed. The Center is utilized as the One-Stop Migrant Center for the convenience of ESD customers to obtain the assistance for employment services needed. Overtime appropriation has been established in the ESD Personal Services Appropriation (671) and is no longer necessary in this appropriation.

The most significant Change Level request is related to the Federal Initiative of Welfare to Work. This request alone totals \$24,000,000 in FY00 and \$22,000,000 in FY01. Funding for the program is provided by the U.S. Department of Labor. The Employment Security Department and the Arkansas Department of Human Services (DHS) are working in a cooperative relationship to ensure that the State is successful in transitioning its citizens from the rolls of welfare and helping those citizens in gaining the skills necessary to obtain and maintain gainful permanent employment. The Department of Human Services and the Employment Security Department have entered into a written agreement whereby the DHS will provide the general revenue matching funds in the amount of \$4.2 million in order for ESD to access \$8.4 million in federal Welfare to Work funding. The general revenue funds are available from the current biennium and are due to savings in the Cash Assistance Program of Welfare Reform through DHS. The federal welfare reform legislation Public Law 104-193 or more familiarly known as "The Personal Responsibility and Work Opportunity Reconciliation

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Employment Security Department Code: 810	Name: Operations - Cash Code: A36	Name: Labor Employment Sec. Div. Code: 177	BR20	86

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

Act of 1996" as well as Arkansas Act 1058 of 1997, which is Arkansas' welfare reform legislation, is specific regarding the need for and expectation of agencies working together for the mutual benefit of citizens leaving the public assistance rolls and state's gaining tax paying citizens.

An explanation of the line items other than those for normal departmental operations follows. All of the following line items are requested as continuation of current authorization levels:

Disaster Relief Payments – these payments are made to individuals as a result of loss of employment due to emergencies or major disasters as declared by the President. Funding is provided through the U. S. Department of Labor by the Federal Disaster Assistance Administration.

Training Allowances – federal funding is provided to pay allowances to economically disadvantaged, unemployed and underemployed individuals so that they can attend training to maximize their employment opportunities and enhance self-sufficiency.

Payments to Participant Contractors – federal funding is provided to reimburse private and nonprofit employers for costs incurred to train individuals who are economically disadvantaged, unemployed, and underemployed.

UI Loan Repayments – for repayment to the federal Unemployment Insurance Trust Fund for loans by the State during times of high unemployment. The State's loans were paid off in FY85 with no current signs of borrowing anticipated. Therefore, the Department requests that the \$1 in appropriation be maintained and could be increased through transfer authority granted by special language.

ESD Special Fund – for repayment to the Special Fund for building construction costs from the federally funded operating budget.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is based solely upon receipt of funding.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Employment Security Department Code: 810	Name: Operations - Cash Code: A36	Name: Labor Employment Sec. Div. Code: 177	BR20	87

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			98-99			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	CHANGE		TOTAL	CHANGE		TOTAL	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	LEVEL	REQUEST	BASE	LEVEL	REQUEST	99-00	00-01	99-00	00-01			
OVERTIME	0	0	1	0	0	0	0	0	0	0	0	0	0			
OPERATING EXPENSES	5,072,343	8,089,533	8,089,533	8,089,533	1,208,441	9,297,974	8,089,533	374,941	8,464,474	9,297,974	8,464,474					
CONF FEES & TRAVEL	148,406	230,500	230,500	230,500	9,200	239,700	230,500	9,200	239,700	239,700	239,700					
PROF FEES & SERVICES	662,877	* 4,800,000	900,000	900,000	3,604,000	4,504,000	900,000	4,000	904,000	4,504,000	904,000					
CAPITAL OUTLAY	586,141	2,497,000	2,497,000	280,000	2,250,000	2,530,000	280,000	2,053,000	2,333,000	2,530,000	2,333,000					
DATA PROCESSING	1,042,793	** 1,500,000	400,000	1,500,000	660,000	2,160,000	1,500,000	900,000	2,400,000	2,160,000	2,400,000					
DISASTER RELIEF PAYMENTS	41,202	2,000,000	2,000,000	2,000,000	0	2,000,000	2,000,000	0	2,000,000	2,000,000	2,000,000					
TRAINING ALLOWANCES	327,976	10,000,000	10,000,000	10,000,000	0	10,000,000	10,000,000	0	10,000,000	10,000,000	10,000,000					
PAY TO PART CONTRACTORS	402,237	10,000,000	10,000,000	10,000,000	0	10,000,000	10,000,000	0	10,000,000	10,000,000	10,000,000					
UI LOAN REPAYMENT	0	1	1	1	0	1	1	0	1	1	1					
ESD SPECIAL FUND	0	100,000	100,000	100,000	0	100,000	100,000	0	100,000	100,000	100,000					
WELFARE-TO-WORK	0	* 12,600,000	0	0	24,000,000	24,000,000	0	22,000,000	22,000,000	24,000,000	22,000,000					
CONST HOPE MIGRANT FARM LABOR CTR	722,238	227,762	0	0	0	0	0	0	0	0	0					
TOTAL	9,006,213	52,044,796	34,217,035	33,100,034	31,731,641	64,831,675	33,100,034	25,341,141	58,441,175	64,831,675	58,441,175					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES			*****	3,155,204		3,155,204										
GENERAL REVENUES			*****													
SPECIAL REVENUES			*****													
FEDERAL FUNDS	9,006,213	51,000,000	*****	33,100,034	26,499,966	59,600,000	33,100,034	22,899,966	56,000,000	59,600,000	56,000,000					
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
GEN REV TRANSFER FROM DHS		4,200,000	*****													
TOTAL FUNDING	9,006,213	55,200,000	*****	36,255,238	26,499,966	62,755,204	33,100,034	22,899,966	56,000,000	59,600,000	56,000,000					
EXCESS APPRO/ (FUNDING)		(3,155,204)	*****	(3,155,204)	5,231,675	2,076,471		2,441,175	2,441,175	5,231,675	2,441,175					
TOTAL	9,006,213	52,044,796	*****	33,100,034	31,731,641	64,831,675	33,100,034	25,341,141	58,441,175	64,831,675	58,441,175					

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO A36 CASH OPERATIONS
 FUND 177 LABOR EMPLOYMENT SEC DIV-(810)CASH

* Appropriation was established through the authority of the DFA Cash Holding Account
 ** Appropriation was established through the authority of Section 16, Act 914 of 1997

APPROPRIATION SUMMARY
 BR 215

When the Agency converted to the State Payroll System, a separate appropriation was established to accommodate direct deposits for employees, therefore, personnel costs are reflected in Appropriation 671.

