

AR ECONOMIC DEVELOPMENT COMMISSION

Enabling Laws

Act 1224 of 2007
A.C.A. § 15-4-205 through § 15-4-219

History and Organization

The Arkansas General Assembly established the Arkansas Industrial Development Commission (AIDC) by Act 404 of 1955, as amended, for the purpose of building the Arkansas economy. The immediate task of the Commission was to unite labor, industry, and agriculture in a coordinated effort to attract new industry to the State, to expand industry, and to develop the State's natural resources. In keeping with an evolving economy, by Act 540 of 1997, the General Assembly changed the name of the Commission to the Arkansas Economic Development Commission to demonstrate an expanded focus. By statutory authority (A.C.A. § 15-4-205 to §15-4-219), the Department of Economic Development (Agency) is the "official state agency" responsible for the programs established for the purpose of building and expanding Arkansas' economy. Since 1955, the emphasis, methods and strategies for this purpose have evolved with the changing global economy. The overall goal of partnering with business and industry to diversify and expand the State's economy, to stimulate job creation and retention, and to enhance the quality of life for current and future Arkansans remains the primary focus of the Agency. Act 1602 of 2007 renamed the agency as the Arkansas Economic Development Commission.

AGENCY MISSION STATEMENT

To lead statewide economic development, create targeted strategies which produce better paying jobs, promote communities and support the training and growth of a 21st century skilled workforce

ORGANIZATIONAL STRUCTURE

The Agency consists of three primary divisions: Global Business Division; Administration and Finance and the Marketing and Communications Division.

The Global Business Division has primary responsibility for interacting with customers, partners and interested parties external to the agency's operations. The following divisions reside within the Global Business Division:

- Business Development
- Community Development
- Business Retention and Expansion
- International Relations
- Film
- Small and Minority Business
- Entrepreneurship and Innovation

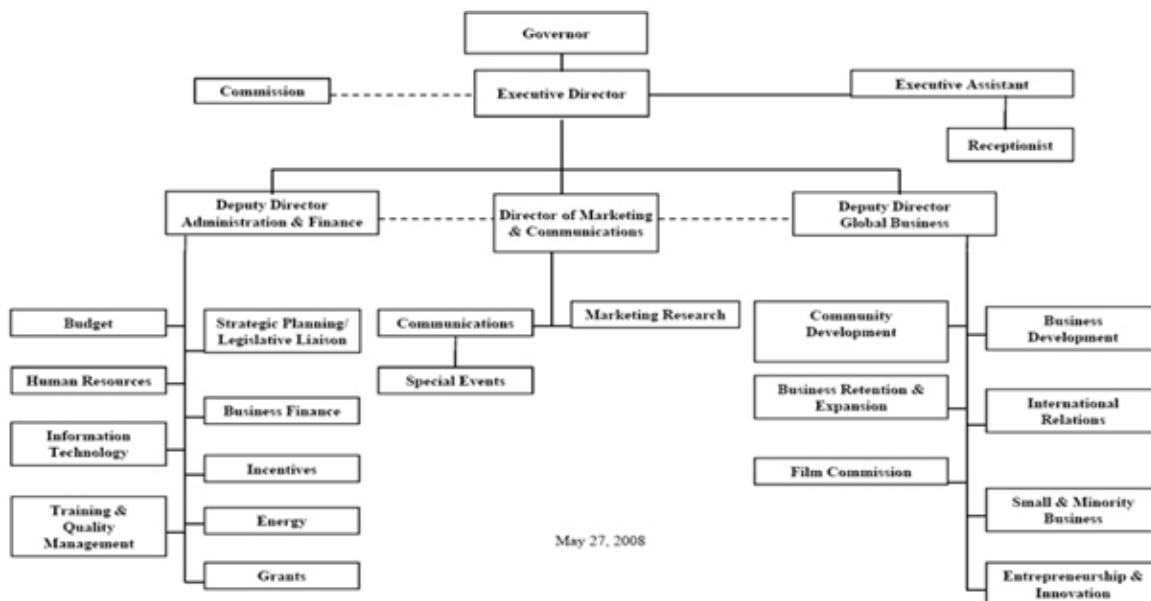
The Administration and Finance Division has responsibility for most of the support functions that assist the Global Business Division. The following divisions reside within the Administration and Finance

Division:

- Budget
- Human Resources
- Information Technology
- Training and Quality Management
- Strategic Planning/Legislative Liaison
- Business Finance
- Incentives
- Energy
- Grants

The Marketing and Communications Division has responsibility for all formal communications emanating from the agency. The following divisions reside within the Marketing and Communications Division:

- Communications
 - Marketing Research
 - Website
 - Special Events
- ❖ The Business Development program generates economic opportunity through strategic partnerships. It assists existing business and industry with their needs and actively recruits new business and industry development to Arkansas.
- ❖ The Community Development program works with strategic partners to assist communities in developing and obtaining the necessary resources to identify and solve local development challenges.
- ❖ The Administrative and Support Program provides the ancillary services necessary for the Business Development and Community Development programs to achieve their goals and objectives. This program includes traditional administrative support as well as research, planning, technology, marketing and communication services.



Agency Commentary

The Commission is requesting a continuation of the Base Level budget for all major programs which includes: General revenues of \$10,466,844 in FY10 and \$10,574,285 in FY11 for various program operations; Federal Grants of \$30,548,022 in FY10 and \$30,555,312 in FY11 for the Community Development Block Grant (CDBG) program funded from the Department of Housing and Urban Development (HUD) and \$1,388,838 in FY10 and \$1,397,573 in FY11 for the programs funded by the U.S. Department of Energy; and Cash-in-Bank funded operations of \$603,875 each year for various programs. The Federal CDBG program noted includes \$30,000,000 each year for grants to carry out the mandates of the HUD CDBG program. These are not operational funds of the Commission, but are passed through directly to the grant recipients. In addition, the Base Level includes a continuation of the appropriation for the Super Projects Fund of \$200 million each year as was authorized in the 2007-09 Biennium.

In addition to Base Level, the Commission is requesting:

(1) **State Operations:** Community Development Division-funding for one (1) new position (R377-AEDC Area/Program Representative) to eliminate a critical shortage in staff for the regional structure established to assist communities in preparing for economic development (\$53,964 in 2010 and \$55,088 in 2011); \$15,000 each year for the increased cost of official business travel in-state, \$4,000 the first year for office furniture and equipment for the new position, and \$5,000 each year for training expenses for the staff. Business Development Division-funding for one (1) new position (R378 AEDC Project/Regional Manager) to fill a critical need in the Commission's Targeted Sector recruiting efforts (\$61,655 in 2010 and \$62,966 in 2011); \$10,000 each year for the increased cost of official business travel in-state, \$4,000 in the first year for office furniture and equipment for the new position, and \$5,000 each year for training expenses for the staff. Also, requested is a \$1 million unfunded appropriation for grants for economic development projects within the state that can benefit from immediate, short term funding that the Commission can fund with savings in other program areas and/or salary savings. International Relations-\$4,000 in the first year only for office furniture and equipment for the previously unfunded and unfilled International Relations Manager. Entrepreneurship and Innovation-funding for one (1) new position (R378-AEDC Project/Regional Manager, \$61,655 in 2010 and \$62,966 in 2011), \$4,000 the first year only for office furniture and equipment for the new position, \$10,000 each year for the cost of official business travel in-state, and \$3,500 each year for training expenses. Market Research GIS-\$5,000 each year for educational training fees to allow the GIS Specialist to remain current on new trends in Geographic Information Systems technology so that our site maps are up-to-date and accurate for companies seeking location in the state. Information Technology-funding for one (1) new position (2820-Network Support Analyst, \$45,299 in 2010 and \$46,223 in 2011), \$4,000 in the first year for office furniture and equipment for the new position, \$15,000 each year for educational fees to allow the staff to keep up with rapidly changing technological advances, \$15,000 for contracting for maintenance support for the computer network for problems beyond staff expertise, and \$25,000 each year for Capital Outlay to allow replacement of aging equipment on a pre-determined schedule.

(2) **Industrial Coordinator Program:** Business Retention and Expansion-funding for one (1) new position (R377-AEDC Area/Program Representative) to complete the planned regional structure (\$53,964 in 2010 and \$55,088 in 2011), \$4,000 in the first year for office furniture and equipment for the new position, \$29,050 each year to cover the increased cost of reimbursement for use of personal vehicles in in-state official business travel, \$7,450 for training expenses of the staff, and \$5,000 each year to allow hiring of trainers for the Business Retention program under contract.

(3) **Film Division:** Film Office-funding for one (1) new position (R377-AEDC Area/Program Representative, \$53,964 in 2010 and \$55,088 in 2011), \$4,000 in the first year only for office furniture and equipment for the new position, \$5,000 each year for in-state travel expenses, and \$3,500 each year for conference and travel expenses for film promotion networking.

(4) **Established Industry Division - State:** Market Research-funding of \$5,000 each year for the staff to attend research conferences to keep up-to-date on new technologies for economic development targeted research and investment research on economic incentives.

(5) **Business Development - State:** Small & Minority Business-funding for one (1) new position (R377-AEDC Area/Program Representative, \$53,964 in 2010 and \$55,088 in 2011), \$4,000 in the first year only for office furniture and equipment for the new position, \$8,500 each year for Operating Expenses to allow the Division to be at a level where it can realistically assist the small business sector in the State, \$5,000 each year for Conference & Travel Expenses to allow the staff to attend networking conferences to stay abreast of recent small and minority business strategies.

(6) **Energy Efficiency Arkansas - Cash in Treasury:** This program was authorized as a request from the Cash Fund Holding Account during the 2008 and 2009 fiscal years and the Commission is requesting its continued appropriation for the 2009-2011 Biennium. One (1) position was provided for this program from those currently authorized. Regular Salaries and matching support for the position, along with Maintenance and Operations line items and a Grants and Aid line item are Change Level requests.

(7) **Consolidation of Appropriations - General Revenues:** As various programs were merged into the Arkansas Economic Development Commission throughout the past, these mergers normally took place after the General Assembly had convened, and not as part of an overall plan during the normal budget cycle. The appropriations for the merged programs were usually transferred separately and left intact. Through time, the Commission has grown to have seven (7) separate and distinct appropriations for general revenue funded programs. This is a very confusing problem when it comes to reporting program expenditures and planning for program operations. At present, there are separate appropriations for (1) State Operations (the bulk of the Commission's programs), (2) State Matching Grants, (3) Industrial Coordinator Program (the former Workforce Development Program), (4) Motion Picture Development Office, (5) Established Industries (the former Energy Conservation & Policy Office), (6) Industry Training, and (7) Business Development - State (Small & Minority Business Program). It would serve to alleviate many confusing program divisions in the legislative budgeting and administrative reporting processes if all of the appropriations for these programs were merged into one single general revenue appropriation. Therefore, for the efficiencies that can be realized, and for the enhanced reporting ability it will bring, the Commission requests that all the general revenue funded appropriations be consolidated into the State Operations Program. This consolidation request will not increase the overall amount appropriated nor increase the budgets of the general revenue request. It is instead a request to improve efficiency and provide for more effective budgeting and reporting.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF ECONOMIC DEVELOPMENT