ARKANSAS BUDGET STATE
 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	BUDGETED	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE						
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01							
000		177	010 A36	B	9,006,213	52,044,797	33,100,035	0	33,100,035	0				33,100,035	33,100,035				
001		177	010 A36	C01			25,192,641	0	23,395,141	0				25,192,641	23,395,141				
							To provide adequate appropriation for daily operating expenses, conference fees and travel, capital outlay, data processing (line charges and printing costs from DIS) and professional fees. These appropriation amounts are for the operation of the new, larger One-Stop Migrant Center, implementation of the Career Centers across the state and the Welfare to Work Initiative. The Welfare to Work appropriation is to have sufficient appropriation available to receive federal funds and general revenue matching funds to distribute to the Private Industry Councils (PICs) for funding transition activities in welfare to work.												
002		177	010 A36	C08			6,539,000	0	1,946,000	0				6,539,000	1,946,000				
							This request is to provide adequate appropriation for Operating Expenses, Professional Fees and Services and Capital Outlay to complete Year 2000 Compliance and to implement electronic streamlining such as electronic remittance of claimant benefits. The Capital Outlay includes the purchase of printers, computers, software, data sharing equipment and server equipment for Year 2000 and to allow greater access and use of job related information by customers and staff.												

DEPT 021 DEPARTMENT OF LABOR
 AGY 010 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO A36 CASH OPERATIONS
 FUND 177 LABOR EMPLOYMENT SEC DIV-(010)CASH

RANK BY APPROPRIATION
 BR 264

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

This appropriation is funded by federal dollars deposited into a cash account. These funds are provided to pay unemployment benefits to unemployed federal civilian employees, ex-servicemen, and public service employees. Additionally, this appropriation pays the federal share of the extended benefits program (50%), and the Emergency Unemployment Compensation Program. The Agency is requesting continuation of the Base Level of \$70,000,000 to provide contingency appropriation that requires a high level of authorization to be available to respond to changes in the economy increasing the need for unemployment benefits. Estimated utilization of the appropriation is reflected in the funding of \$5.5 million in FY00 and \$5.9 million in FY01. There are no Change Level requests for this appropriation.

The Executive Recommendation reflects approval of the Agency's request. Expenditure of appropriation is contingent upon receipt of federal funding.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Employment Security Department Code: 810	Name: Federal Employees Benefit Payments Code: A37	Name: Labor Employment Sec. Div. Code: 177	BR20	90

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED	98-99 AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										99-00	00-01	99-00	00-01
BENEFITS	6,543,273	70,000,000	70,000,000	70,000,000	0	70,000,000	70,000,000	0	70,000,000	70,000,000	70,000,000		
TOTAL	6,543,273	70,000,000	70,000,000	70,000,000	0	70,000,000	70,000,000	0	70,000,000	70,000,000	70,000,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS	6,543,273	5,267,528	*****	5,570,411		5,570,411	5,960,339		5,960,339	5,570,411	5,960,339		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	6,543,273	5,267,528	*****	5,570,411		5,570,411	5,960,339		5,960,339	5,570,411	5,960,339		
EXCESS APPRO/ (FUNDING)		64,732,472	*****	64,429,589		64,429,589	64,039,661		64,039,661	64,429,589	64,039,661		
TOTAL	6,543,273	70,000,000	*****	70,000,000		70,000,000	70,000,000		70,000,000	70,000,000	70,000,000		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO A37 FEDERAL EMPLOYEES BENEFIT PAYMENTS -- CASH
 FUND 177 LABOR EMPLOYMENT SEC DIV-(810)CASH

APPROPRIATION SUMMARY

BR 215

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

The Employment Security Department utilizes this appropriation for Unemployment Insurance benefits, which are paid to individuals who are unemployed, based on wages paid by an Arkansas employer. The employer must be a profit organization and pay contributions to the Unemployment Compensation Fund. \$210,000,000 is established as the budget for FY99 and the Base Level for the biennium. The Unemployment Insurance Trust Fund had a \$218,842,498 balance to begin FY99 and is expected to be \$218,047,395 in FY00 and \$206,502,586 in FY01. The Department is requesting to retain the Base Level appropriation in the event unforeseen economic changes occur. In light of the importance of the Department's funding relative to fund balances, historically funding has been presented with the actual fund balances anticipated in each year of a new biennium. In order to have a realistic view of expected expenditures for this appropriation, fund balances must be "backed out" from the previous year's total funding. The following shows the appropriation levels, anticipated expenditure levels, and the remaining unfunded appropriation.

	APPROPRIATION	ANTICIPATED EXPENDITURES	UNFUNDED APPROPRIATION
FY99	\$210,000,000	\$194,599,528	\$15,400,472
FY00	\$210,000,000	\$195,200,395	\$14,799,605
FY01	\$210,000,000	\$202,225,326	\$ 7,774,674

There are no Change Level requests for this appropriation.

The Executive Recommendation provides for the Agency Request. Expenditures are contingent upon receipt of funding.

AGENCY Name: Arkansas Employment Security Department Code: 810	APPROPRIATION Name: U. I. Benefits Taxable Employers Code: A38	CASH FUND Name: Labor Employment Sec. Div. Code: 177	ANALYSIS OF BUDGET REQUEST BR20	PAGE 92
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----		98-99	-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	AUTHORIZED	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO							99-00	00-01	99-00	00-01
BENEFITS	177,243,462	210,000,000	210,000,000	210,000,000	0	210,000,000	210,000,000	0	210,000,000	210,000,000	210,000,000		
TOTAL	177,243,462	210,000,000	210,000,000	210,000,000	0	210,000,000	210,000,000	0	210,000,000	210,000,000	210,000,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	204,590,661	210,842,498	*****	210,047,395		210,047,395	206,502,586		206,502,586	210,047,395	206,502,586		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
UI CONTRIBUTIONS/INTEREST	191,495,299	194,599,528	*****	195,200,395		195,200,395	202,225,326		202,225,326	195,200,395	202,225,326		
TOTAL FUNDING	396,085,960	413,442,026	*****	413,247,790		413,247,790	408,727,912		408,727,912	413,247,790	408,727,912		
EXCESS APPRO/ (FUNDING)	(218,842,498)	(203,442,028)	*****	(203,247,790)		(203,247,790)	(198,727,912)		(198,727,912)	(203,247,790)	(198,727,912)		
TOTAL	177,243,462	210,000,000	*****	210,000,000		210,000,000	210,000,000		210,000,000	210,000,000	210,000,000		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO A36 U.I. BENEFITS -- TAXABLE EMPLOYERS -- CASH
 FUND 177 LABOR EMPLOYMENT SEC DIV-(810)CASH

APPROPRIATION SUMMARY

Fund Balance reflects Agency's anticipated balance.