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

Performance Audit Findings

Selected Programs of the Consolidated Incentive Act (CIA) of 2003
Arkansas Economic Development Commission
(July 1, 2003 – June 30, 2006) - Issued 06-08-2007

Findings and Conclusions:

- The CIA became effective July 1, 2003 and, therefore, analysis was limited to the projects approved in fiscal year 2003 and companies taking advantage of the programs for the three year period ended June 30, 2006. The programs from which incentives were issued during our audit period were InvestArk, Advantage Arkansas, and Tax Back.
- The University of Arkansas at Little Rock, Institute for Economic Advancement used the Regional Economic Models, Inc (REMI) insight model to generate year to year estimates of the regional effects and benefits of the programs reviewed. The simulations indicated Advantage Arkansas and Tax Back incentives issued would create a budget surplus of approximately \$100,000 and the InvestArk incentives issued would create a budget surplus of approximately \$1.25 million.

Recommendations:

N/A

Employment Summary

	Male	Female	Total	%
White Employees	40	36	76	87 %
Black Employees	1	8	9	10 %
Other Racial Minorities	0	2	2	3 %
Total Minorities			11	13 %
Total Employees			87	100 %

Cash Fund Balance Description as of June 30, 2008

Fund Account	Balance	Type	Location
1130100	\$343	Checking	Regions Bank, Little Rock, AR

Statutory/Other Restrictions on use:

These funds are used for advertising purposes as defined by AR Code 19-4-801.

Statutory Provisions for Fees, Fines, Penalties:

The Arkansas Economic Development Commission has the authority to set the fee.

Revenue Receipts Cycle:

Fees are collected and interest is earned throughout the year.

Fund Balance Utilization:

Funds are used for Small Business University seminar related expenses.

Fund Account	Balance	Type	Location
1130200	\$6,006	Checking	Regions Bank, Little Rock, AR

Statutory/Other Restrictions on use:

These funds were initially used for educational expenses of American students studying in Japan. The remaining balance is not sufficient to support student activities and is to be used for other expenses of economic development efforts related to Japan.

Statutory Provisions for Fees, Fines, Penalties:

An endowment was made by the Century Tube Corporation for a scholarship fund for American students in Japan. Remaining funds are for other expenses of economic development efforts related to Japan.

Revenue Receipts Cycle:

The fund was established with an endowment from the Century Tube Corporation. Interest is earned throughout the year.

Fund Balance Utilization:

Funds were originally used to pay educational expenses of American students studying in Japan. Remaining funds are not sufficient to support another student in Japan, therefore, the parent company of the Century Tube Corporation has authorized the Commission to utilize the remaining balance for other expenses of economic development efforts related to Japan.

Fund Account	Balance	Type	Location
1130300	\$9,582	Checking	Regions Bank, Little Rock, AR

Statutory/Other Restrictions on use:

These funds are used for marketing purposes as defined in AR Code 19-4-801.

Statutory Provisions for Fees, Fines, Penalties:

The Arkansas Economic Development Commission has the authority to set the fee.

Revenue Receipts Cycle:

Fees are collected and interest is earned throughout the year.

Fund Balance Utilization:

Funds are used to pay for Commission marketing expenses.

Fund Account	Balance	Type	Location
1130400	\$8,574	Checking	Regions Bank, Little Rock, AR

Statutory/Other Restrictions on use:

These funds are used to pay for administrative and legal costs associated with preparation of financial incentive plans as defined by AR Code 15-4-1901.

Statutory Provisions for Fees, Fines, Penalties:

The Arkansas Economic Development Commission is authorized to collect fees pertaining to financial incentive plans by AR Code 15-4-1901.

Revenue Receipts Cycle:

Fees are collected and interest is earned throughout the year.

Fund Balance Utilization:

Funds are used to defray the Commission's administrative and legal costs associated with the preparation of financial incentive plans.

Fund Account	Balance	Type	Location
1270600	\$8,563	Checking	Regions Bank, Little Rock, AR

Statutory/Other Restrictions on use:

These funds are used for operating expenses and grants as defined by AR Code 19-4-801.

Statutory Provisions for Fees, Fines, Penalties:

Fees are set by the U.S. Department of Energy. Interest is earned throughout the year.

Revenue Receipts Cycle:

The fund was established by multiple disbursements from the U.S. Department of Energy. Interest is earned throughout the year.

Fund Balance Utilization:

Funds are used for operating expenses and grants for qualified energy programs. CD's are purchased in various terms to allow redemption at the most effective time for payments of operating expenses and grants.

Fund Account	Balance	Type	Location
1270800	\$512,019	Checking	Regions Bank, Little Rock, AR

Statutory/Other Restrictions on use:

These funds are used for operating expenses and grants as defined by AR Code 19-4-801.

Statutory Provisions for Fees, Fines, Penalties:

Fees are set by the U.S. Department of Energy. Interest is earned throughout the year.

Revenue Receipts Cycle:

The fund was established by multiple disbursements from the U.S. Department of Energy. Interest is earned throughout the year.

Fund Balance Utilization:

Funds are used for operating expenses and grants for qualified energy projects. CD's are purchased in various terms to allow redemption at the most effective time for payment of operating expenses and grants.

Fund Account	Balance	Type	Location
1271200	\$32,204	Checking	Regions Bank, Little Rock, AR

Statutory/Other Restrictions on use:

These funds are used to pay for quality management related expenses and for other industrial training expenses as defined by AR Code 19-4-801.

Statutory Provisions for Fees, Fines, Penalties:

The Arkansas Economic Development Commission has the authority to set the fee.

Revenue Receipts Cycle:

Fees are collected and interest is earned throughout the year.