BR 215

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

This appropriation is used for Unemployment Insurance benefits which are paid to individuals who are unemployed, based on wages paid by any Arkansas non-profit organization or government employing unit which elects to reimburse the Unemployment Compensation Fund rather than pay contributions. The Department is requesting a continuation of the Base Level appropriation totaling \$14 million each year of the biennium to manage any unforeseen changes in the economic climate. Expenditures in FY98 totaled \$5,991,693 and anticipated benefits for the 1999-01 biennium is projected at less than \$7 million annually. There are no Change Level requests for this appropriation.

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

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Employment Security Department Code: 810	Name: U. I. Benefits Reimbursable Employers Code: A39	Name: Labor Employment Code: 177	BR20	94

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	99-00		00-01		00-01		EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	99-00	00-01	99-00	00-01
BENEFITS	5,991,693	14,000,000	14,000,000	14,000,000	0	14,000,000	14,000,000	0	14,000,000	14,000,000	14,000,000		
TOTAL	5,991,693	14,000,000	14,000,000	14,000,000	0	14,000,000	14,000,000	0	14,000,000	14,000,000	14,000,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
UI CONTRIBUTIONS/INTEREST	5,991,693	6,534,597	*****	6,672,867		6,672,867	6,937,136		6,937,136	6,672,867	6,937,136		
TOTAL FUNDING	5,991,693	6,534,597	*****	6,672,867		6,672,867	6,937,136		6,937,136	6,672,867	6,937,136		
EXCESS APPRO/ (FUNDING)		7,465,403	*****	7,327,133		7,327,133	7,062,864		7,062,864	7,327,133	7,062,864		
TOTAL	5,991,693	14,000,000	*****	14,000,000		14,000,000	14,000,000		14,000,000	14,000,000	14,000,000		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO A39 U.I. BENEFITS -- REIMBURSABLE EMPLOYERS -- CASH
 FUND 177 LABOR EMPLOYMENT SEC DIV-(810)CASH

APPROPRIATION SUMMARY

BR 215

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

A provision of Title IX of the Social Security Act makes excess funds collected under the Federal Unemployment Tax Act (FUTA) available for administration of the Employment Security Program. These funds are often referred to as "Reed Act" Funds.

The appropriation authorizing the use of Reed Act Funds must be specific and must 1) limit the use of funds appropriated exclusively for Employment Security purposes, and 2) must specify the purpose of the funds being appropriated. The appropriation law should state the specific functional purpose and amount(s) of the authorized expenditures.

Reed Act funds become a part of a State's unemployment fund as defined in Section 3306 (f) of the Federal Unemployment Tax Act as of the date they are transferred to the account of the State in the Unemployment Trust Fund. The funds must retain legal status as part of the State's unemployment fund until expended for the payment benefits or expenses of Employment Security Administration. Reed Act funds may be withdrawn from the State Unemployment Fund and deposited in another State account for use for Employment Security Administration only pending payment of obligations which have become due or the maturity of which is imminent. Since any amount withdrawn remains legally part of the State's Unemployment Fund until expended, it must be accounted for as part of the State's Unemployment Fund.

This appropriation is funded by Reed Act Funds for the purpose of construction and improvement of buildings, rent/lease costs, acquisition of data processing equipment and/or land, and for the payment of salaries and related benefits of local office staff. The Base Level is \$1,000,000 with carry forward provision into the second year of the biennium. There were no expenditures in FY98. The Change Level request totals \$4,000,000 in appropriation for the biennium to provide adequate appropriation if the U. S. Department of Labor makes additional funds collected under the Federal Unemployment Tax Act available for the administration of the Unemployment Insurance Program.

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

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF	PAGE
Name: Arkansas Employment Security Department	Name: Building Improvements/Land Reed Act	Name: Labor Employment Security-Construction	BUDGET REQUEST	96
Code: 810	Code: A40	Code: 167	BR20	

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							99-00	00-01	99-00	00-01
CONSTRUCTION	0	1,000,000	Carry Forward	1,000,000	4,000,000	5,000,000	CARRY FORWARD			5,000,000	Carry Forward		
TOTAL	0	1,000,000		1,000,000	4,000,000	5,000,000				5,000,000			
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS		1,000,000	*****	1,000,000	4,000,000	5,000,000				5,000,000			
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING		1,000,000	*****	1,000,000	4,000,000	5,000,000				5,000,000			
EXCESS APPRO/ (FUNDING)			*****										
TOTAL		1,000,000	*****	1,000,000	4,000,000	5,000,000				5,000,000			

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO A40 BUILDING IMPROVEMENTS/LAND -- REED ACT -- CASH
 FUND 167 LABOR EMPLOY SECURITY CONSTR-(810)

APPROPRIATION SUMMARY

This Appropriation was originally authorized totaling \$1,000,000 for the 1997-99 Biennium

BR 215

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-----						-----RECOMMENDATIONS-----					
					ACTUAL	BUDGETED	-----FY 1999 - 00-----			-----FY 2000 - 01-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					97-98	98-99	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01			
000		167	810 A40	B		1,000,000		1,000,000				0			1,000,000			
								0				0						
001		167	810 A40	C01				4,000,000				0			4,000,000			
								0				0						
<p>To provide adequate appropriation for Reed Act in the event the U. S. Department of Labor makes additional funds collected under the Federal Unemployment Tax Act (FUTA) available for the administration of Unemployment Insurance Program.</p>																		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO A40 BUILDING IMPROVEMENTS/LAND -- REED ACT -- CASH
 FUND 167 LABOR EMPLOY SECURITY CONSTR-(810)

RANK BY APPROPRIATION
 BR 264

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

The Department utilizes this appropriation for maintenance, repairs, equipment, furnishing, and upkeep of the Administration Building and all other agency owned buildings. This appropriation derives its funding from interest and penalties assessed Arkansas employers on delinquent tax contributions and reimbursable amounts which are collected by ESD and, along with amortization payments on building construction, are forwarded monthly to the State Treasurer. Base Level totals \$417,507 with a carry forward provision into the second year of the biennium. The agency requests \$37,493 in a Change Level to restore appropriation level to \$455,000 in order to have sufficient appropriation available for maintaining and equipping the ESD administration building.