Fund Balance Utilization:

Funds are used for quality management and other industrial training related expenses.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	None	N	N	0	None

Department Appropriation Summary

**BEFORE CONSOLIDATION OF APPROPRIATIONS
2SM, 2SN, 2SR, 2SS, 2SU, 2SV INTO 2SK**

Historical Data

Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MZ Super Projects	0	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0
2SK State Operations	6,671,653	53	6,566,184	53	11,689,539	56	6,718,932	53	8,070,025	57	7,743,932	53	6,788,515	53	8,124,258	57	7,813,515	53
2SM State Matching Grants	172,343	0	228,500	0	228,500	0	228,500	0	228,500	0	228,500	0	228,500	0	228,500	0	228,500	0
2SN Industrial Coordinator Program	725,015	10	807,018	11	811,847	11	837,279	11	936,743	12	837,279	11	852,034	11	948,622	12	852,034	11
2SQ Community Assistance-Federal	25,334,925	7	30,525,485	7	36,975,397	7	30,548,022	7	30,548,022	7	30,548,022	7	30,555,312	7	30,555,312	7	30,555,312	7
2SR Motion Picture Development Office	120,217	1	101,926	1	103,081	1	103,730	1	169,694	2	103,730	1	105,736	1	168,824	2	105,736	1
2SS Established Industry Division-State	534,546	8	590,738	8	579,239	8	612,931	8	617,931	8	612,931	8	623,603	8	628,603	8	623,603	8
2ST State Energy Plan-Federal	798,212	7	1,360,680	9	1,392,358	9	1,388,838	9	1,388,838	9	1,388,838	9	1,397,573	9	1,397,573	9	1,397,573	9
2SU Business Development-State	213,518	4	242,704	4	252,330	4	277,333	4	348,797	5	277,333	4	280,445	4	349,033	5	280,445	4
2SV Industry Training	1,592,404	6	1,669,233	6	3,162,158	6	1,688,139	6	1,688,139	6	1,688,139	6	1,695,452	6	1,695,452	6	1,695,452	6
56N Energy Efficiency Arkansas-Cash	149,710	0	2,312,385	1	0	0	0	1	2,311,137	1	2,311,137	1	0	1	2,312,452	1	2,312,452	1
C32 Incentive Plans-Cash	0	0	11,100	0	15,000	0	11,100	0	11,100	0	11,100	0	11,100	0	11,100	0	11,100	0
C34 Trade & International Investment-Cash	4,335	0	9,625	0	13,725	0	9,625	0	9,625	0	9,625	0	9,625	0	9,625	0	9,625	0
C35 Existing Business Resource Program-Cash	5,537	0	30,150	0	46,500	0	30,150	0	30,150	0	30,150	0	30,150	0	30,150	0	30,150	0
C36 Petroleum Violation Escrow-Cash	50,000	0	543,000	0	592,163	0	543,000	0	543,000	0	543,000	0	543,000	0	543,000	0	543,000	0
C38 Small Business University-Cash	0	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0
NOT REQUESTED FOR THE BIENNIIUM																		
C33 Century Tube Program-Cash	0	0	5,980	0	5,980	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	36,372,415	96	245,014,708	100	255,877,817	102	243,007,579	100	246,911,701	107	246,343,716	100	243,131,045	100	247,012,504	107	246,468,497	100

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	609,672	1.6	1,699,323	0.7			97,361	0.0	97,361	0.0	97,361	0.0	95,149	0.0	80,178	0.0	80,178	0.0
General Revenue	4000010	9,926,484	26.1	10,173,671	4.2			10,466,844	4.3	11,059,829	4.5	10,466,844	4.3	10,574,285	4.4	11,143,292	4.5	10,574,285	4.3
Federal Revenue	4000020	26,133,137	68.6	31,886,165	13.0			31,936,860	13.2	31,936,860	13.0	31,936,860	13.0	31,952,885	13.2	31,952,885	13.0	31,952,885	13.0
Cash Fund	4000045	1,299,233	3.4	1,320,304	0.5			21,092	0.0	2,317,258	0.9	2,317,258	0.9	21,100	0.0	2,317,266	0.9	2,317,266	0.9
Merit Adjustment Fund	4000055	0	0.0	32,632	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Bond Proceeds	4000125	0	0.0	200,000,000	81.6			200,000,000	82.5	200,000,000	81.5	200,000,000	81.7	200,000,000	82.4	200,000,000	81.5	200,000,000	81.7

Funding Sources		%		%		%		%		%		%		%		%	
DFA Motor Vehicle Acquisition	4000184	103,212	0.3	0	0.0												
Total Funds		38,071,738	100.0	245,112,095	100.0	242,522,157	100.0	245,411,308	100.0	244,818,323	100.0	242,643,419	100.0	245,493,621	100.0	244,924,614	100.0
Excess Appropriation/(Funding)		(1,699,323)		(97,387)		485,422		1,500,393		1,525,393		487,626		1,518,883		1,543,883	
Grand Total		36,372,415		245,014,708		243,007,579		246,911,701		246,343,716		243,131,045		247,012,504		246,468,497	

Actual exceeds Authorized in 2SR due to salary adjustments and a Budget Classification transfer.

Budget exceeds Authorized in 2SS due to salary adjustments during the 2007-2009 Biennium.

56N authorized by request from Cash Fund Holding Account.

Excess funding in Budget column includes \$26 remaining balance in C33 not requested for the 2009-2011 Biennium. Variances in fund balances are due to unfunded appropriation.

BEFORE CONSOLIDATION OF APPROPRIATIONS 2SM, 2SN, 2SR, 2SS, 2SU, 2SV INTO 2SK.

Department Appropriation Summary

**AFTER CONSOLIDATION OF APPROPRIATIONS
2SM, 2SN, 2SR, 2SS, 2SU, 2SV INTO 2SK**

Historical Data

Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MZ Super Projects	0	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0
2SK State Operations	10,029,696	82	10,206,303	83	16,816,694	86	10,466,844	83	12,059,829	90	11,491,844	83	10,574,285	83	12,143,292	90	11,599,285	83
2SQ Community Assistance-Federal	25,334,925	7	30,525,485	7	36,975,397	7	30,548,022	7	30,548,022	7	30,548,022	7	30,555,312	7	30,555,312	7	30,555,312	7
2ST State Energy Plan-Federal	798,212	7	1,360,680	9	1,392,358	9	1,388,838	9	1,388,838	9	1,388,838	9	1,397,573	9	1,397,573	9	1,397,573	9
56N Energy Efficiency Arkansas-Cash	149,710	0	2,312,385	1	0	0	0	1	2,311,137	1	2,311,137	1	0	1	2,312,452	1	2,312,452	1
C32 Incentive Plans-Cash	0	0	11,100	0	15,000	0	11,100	0	11,100	0	11,100	0	11,100	0	11,100	0	11,100	0
C34 Trade & International Investment-Cash	4,335	0	9,625	0	13,725	0	9,625	0	9,625	0	9,625	0	9,625	0	9,625	0	9,625	0
C35 Existing Business Resource Program-Cash	5,537	0	30,150	0	46,500	0	30,150	0	30,150	0	30,150	0	30,150	0	30,150	0	30,150	0
C36 Petroleum Violation Escrow-Cash	50,000	0	543,000	0	592,163	0	543,000	0	543,000	0	543,000	0	543,000	0	543,000	0	543,000	0
C38 Small Business University-Cash	0	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0
NOT REQUESTED FOR THE BIENNIUM																		
C33 Century Tube Program-Cash	0	0	5,980	0	5,980	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	36,372,415	96	245,014,708	100	255,867,817	102	243,007,579	100	246,911,701	107	246,343,716	100	243,131,045	100	247,012,504	107	246,468,497	100

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	609,672	1.6	1,699,323	0.7			97,361	0.0	97,361	0.0	97,361	0.0	95,149	0.0	80,178	0.0	80,178	0.0
General Revenue	4000010	9,926,484	26.1	10,173,671	4.2			10,466,844	4.3	11,059,829	4.5	10,466,844	4.3	10,574,285	4.4	11,143,292	4.5	10,574,285	4.3
Federal Revenue	4000020	26,133,137	68.6	31,886,165	13.0			31,936,860	13.2	31,936,860	13.0	31,936,860	13.0	31,952,885	13.2	31,952,885	13.0	31,952,885	13.0
Cash Fund	4000045	1,299,233	3.4	1,320,304	0.5			21,092	0.0	2,317,258	0.9	2,317,258	0.9	21,100	0.0	2,317,266	0.9	2,317,266	0.9
Merit Adjustment Fund	4000055	0	0.0	32,632	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Bond Proceeds	4000125	0	0.0	200,000,000	81.6			200,000,000	82.5	200,000,000	81.5	200,000,000	81.7	200,000,000	82.4	200,000,000	81.5	200,000,000	81.7
DFA Motor Vehicle Acquisition	4000184	103,212	0.3	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		38,071,738	100.0	245,112,095	100.0			242,522,157	100.0	245,411,308	100.0	244,818,323	100.0	242,643,419	100.0	245,493,621	100.0	244,924,614	100.0
Excess Appropriation/(Funding)		(1,699,323)		(97,387)				485,422		1,500,393		1,525,393		487,626		1,518,883		1,543,883	
Grand Total		36,372,415		245,014,708				243,007,579		246,911,701		246,343,716		243,131,045		247,012,504		246,468,497	

56N authorized by request from Cash Fund Holding Account.

Excess funding in Budget column includes \$26 remaining balance in C33 not requested for the 2009-2011 Biennium. Variances in fund balances are due to unfunded appropriation.

AFTER CONSOLIDATION OF APPROPRIATIONS 2SM, 2SN, 2SR, 2SS, 2SU, 2SV INTO 2SK.

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
108	88	12	100	8	18.52 %	102	93	6	99	3	8.82 %	102	91	9	100	2	10.78 %

Analysis of Budget Request

Appropriation: 1MZ - Super Projects

Funding Sources: TSP - Department of Economic Development Super Projects Fund

The Super Projects Program was established by the 84th General Assembly to provide resources in support of industries that indicate the intention to invest in the State of Arkansas at least \$500 million and hire at least 500 employees. The Agency is requesting continuation of the current appropriated amount of \$200,000,000 each year.

The second of two proposals to amend the State Constitution referred by the 84th General Assembly to the people and approved by vote in the General Election on November 2, 2004, authorizes this program with funding from bond proceeds. This is now Amendment 82 to the current State Constitution which also authorizes up to 5% of general revenues to be applied toward amortization of bonded indebtedness.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1MZ - Super Projects

Funding Sources: TSP - Department of Economic Development Super Projects Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Super Projects 5900046	0	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Total	0	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Funding Sources									
Bond Proceeds 4000125	0	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Total Funding	0	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000

Analysis of Budget Request

Appropriation: 2SK - State Operations

Funding Sources: HOA - Department of Economic Development Fund

This is the primary general revenue funded appropriation for the Arkansas Economic Development Commission. In addition to the Director's Office, there are three functional groups within the Agency that utilize this State Operations appropriation. They are: (1) Administration and Finance, (2) Global Business, and (3) Marketing and Communications. Base Level is \$6,718,932 for FY10 and \$6,788,515 for FY11, with 53 positions budgeted.