The Executive Recommendation provides for the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Employment Security Department Code: 810	Name: Administration Building Upkeep Code: 097	Name: Employment Security Special Code: TZS	BR20	99

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							99-00	00-01	99-00	00-01
CONSTRUCTION	37,493	417,507	Carry Forward	417,507	37,493	455,000	CARRY FORWARD			455,000	Carry Forward		
TOTAL	37,493	417,507		417,507	37,493	455,000				455,000			
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
PENALTIES/INTEREST	37,493	417,507	*****	417,507	37,493	455,000				455,000			
TOTAL FUNDING	37,493	417,507	*****	417,507	37,493	455,000				455,000			
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	37,493	417,507	*****	417,507	37,493	455,000				455,000			

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 097 ADMINISTRATION BUILDING UPKEEP
 FUND 125 EMPLOYMENT SECURITY SPECIAL(810)

This Appropriation was originally authorized totaling \$455,000 for the 1997-99 Biennium

APPROPRIATION SUMMARY

BR 215

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						RECOMMENDATIONS					
					ACTUAL	BUDGETED	FY 1999 - 00			FY 2000 - 01			EXECUTIVE		LEGISLATIVE			
					97-98	98-99	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01		
000		TZS	810 097	B	37,493	417,507	417,507					0			417,507			
							0					0						
001		TZS	810 097	C01			37,493					0			37,493			
							0					0						
To restore appropriation to current level of \$455,000.																		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 097 ADMINISTRATION BUILDING UPKEEP
 FUND TZS EMPLOYMENT SECURITY SPECIAL(810)

RANK BY APPROPRIATION
 BR 264

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

This appropriation is utilized by the Employment Security Department for the acquisition of buildings and land, construction of buildings and/or modification of existing buildings outside the Pulaski County area. This appropriation is funded from the Employment Security Special Fund derived from penalties and interest assessed Arkansas employers and delinquent tax contributions. Base Level is \$185,166. A carry forward provision is authorized for this appropriation and allows for the unexpended appropriation to carry forward in the second year of the biennium. Change Level requests total \$14,834 for the purpose of restoring the appropriation to a total of \$200,000 to ensure appropriation is available for acquiring or modifying buildings/land outside Pulaski County.

The Executive Recommendation provides for the Agency Request.

AGENCY Name: Arkansas Employment Security Department Code: 810	APPROPRIATION Name: Building/Land Acquisition Code: 098	TREASURY FUND Name: Employment Security Special Code: TZS	ANALYSIS OF BUDGET REQUEST BR20	PAGE 102
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----		98-99 AUTHORIZED APPRO	-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED		BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
			99-00							00-01	99-00	00-01	
ACQUISITION/CONSTRUCTION	14,834	185,166	Carry Forward	185,166	14,834	200,000	CARRY FORWARD			200,000	Carry Forward		
TOTAL	14,834	185,166		185,166	14,834	200,000				200,000			
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
PENALTIES/INTEREST	14,834	185,166	*****	185,166	14,834	200,000				200,000			
TOTAL FUNDING	14,834	185,166	*****	185,166	14,834	200,000				200,000			
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	14,834	185,166	*****	185,166	14,834	200,000				200,000			

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 098 BUILDING/LAND ACQUISITION OUTSIDE PULASKI COUNTY
 FUND T25 EMPLOYMENT SECURITY SPECIAL(810)

This Appropriation was originally authorized totaling \$200,000 for the 1997-99 Biennium

APPROPRIATION SUMMARY

BR 215

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-----						-----RECOMMENDATIONS-----					
					ACTUAL 97-98	BUDGETED 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	
000		TZS	010 098	B	14,834	185,166	185,166	0	0	0	0	0	0	185,166				
001		TZS	010 098	C01			14,834	0	0	0	0	0	0	14,834				
To restore appropriation to current level of \$200,000.																		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 098 BUILDING/LAND ACQUISITION OUTSIDE PULASKI COUNTY
 FUND TZS EMPLOYMENT SECURITY SPECIAL(010)

RANK BY APPROPRIATION
BR 264

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

This appropriation pays the annual assessment to maintain voting member rights in the Interstate Conference of Employment Security Agencies for the Employment Security Department. Base Level is \$25,000 and the Agency requests to maintain this level. There are no Change Level requests for this appropriation.

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

AGENCY Name: Arkansas Employment Security Department Code: 810	APPROPRIATION Name: Interstate Conference Assessment Code: 099	TREASURY FUND Name: Employment Security Special Code: TZS	ANALYSIS OF BUDGET REQUEST BR20	PAGE 105
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ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED							99-00	00-01	99-00	00-01
ANNUAL ASSESSMENT	18,000	25,000	25,000	25,000	0	25,000	25,000	0	25,000	25,000	25,000		
TOTAL	18,000	25,000	25,000	25,000	0	25,000	25,000	0	25,000	25,000	25,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
PENALTIES/INTEREST	18,000	25,000	*****	25,000		25,000	25,000		25,000	25,000	25,000		
TOTAL FUNDING	18,000	25,000	*****	25,000		25,000	25,000		25,000	25,000	25,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	18,000	25,000	*****	25,000		25,000	25,000		25,000	25,000	25,000		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 099 INTERSTATE CONFERENCE ASSESSMENT
 FUND 12S EMPLOYMENT SECURITY SPECIAL(810)

APPROPRIATION SUMMARY

BR 215

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

The New Hire Registry Division within the Employment Security Department was initially authorized by Act 1009 of 1997 as a supplemental appropriation. Act 1008 of 1997 authorized the current biennial appropriation and state funding for the New Hire Division and provided for the development and operation of a State Directory for newly hired and returning employees.

The purpose of this legislation and establishment of a New Hire Registry Division is to develop and maintain a state directory to which employers will report newly hired and returning employees to aid in the establishment and enforcement of child support orders. Funding for this appropriation is derived from General Revenue and has a carry forward provision into the second year of the biennium with funds and appropriation to be used for the same purpose as initially authorized. Base Level is \$102,907 for FY00 and \$103,647 for FY01 and includes a cost of living increase of 2.8% each year over the FY99 salary levels, and related Personal Services Matching costs. There is one (1) position authorized for the New Hire Registry Division with approximately 34% of the salary paid from this appropriation.

Change Level requests total \$72,814 each year in Operating Expenses and include items such as rent of office space, official business travel expenses and professional fees for maintenance of the registry. The registry was established and is maintained through a professional services contract and this increase will allow continuation of the contract in the 1999-01 biennium.

The Executive Recommendation provides for the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: Arkansas Employment Security Department	Name: New Hire Registry Division	Name: State General Services	BUDGET REQUEST	107
Code: 810	Code: 1JA	Code: HUA	BR20	

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			98-99			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	99-00		TOTAL	00-01		TOTAL	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	AUTHORIZED	BASE	CHANGE	REQUEST	BASE	CHANGE	REQUEST	99-00	00-01	99-00	00-01			
REGULAR SALARIES	20,956	21,641	25,039	22,234	0	22,234	22,857	0	22,857	22,234	22,857					
NUMBER OF POSITIONS	1	1	1	1	0	1	1	0	1	1	1					
PERSONAL SERV MATCHING	4,868	4,975	6,703	5,289	0	5,289	5,406	0	5,406	5,289	5,406					
OPERATING EXPENSES	91,796	75,384	427,258	75,384	72,814	148,198	75,384	72,814	148,198	148,198	148,198					
TOTAL	117,620	102,000	459,000	102,907	72,814	175,721	103,647	72,814	176,461	175,721	176,461					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES			*****													
GENERAL REVENUES	117,620	102,000	*****	102,907	72,814	175,721	103,647	72,814	176,461	175,721	176,461					
SPECIAL REVENUES			*****													
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
OTHER			*****													
TOTAL FUNDING	117,620	102,000	*****	102,907	72,814	175,721	103,647	72,814	176,461	175,721	176,461					
EXCESS APPRO/ (FUNDING)			*****													
TOTAL	117,620	102,000	*****	102,907	72,814	175,721	103,647	72,814	176,461	175,721	176,461					

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 1JA STATE HIRE REGISTRY DIVISION
 FUND HUA STATE GENERAL SERVICES(000)

APPROPRIATION SUMMARY

There is one (1) position authorized for the New Hire Registry Division with approximately 34% of the Salary paid from this appropriation.

BR 215

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---	---BUDGETED---	-----FY 1999 - 00-----		-----FY 2000 - 01-----		-----EXECUTIVE-----		-----LEGISLATIVE-----					
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
000		HUA	810 1JA	B	117,620 1	102,000 1	102,907 1		103,647 1					102,907 1	103,647 1			
001		HUA	810 1JA	C01			72,814 0		72,814 0					72,814	72,814			
<p>To provide adequate appropriation for operating expenses such as the lease space and professional fees and services for the New Hire Registry. The New Hire Registry as authorized by Act 1276 of 1997 is the repository for all newly hired persons in Arkansas.</p>																		

DEPT 021 DEPARTMENT OF LABOR
AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
APPRO 1JA STATE HIRE REGISTRY DIVISION
FUND HUA STATE GENERAL SERVICES(000)

RANK BY APPROPRIATION
BR 264

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

The New Hire Registry Division at the Arkansas Employment Security Department authorized by Act 1009 of 1997 as a supplemental appropriation and authorized for the FY97-99 biennium by Act 1008 of 1997. This appropriation was established for the purpose of supporting the federal portion of the New Hire Registry Division to develop and maintain a State Directory of newly hired and returning employees.

The intent for the New Hire Registry Division and the State Directory is to assist in the establishment and enforcement of child support orders. Employers are required to report newly hired and returning employees to the New Registry Division. Funds for this appropriation are from Child Support Enforcement funds with a carry forward provision into the second year of the biennium with funds and appropriation to be used for the same purpose as initially authorized. Base Level is \$201,069 for FY00 and \$202,541 for FY01 and includes a cost of living increase of 2.8% each year over the FY99 salary levels, and related Personal Services Matching costs. There is one (1) position authorized for the New Hire Registry Division with approximately 66% of the salary and personal services matching paid from federal funding.

Change Level requests total \$141,343 each year in Operating Expenses for items such as rent of office space, official business expenses and professional fees. The registry was established and is maintained through a professional services contract and this increase will allow continuation of the contract in the 1999-01 biennium.

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

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: Arkansas Employment Security Department Code: 810	Name: New Hire Registry Division Federal Code: 1JB	Name: Employment Security Federal Code: FED	BUDGET REQUEST	110

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	EXPENDITURES			99-00 FISCAL YEAR			00-01 FISCAL YEAR			RECOMMENDATIONS			
	97-98	98-99	98-99	99-00		00-01		00-01		EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	99-00	00-01	99-00	00-01
REGULAR SALARIES	40,679	42,009	48,606	44,469	0	44,469	45,713	0	45,713	44,469	45,713		
NUMBER OF POSITIONS	1	1	1	1	0	1	1	0	1	1	1		
PERSONAL SERV MATCHING	9,450	9,657	13,011	10,266	0	10,266	10,494	0	10,494	10,266	10,494		
OPERATING EXPENSES	178,194	146,334	829,383	146,334	141,343	287,677	146,334	141,343	287,677	287,677	287,677		
TOTAL	228,323	198,000	891,000	201,069	141,343	342,412	202,541	141,343	343,884	342,412	343,884		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS	228,323	198,000	*****	201,069	141,343	342,412	202,541	141,343	343,884	342,412	343,884		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	228,323	198,000	*****	201,069	141,343	342,412	202,541	141,343	343,884	342,412	343,884		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	228,323	198,000	*****	201,069	141,343	342,412	202,541	141,343	343,884	342,412	343,884		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 1JB NEW HIRE REGISTRY DIVISION -- FEDERAL
 FUND FED EMPLOYMENT SECURITY FEDERAL-(810)

APPROPRIATION SUMMARY

There is one (1) position authorized for the New Hire Registry Division with approximately 66% of the Salary paid from this appropriation.

BR 215

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	BUDGETED	-----FY 1999 - 00-----			-----FY 2000 - 01-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					97-98	98-99	REQUEST			REQUEST			1999-00	2000-01	1999-00	2000-01		
000		FED	810 1JB	B	228,323 1	198,000 1	201,069 1			202,541 1			201,069 1		202,541 1			
001		FED	810 1JB	C01			141,343 0			141,343 0			141,343		141,343			
<p>To provide adequate appropriation for operating expenses such as the lease of space and professional fees and services. The Arkansas New Hire Registry is funded by federal funds from the Child Support Enforcement Program, providing three dollars for every dollar of General Revenue funded.</p>																		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 1JB NEW HIRE REGISTRY DIVISION -- FEDERAL
 FUND FED EMPLOYMENT SECURITY FEDERAL-(810)

RANK BY APPROPRIATION
 BR 264

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

The Employment Security Department utilizes this appropriation for the rent of buildings. The Employment Security Special Fund is the source of funding for this appropriation which is derived from penalties and interest assessed Arkansas employers and delinquent tax contributions. Base Level is \$96,708 with no expenditures in FY98. This appropriation has a carry-forward provision which allows for unexpended appropriation to be carried into the second year of the biennium. There are no Change Levels requested for this appropriation.