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

Changes are requested as follows:

Four new positions are requested to increase the regional structure to assist communities, to help Targeted Sector recruiting efforts, to enhance entrepreneurship and innovation efforts, and to bolster a growing IT operation. These are two AEDC Project/Regional Managers, an AEDC Area/Program Representative, and a Network Support Analyst. Salary and matching costs are \$222,593 for FY10 and \$227,243 for FY11. Also requested is \$20,000 in Operating Expenses in FY10 to provide furnishings and equipment for the new positions and \$13,500 each year in Conference and Travel Expenses to cover training costs.

Increases of \$35,000 are requested each year in Operating Expenses for reimbursement of increasing official business travel costs.

Additions of \$5,000 each year are requested in Conference and Travel Expenses to maintain the training level of the Geographic Information Systems Specialist to produce the most current site maps for companies seeking to locate in the State.

Capital Outlay of \$25,000 each year is requested for replacement of IT hardware, along with Professional Fees of \$15,000 each year to contract for IT maintenance support, and Conference and Travel Expenses of \$15,000 each year for IT staff training.

Also requested is \$1,000,000 in unfunded appropriation each year for a line item to make grants to cities and counties to support public works projects or job training efforts designed to contribute to the enhancement of the State's economy. The Agency plans to assign funding from any savings that may be realized to support grants made from this account.

The Commission further requests that the general revenue funded programs and appropriations be consolidated into the State Operations Program.

The Executive Recommendation provides for the consolidation of general revenue funded programs into

the State Operations Program. For this program, the Executive Recommendation provides for Base Level, plus additional appropriation of \$25,000 each year for Capital Outlay and \$1,000,000 each year for Grants and Aid. General revenue funding is recommended at Base Level only.

Appropriation Summary

Appropriation: 2SK - State Operations
Funding Sources: HOA - Department of Economic Development Fund

**BEFORE CONSOLIDATION OF APPROPRIATIONS
 2SM, 2SN, 2SR, 2SS, 2SU, 2SV INTO 2SK**

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,611,427	2,939,656	2,853,299	3,001,613	3,171,925	3,001,613	3,060,098	3,234,324	3,060,098
#Positions		53	53	56	53	57	53	53	57	53
Extra Help	5010001	5,288	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help		1	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	703,557	739,797	804,279	830,588	882,869	830,588	841,686	894,703	841,686
Operating Expenses	5020002	1,330,591	1,361,000	1,412,900	1,361,000	1,416,000	1,361,000	1,361,000	1,396,000	1,361,000
Conference & Travel Expenses	5050009	86,471	90,961	61,811	90,961	124,461	90,961	90,961	124,461	90,961
Professional Fees	5060010	1,142,250	1,270,000	1,247,250	1,270,000	1,285,000	1,270,000	1,270,000	1,285,000	1,270,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	0	0	1,000,000	1,000,000	0	1,000,000	1,000,000
Capital Outlay	5120011	290,589	0	0	0	25,000	25,000	0	25,000	25,000
Far East Trade/Ind Recruitment	5900046	141,250	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Latin American Office	5900047	0	4,770	150,000	4,770	4,770	4,770	4,770	4,770	4,770
Economic Infrastructure Prgm	5900048	360,230	0	5,000,000	0	0	0	0	0	0
Total		6,671,653	6,566,184	11,689,539	6,718,932	8,070,025	7,743,932	6,788,515	8,124,258	7,813,515
Funding Sources										
General Revenue	4000010	6,597,224	6,539,284		6,718,932	7,070,025	6,718,932	6,788,515	7,124,258	6,788,515
Merit Adjustment Fund	4000055	0	26,900		0	0	0	0	0	0
DFA Motor Vehicle Acquisition	4000184	74,429	0		0	0	0	0	0	0
Total Funding		6,671,653	6,566,184		6,718,932	7,070,025	6,718,932	6,788,515	7,124,258	6,788,515
Excess Appropriation/(Funding)		0	0		0	1,000,000	1,025,000	0	1,000,000	1,025,000
Grand Total		6,671,653	6,566,184		6,718,932	8,070,025	7,743,932	6,788,515	8,124,258	7,813,515

Budget in Regular Salaries exceeds Authorized due to salary adjustments during the 2007-2009 Biennium.

Actual for Capital Outlay includes Authorization of \$244,100 in Section 3 of Act 1224 of 2007, transfers of \$74,429.34 from the Motor Vehicle Acquisition Fund, and M&R Proceeds of \$842.72.

Actual and Budget in Conference and Travel Expenses and Budget in Professional Fees exceed Authorized due to Budget Classification Transfers.

Appropriation Summary

Appropriation: 2SK - State Operations
Funding Sources: HOA - Department of Economic Development Fund