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

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Employment Security Department Code: 810	Name: Rent of Buildings Code: 100	Name: Employment Security Special Code: TZS	BR20	113

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			98-99			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	AUTHORIZED	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	APPRO		LEVEL	REQUEST		LEVEL	REQUEST	99-00	00-01	99-00	00-01			
RENT SPACE	0	96,708	Carry Forward	96,708	0	96,708	CARRY FORWARD			96,708	Carry Forward					
TOTAL	0	96,708		96,708	0	96,708				96,708						
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES			*****													
GENERAL REVENUES			*****													
SPECIAL REVENUES			*****													
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
PENALTIES/INTEREST		96,708	*****	96,708		96,708				96,708						
TOTAL FUNDING		96,708	*****	96,708		96,708				96,708						
EXCESS APPRO/ (FUNDING)			*****													
TOTAL		96,708	*****	96,708		96,708				96,708						

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 100 RENT OF BUILDINGS
 FUND TZS EMPLOYMENT SECURITY SPECIAL(810)

This Appropriation was originally authorized totaling \$96,708 for the 1997-99 Biennium

APPROPRIATION SUMMARY

BR 215

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

The Employment Security Department uses this appropriation to pay any required city or county Special Improvement District Taxes levied on local ESD offices. The department's budget request reflects a Base Level of \$978. This appropriation has a carry-forward provision which allows for unexpended appropriation to be carried into the second year of the biennium. Funding for this appropriation is derived from the Employment Security Special Fund derived from penalties and interest assessed Arkansas employers and delinquent tax contributions. The Change Level request for the biennium is \$22 to restore the appropriation level to \$1,000.

The Executive Recommendation provides for the Agency Request. Expenditure is based solely on the availability of funding.

AGENCY Name: Arkansas Employment Security Department Code: 810	APPROPRIATION Name: Special Improvement District Taxes Code: 101	TREASURY FUND Name: Employment Security Special Code: TZS	ANALYSIS OF BUDGET REQUEST BR20	PAGE 115
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							99-00	00-01	99-00	00-01
PAYMENT OF TAXES	22	978	Carry Forward	978	22	1,000	CARRY FORWARD			1,000	Carry Forward		
TOTAL	22	978		978	22	1,000				1,000			
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
PENALTIES/INTEREST	22	978	*****	978	22	1,000				1,000			
TOTAL FUNDING	22	978	*****	978	22	1,000				1,000			
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	22	978	*****	978	22	1,000				1,000			

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 101 SPECIAL IMPROVEMENT DISTRICT TAXES
 FUND TZS EMPLOYMENT SECURITY SPECIAL(810)

APPROPRIATION SUMMARY

This Appropriation was originally authorized totaling \$1,000 for the 1997-99 Biennium

BR 215

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-----		-----FY 2000 - 01-----		-----EXECUTIVE-----		-----LEGISLATIVE-----					
							REQUEST	REQUEST			1999-00	2000-01	1999-00	2000-01				
000		TZS	010 101	B	22	978	978	0			978	0						
							0	0										
001		TZS	010 101	C01			22	0			22	0						
							0	0										
							To restore appropriation to current level of \$1,000.											

DEPT 021 DEPARTMENT OF LABOR
 AGY 010 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 101 SPECIAL IMPROVEMENT DISTRICT TAXES
 FUND TZS EMPLOYMENT SECURITY SPECIAL(010)

RANK BY APPROPRIATION

BR 264

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

The Department utilizes this appropriation for payment of unemployment benefits and expenses incurred in the administration of the Employment Security Law when such expenses exceed funds available from other sources. The Base Level totals \$9,000,000.

Change Level request totals \$11,000,000 in FY00 and \$13,000,000 in FY01. The increase is to ensure adequate appropriation is available for administrative expenditures over and above other funding sources resulting from reductions in funding. This change level request will enable the Department in developing a telephone claims system and other automated systems for efficient unemployment insurance activities. The additional funding will be derived from an additional ½% penalty and interest collections bringing the total allowable retention of funds to 1%. Currently, the Department is able to retain only ½ of 1% of funds collected while all other funds are sent to the federal Department of Labor.

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

AGENCY Name: Arkansas Employment Security Department Code: 810	APPROPRIATION Name: Excess Unemployment Benefits and Expenses Code: 102	TREASURY FUND Name: Employment Security Special Code: TZS	ANALYSIS OF BUDGET REQUEST BR20	PAGE 118
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							99-00	00-01	99-00	00-01
PAYMENT/EXPENSES	1,761,883	9,000,000	9,000,000	9,000,000	11,000,000	20,000,000	9,000,000	13,000,000	22,000,000	20,000,000	22,000,000		
TOTAL	1,761,883	9,000,000	9,000,000	9,000,000	11,000,000	20,000,000	9,000,000	13,000,000	22,000,000	20,000,000	22,000,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
PENALTIES/INTEREST	1,761,883	9,000,000	*****	9,000,000	11,000,000	20,000,000	9,000,000	13,000,000	22,000,000	20,000,000	22,000,000		
TOTAL FUNDING	1,761,883	9,000,000	*****	9,000,000	11,000,000	20,000,000	9,000,000	13,000,000	22,000,000	20,000,000	22,000,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	1,761,883	9,000,000	*****	9,000,000	11,000,000	20,000,000	9,000,000	13,000,000	22,000,000	20,000,000	22,000,000		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 102 EXCESS UNEMPLOYMENT BENEFITS AND EXPENSES
 FUND TZS EMPLOYMENT SECURITY SPECIAL(810)

APPROPRIATION SUMMARY

BR 215

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						RECOMMENDATIONS					
					ACTUAL 97-98	BUDGETED 98-99	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE					
							REQUEST	REQUEST						1999-00	2000-01	1999-00	2000-01	
000		TZS	810 102	B	1,761,883	9,000,000	9,000,000	9,000,000						9,000,000	9,000,000			
001		TZS	810 102	C08			11,000,000	13,000,000						11,000,000	13,000,000			
<p>To provide adequate appropriation for the payment of administrative expenditures in excess of other funding sources as a result of reductions in federal funds. A telephone claims system will be developed, as well as, the automation of other unemployment insurance activities.</p>																		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 102 EXCESS UNEMPLOYMENT BENEFITS AND EXPENSES
 FUND TZS EMPLOYMENT SECURITY SPECIAL(810)