**AFTER CONSOLIDATION OF APPROPRIATIONS
 2SM, 2SN, 2SR, 2SS, 2SU, 2SV INTO 2SK**

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	4,054,728	4,494,161	4,372,346	4,614,326	4,908,115	4,614,326	4,704,700	5,005,241	4,704,700
#Positions		82	83	86	83	90	83	83	90	83
Extra Help	5010001	5,288	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
#Extra Help		1	11	11	11	11	11	11	11	11
Personal Services Matching	5010003	1,098,089	1,145,883	1,242,859	1,286,259	1,376,955	1,286,259	1,303,326	1,395,292	1,303,326
Operating Expenses	5020002	1,604,270	1,730,003	1,775,903	1,730,003	1,839,553	1,730,003	1,730,003	1,807,553	1,730,003
Conference & Travel Expenses	5050009	131,876	141,486	109,836	141,486	195,436	141,486	141,486	195,436	141,486
Professional Fees	5060010	1,142,250	1,291,500	1,277,250	1,291,500	1,311,500	1,291,500	1,291,500	1,311,500	1,291,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	0	0	1,000,000	1,000,000	0	1,000,000	1,000,000
Capital Outlay	5120011	319,372	0	0	0	25,000	25,000	0	25,000	25,000
State Match for Grants	5900046	172,343	228,500	228,500	228,500	228,500	228,500	228,500	228,500	228,500
Industry Training Program	5900046	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Far East Trade/Ind Recruitment	5900046	141,250	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Latin American Office	5900047	0	4,770	150,000	4,770	4,770	4,770	4,770	4,770	4,770
Existing Worker Training Prgm	5900047	0	0	1,500,000	0	0	0	0	0	0
Economic Infrastructure Prgm	5900048	360,230	0	5,000,000	0	0	0	0	0	0
Total		10,029,696	10,206,303	16,826,694	10,466,844	12,059,829	11,491,844	10,574,285	12,143,292	11,599,285
Funding Sources										
General Revenue	4000010	9,926,484	10,173,671		10,466,844	11,059,829	10,466,844	10,574,285	11,143,292	10,574,285
Merit Adjustment Fund	4000055	0	32,632		0	0	0	0	0	0
DFA Motor Vehicle Acquisition	4000184	103,212	0		0	0	0	0	0	0
Total Funding		10,029,696	10,206,303		10,466,844	11,059,829	10,466,844	10,574,285	11,143,292	10,574,285
Excess Appropriation/(Funding)		0	0		0	1,000,000	1,025,000	0	1,000,000	1,025,000
Grand Total		10,029,696	10,206,303		10,466,844	12,059,829	11,491,844	10,574,285	12,143,292	11,599,285

Budget in Regular Salaries exceeds Authorized due to salary adjustments during the 2007-2009 Biennium.

Actual for Capital Outlay includes Authorization of \$244,100 in Section 3 of Act 1224 of 2007, transfers of \$74,429.34 from the Motor Vehicle Acquisition Fund, and M&R Proceeds of \$842.72.

Actual and Budget in Conference and Travel Expenses and Budget in Professional Fees exceed Authorized due to Budget Classification Transfers.

Change Level by Appropriation

Appropriation: 2SK - State Operations

Funding Sources: HOA - Department of Economic Development Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	6,718,932	53	6,718,932	100.0	6,788,515	53	6,788,515	100.0
C01	Existing Program	246,794	3	6,965,726	103.7	234,520	3	7,023,035	103.5
C05	Unfunded Appropriation	1,000,000	0	7,965,726	118.6	1,000,000	0	8,023,035	118.2
C08	Technology	104,299	1	8,070,025	120.1	101,223	1	8,124,258	119.7

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	6,718,932	53	6,718,932	100.0	6,788,515	53	6,788,515	100.0
C01	Existing Program	0	0	6,718,932	100.0	0	0	6,788,515	100.0
C05	Unfunded Appropriation	1,000,000	0	7,718,932	114.9	1,000,000	0	7,788,515	114.7
C08	Technology	25,000	0	7,743,932	115.3	25,000	0	7,813,515	115.1

Justification

C01	Community Development Division - The Commission is requesting one new position (R277-AEDC Area/Program Representative) to eliminate a critical shortage in staff for the regional structure established to assist communities in preparing for economic development.----- Also, an increase in Operating Expenses to cover increased cost of official business travel for the current staff and the new position (\$15,000 each year), plus minimal office furniture and equipment for the new position (\$4,000 in the first year only) and an increase in Conference & Travel Expenses for training for the new position (\$5,000 each year).----- Business Development Division - One new position is being requested (R378-AEDC Project/Regional Manager) to fill a critical need in the Commission's Targeted Sector recruiting, plus an increase in Operating Expenses to cover the increased cost of official business travel (\$10,000 each year), office furniture and equipment for the new position (\$4,000 in the first year only), along with an increase in Conference & Travel Expenses for training for the new position (\$5,000 each year).----- International Relations - Operating Expenses (\$4,000 in the first year only) for office furniture and equipment for the newly hired International Relations Manager.----- Entrepreneurship & Innovation - One new position (R378-AEDC Project/Regional Manager) is requested, plus Operating Expenses to include office furniture and equipment in the first year and official business travel (\$14,000 the first year and \$10,000 the second year), along with Conference & Travel Expenses (\$3,500 each year) for the new position.----- Market Research - An increase in educational fees for Geographic Information System (GIS) training for the GIS Specialist (\$5,000 each year).
C05	A request for \$1 million in unfunded appropriation to use in the event the Commission identifies savings in other program areas to be utilized to help fund economic development projects that can benefit from immediate short term funding assistance.
C08	Information Technology - One new position (2820-Network Support Analyst), along with minimal office furniture and equipment, to support the rapidly growing demands of the Commission's IT system.----- Also, an increase in Conference and Travel Expenses (educational fees of \$15,000 each year) to help the staff keep pace with rapidly changing technological advances, a request for Professional Fees (\$15,000 each year) to contract for maintenance support for the computer network, and a request for Capital Outlay to replace aging network hardware (\$25,000 each year). Hardware replacement is listed in the Agency IT Plan under the Operations Tab in the IT Support Services Section in the Hardware Category, the Professional Fees request is under the Operations Tab in the IT Support Services Section in the Contracted Services Category, and the staff education fees request is under the Operations Tab in the IT Support Services Section in the In-house Labor Category.