RANK BY APPROPRIATION
 BR 264

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

Act 308 of 1995 created this appropriation to accommodate direct deposits for employees when the Department converted to the state payroll system through the State Treasury. This appropriation provides for payment of Regular Salaries, Personal Services Matching, Extra Help and Overtime. Arkansas Code Annotated §19-5-912 authorized the creation of the "Employment Security Department Trust Fund." Funding for this appropriation is derived from revenues authorized by the federal government for support of various programs, any interest earned on these revenues and any other funds made available by the Arkansas General Assembly. Base Level for this appropriation is \$30,922,702 for FY00 and \$31,629,927 for 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 Level requests total \$4,809,063 and \$4,929,517 respectively for each year of the biennium. Specific Change Levels include salary and personal services matching for the following:

- Addition of eighty-two (82) new positions totaling \$2,613,346 in FY00 and \$2,679,014 in FY01;
- Reauthorization of seventy-four (74) positions not budgeted in FY98 for a total appropriation amount of \$2,118,675 (Salary-\$1,586,592 /Matching-\$532,083) in FY00 and total appropriation of \$2,171,307 (Salary-\$1,631,026/Matching-\$540,281) in FY01; and
- Appropriation totaling \$77,042 in FY00 and \$79,196 in FY01 for reclassification of various positions to accommodate a more accurate reflection of the job duties as well as requests for utilization of the Career Ladder Incentive Program.

The Executive Recommendation provides for Base level and the restoration of seventy-four (74) positions for flexibility. The Career Ladder Incentive Program (CLIP) requests reflected in agency budgets 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 BUDGET REQUEST	PAGE
Name: Arkansas Employment Security Department Code: 810	Name: ESD Personal Services Code: 671	Name: AR Employment Security Dept. Trust Code: TES	BR20	121

ARKANSAS BUDGET SYSTEM

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED	98-99 AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										99-00	00-01	99-00	00-01
REGULAR SALARIES	17,811,538	20,313,320	24,471,701	21,314,135	3,633,909	24,948,044	21,910,930	3,735,653	25,646,583	22,900,727	23,541,956		
NUMBER OF POSITIONS	596	624	750	624	156	780	624	156	780	698	698		
EXTRA HELP	2,343,854	3,393,000	3,393,000	3,393,000	0	3,393,000	3,393,000	0	3,393,000	3,393,000	3,393,000		
NUMBER OF POSITIONS	248	400	400	400	0	400	400	0	400	400	400		
PERSONAL SERV MATCHING	4,950,912	5,626,355	7,140,433	6,208,415	1,175,154	7,383,569	6,318,845	1,193,864	7,512,709	6,740,467	6,859,095		
OVERTIME	6,724	7,152	0	7,152	0	7,152	7,152	0	7,152	7,152	7,152		
TOTAL	25,113,028	29,339,827	35,005,134	30,922,702	4,809,063	35,731,765	31,629,927	4,929,517	36,559,444	33,041,346	33,801,203		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS	25,113,028	28,214,469	*****	28,214,469		28,214,469	28,214,469		28,214,469	28,214,469	28,214,469		
STATE GENERAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	25,113,028	28,214,469	*****	28,214,469		28,214,469	28,214,469		28,214,469	28,214,469	28,214,469		
EXCESS APPRO/ (FUNDING)		1,125,358	*****	2,708,233	4,809,063	7,517,296	3,415,458	4,929,517	8,344,975	4,826,877	5,586,734		
TOTAL	25,113,028	29,339,827	*****	30,922,702	4,809,063	35,731,765	31,629,927	4,929,517	36,559,444	33,041,346	33,801,203		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 671 ESD PERSONAL SERVICES
 FUND TES ARK EMPLOYMENT SECURITY DEPT TRUST(010)

Act 308 of 1995 created this appropriation to pay personnel costs from the ESD Trust Fund. Agency operations are reflected in Appropriation A36.
 Overtime is greater than the authorized appropriation due to reclassification transfer processed in FY99.

APPROPRIATION SUMMARY

BR 215

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	BUDGETED	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE					
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
000		YES	810 671	B	25,113,028 596	29,339,827 624	30,922,702 624		31,629,927 624		30,922,671 624		31,629,896 624					
001		YES	810 671	C01			2,613,346 82		2,679,014 82									
<p>To accommodate changing technology and increased Department of Labor (DOL) performance management initiatives associated with the adjudication of UI claims which dictate major changes in job duties of a significant number of staff, particularly at the local level this requests adds eighty-two (82) new positions. The addition of the positions is also to address the inability of the Arkansas Employment Security Department to attract and hire qualified technical staff with the required level of knowledge and experience necessary to support the Information Services Environment.</p>																		
001		YES	810 671	C02			2,116,675 74		2,171,307 74		2,118,675 74		2,171,307 74					
<p>This request is for the reauthorization of seventy-four (74) positions that were not budgeted in FY99 due to the Personnel Cap. In order to have the available job titles and numbers of positions for the use by Department managers is critical to the initiatives required at the federal level. These positions would also provide the positions in the event new federal initiatives are mandated at the State Level.</p>																		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 671 ESD PERSONAL SERVICES
 FUND YES ARK EMPLOYMENT SECURITY DEPT TRUST(810)

RANK BY APPROPRIATION
 BR 264

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-----				-----RECOMMENDATIONS-----					
					---ACTUAL---		---BUDGETED---		---FY 1999 - 00---		---FY 2000 - 01---		-----EXECUTIVE-----		-----LEGISLATIVE-----			
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
002		TES	810 671	C10			77,042 0			79,196 0								
<p>To provide adequate appropriation for the reclassification of thirty-two (32) positions. This requests includes ten (10) job classifications and the change in duties and responsibilities necessitate the change in classification to more accurately responsibilities of employees.</p>																		
003		TES	810 671	C09			0 0			0 0								
<p>To accommodate the career ladder program for one job classification. There are six (6) employees who are affected by the career ladder opportunity and employees should be rewarded for tenure and have opportunity for advancement within an organization.</p>																		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 671 ESD PERSONAL SERVICES
 FUND TES ARK EMPLOYMENT SECURITY DEPT TRUST(810)

RANK BY APPROPRIATION
BR 264

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

The Employment Security Department utilizes this appropriation for payment of federal funds to subcontractors to provide training and employment opportunities for economically disadvantaged, unemployed, or underemployed individuals to maximize their full employment opportunities. Funding for this appropriation is derived from the federal Job Training Partnership Act (JTPA), Public Law 97-300 as amended. Base Level for the biennium totals \$51,000,000 each year. Change Level requests total \$7,000,000 for each year of the biennium. The large amount of excess appropriation is requested in the event Congressional initiatives increase funding.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon the receipt of federal funds.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Employment Security Department Code: 810	Name: Jobs Training Partnership Act Grant Payments Code: 672	Name: Labor ESD (810) CETA/JTPA Grants Code: FCG	BR20	125

ARKANSAS BUDGET SYSTEM

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED	98-99 AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										99-00	00-01	99-00	00-01
GRANTS/AIDS	22,406,843	51,000,000	51,000,000	51,000,000	7,000,000	58,000,000	51,000,000	7,000,000	58,000,000	58,000,000	58,000,000		
TOTAL	22,406,843	51,000,000	51,000,000	51,000,000	7,000,000	58,000,000	51,000,000	7,000,000	58,000,000	58,000,000	58,000,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS	22,406,843	22,000,000	*****	29,700,000		29,700,000	29,700,000		29,700,000	29,700,000	29,700,000		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	22,406,843	22,000,000	*****	29,700,000		29,700,000	29,700,000		29,700,000	29,700,000	29,700,000		
EXCESS APPROZ/ (FUNDING)		29,000,000	*****	21,300,000	7,000,000	28,300,000	21,300,000	7,000,000	28,300,000	28,300,000	28,300,000		
TOTAL	22,406,843	51,000,000	*****	51,000,000	7,000,000	58,000,000	51,000,000	7,000,000	58,000,000	58,000,000	58,000,000		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 672 JOB TRAINING PARTNERSHIP ACT GRANT PAYMENTS
 FUND FCG LABOR ESD-(810)CETA/JTPA GRANTS

APPROPRIATION SUMMARY

BR 215

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				RECOMMENDATIONS							
					ACTUAL	BUDGETED	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE					
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
000		FCG	810 672	B	22,406,843	51,000,000	51,000,000	0	51,000,000	0				51,000,000	51,000,000			
001		FCG	810 672	C01			7,000,000	0	7,000,000	0				7,000,000	7,000,000			
<p>To provide adequate appropriation in the event Congressional initiatives are approved.</p>																		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 672 JOB TRAINING PARTNERSHIP ACT GRANT PAYMENTS
 FUND FCG LABOR ESD-(810)CETA/JTPA GRANTS

RANK BY APPROPRIATION

BR 264

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

Arkansas Code Annotated §11-10-708 (Arkansas Act 482 of 1983), created an Advance Interest Tax to be paid by employers on employee wages paid by that employer. Employers that have elected to reimburse the Unemployment Compensation Fund are exempted from this additional and separate tax. The tax when created was at a rate of .3% in 1983 and 1984, and .14% in 1985. The tax was levied for three distinct purposes: 1) To pay interest incurred by the State on advances obtained from the Federal Unemployment Trust Fund; 2) making refunds of this tax which were erroneously paid, and 3) returning monies to the unemployment compensation fund clearing account which may have been incorrectly identified and erroneously transferred to the tax's account. The Advance Interest Tax is triggered if the trust fund, on the computation date, has a positive balance but the assets of the fund are equal to or less than .7% of the total payrolls for employment during the previous year, or if the Trust has a negative balance on the computation date. According to Arkansas Code Annotated § 11-10-219 Computation Date refers to June 30 of the preceding calendar year unless specified otherwise.

Arkansas was in Loan Status from December 6, 1982 to April 19, 1983. Advances secured totaled \$118,075,000 which were paid off in May, 1984, and the balance of the interest bearing portion of the loan was paid in September, 1984. Interest was paid on \$54,075,000 for a total of \$5,830,270. The Advance Interest Tax is only collected when the state must secure advances to pay unemployment benefits. There is no indication for nor anticipation of a need for the State to borrow funds from the Federal Unemployment Trust Fund to pay benefits. A \$1 appropriation was established so the Agency would have the flexibility to utilize this line item in the event it is needed to pay interest on a loan and the spending authority would be established. The UI Trust Fund Transfer line item was established for transferring from the Advance Interest Trust Fund as was required by law when the Advanced Interest Tax Fund exceeded \$5 million. Excess funds over the \$5,000,000 in FY98 totaled \$214,465 and were transferred to the Trust Fund. Arkansas Code Annotated §11-10-708(B) amended the rate of tax to be collected to 0.2% for the years beginning on and after January 1, 1993 when the state had an outstanding interest-bearing advance. The Code further authorizes the state to initiate collection of the tax when advances occur.

The Department requests Base Level of \$3,000,001. There are no Change Level requests for this appropriation.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is to be contingent upon economic conditions warranting the need for interest payments accruing on borrowed advances from the Federal Unemployment Trust Fund, or the fund balance exceeds the allowable limit thus requiring a fund transfer.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Employment Security Department	Name: UI Trust Fund Loan Interest/Unemployment	Name: ESD Interest Trust		128
Code: 810	Code: 673	Code: TZR	BR20	

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	99-00		00-01		00-01		EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	99-00	00-01	99-00	00-01
U.I. TRUST FUND TRANSFER	214,465	3,000,000	3,000,000	3,000,000	0	3,000,000	3,000,000	0	3,000,000	3,000,000	3,000,000		
LOAN INTEREST	0	1	1	1	0	1	1	0	1	1	1		
TOTAL	214,465	3,000,001	3,000,001	3,000,001	0	3,000,001	3,000,001	0	3,000,001	3,000,001	3,000,001		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	5,000,000	5,000,000	*****	5,000,000		5,000,000	5,000,000		5,000,000	5,000,000	5,000,000		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
ADVANCE INTEREST TAX	214,465	300,000	*****	300,000		300,000	300,000		300,000	300,000	300,000		
TOTAL FUNDING	5,214,465	5,300,000	*****	5,300,000		5,300,000	5,300,000		5,300,000	5,300,000	5,300,000		
EXCESS APPRO/ (FUNDING)	(5,000,000)	(2,299,999)	*****	(2,299,999)		(2,299,999)	(2,299,999)		(2,299,999)	(2,299,999)	(2,299,999)		
TOTAL	214,465	3,000,001	*****	3,000,001		3,000,001	3,000,001		3,000,001	3,000,001	3,000,001		

DEPT 021 DEPARTMENT OF LABOR
 AGY 810 ARKANSAS EMPLOYMENT SECURITY DEPARTMENT
 APPRO 673 UI TRUST FUND LOAN INTEREST/UNEMPLOYMENT INSURANCE
 FUND TZR ESD INTEREST TRUST-(010)

Fund Balance reflects Agency's anticipated balance.

APPROPRIATION SUMMARY

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