Analysis of Budget Request

Appropriation: 2SM - State Matching Grants

Funding Sources: HOA - Department of Economic Development Fund

This is a general revenue funded appropriation used to match federal grants received by the Arkansas Economic Development Commission. Federal monies are received from the U.S. Department of Energy and the Environmental Protection Agency, as well as the Department of Housing and Urban Development.

Base Level is \$228,500 each year and is the Commission's request. The Commission is also requesting that this program be combined with the State Operations Program.

The Executive Recommendation provides for the consolidation of the State Matching Grants Program into the State Operations Program 2SK (see pages 175 & 175A). Further, the Executive Recommendation for this appropriation provides for the Agency Request.

Appropriation Summary

Appropriation: 2SM - State Matching Grants
Funding Sources: HOA - Department of Economic Development Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
State Match for Grants 5900046	172,343	228,500	228,500	228,500	228,500	228,500	228,500	228,500	228,500
Total	172,343	228,500	228,500	228,500	228,500	228,500	228,500	228,500	228,500
Funding Sources									
General Revenue 4000010	172,343	228,500		228,500	228,500	228,500	228,500	228,500	228,500
Total Funding	172,343	228,500		228,500	228,500	228,500	228,500	228,500	228,500
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	172,343	228,500		228,500	228,500	228,500	228,500	228,500	228,500

BEFORE CONSOLIDATION INTO STATE OPERATIONS PROGRAM 2SK (see pages 175 & 175A).

Analysis of Budget Request

Appropriation: 2SN - Industrial Coordinator Program

Funding Sources: HOA - Department of Economic Development Fund

The Arkansas Economic Development Commission's Industrial Coordinator Program is funded by general revenues and provides the resources to work with new and existing industries to coordinate training of workers. Base Level is \$837,279 for FY10 and \$852,034 for FY11, with 11 positions budgeted.

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

Changes are requested as follows:

One additional position, AEDC Area/Program Representative, to help coordinate the training of workers in new or expanding industries. Salary and matching costs are \$53,964 for FY10 and \$55,088 for FY11, along with \$4,000 in Operating Expenses in the first year for office furnishings and equipment.

Increases of \$29,050 each year in Operating Expenses for reimbursement of increasing official business travel costs.

Additions of \$7,450 each year in Conference and Travel Expenses to enhance training opportunities for the additional position and current staff.

The provision of \$5,000 each year in Professional Fees is to contract for the services of trainers for the Business Retention Program.

The Commission is also requesting that this program be combined with the State Operations Program.

The Executive Recommendation provides for the consolidation of the Industrial Coordinator Program into the State Operations Program 2SK (see pages 175 & 175A). Further, the Executive Recommendation provides for positions, appropriation, and general revenue funding for this appropriation at Base Level only.

Appropriation Summary

Appropriation: 2SN - Industrial Coordinator Program

Funding Sources: HOA - Department of Economic Development Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	492,944	558,965	552,097	575,833	616,992	575,833	588,262	630,367	588,262
#Positions		10	11	11	11	12	11	11	12	11
Personal Services Matching	5010003	146,708	150,503	162,200	163,896	176,701	163,896	166,222	179,205	166,222
Operating Expenses	5020002	63,848	85,000	85,000	85,000	118,050	85,000	85,000	114,050	85,000
Conference & Travel Expenses	5050009	7,504	12,550	12,550	12,550	20,000	12,550	12,550	20,000	12,550
Professional Fees	5060010	0	0	0	0	5,000	0	0	5,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	14,011	0	0	0	0	0	0	0	0
Total		725,015	807,018	811,847	837,279	936,743	837,279	852,034	948,622	852,034
Funding Sources										
General Revenue	4000010	711,004	807,018		837,279	936,743	837,279	852,034	948,622	852,034
DFA Motor Vehicle Acquisition	4000184	14,011	0		0	0	0	0	0	0
Total Funding		725,015	807,018		837,279	936,743	837,279	852,034	948,622	852,034
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		725,015	807,018		837,279	936,743	837,279	852,034	948,622	852,034

Budget in Regular Salaries exceeds Authorized due to salary adjustments during the 2007-2009 Biennium.

Actual in Capital Outlay reflects a transfer from the Motor Vehicle Acquisition Fund.

BEFORE CONSOLIDATION INTO STATE OPERATIONS PROGRAM 2SK (see page 175 & 175A).

Change Level by Appropriation

Appropriation: 2SN - Industrial Coordinator Program
Funding Sources: HOA - Department of Economic Development Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	837,279	11	837,279	100.0	852,034	11	852,034	100.0
C01	Existing Program	99,464	1	936,743	111.9	96,588	1	948,622	111.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	837,279	11	837,279	100.0	852,034	11	852,034	100.0
C01	Existing Program	0	0	837,279	100.0	0	0	852,034	100.0

Justification

C01	Business Retention and Expansion - One new position (R377-AEDC Area/Program Representative) is requested, along with \$4,000 in the first year for supporting office furniture and equipment.----- Also, an increase in Operating Expenses (\$29,050 each year) to pay for increased reimbursement for the staff's use of personal vehicles in their official business travel, including a projected increase in the personal mileage reimbursement rate from the State due to major gasoline price increases.----- In addition, a request for Conference Fees and Travel (educational fees) for the new position and existing staff (\$7,450 each year) and Professional Fees (\$5,000 each year) to allow the hiring of contractual trainers for the Business Retention Program.
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Analysis of Budget Request

Appropriation: 2SQ - Community Assistance-Federal

Funding Sources: FAK - Economic Development - Federal

This is a federally funded appropriation used to operate the Community Development Block Grant Program at the Arkansas Economic Development Commission. Funding is provided by grants from the Department of Housing and Urban Development and through repayments of previous loans. Base Level is \$30,548,022 for FY10 and \$30,555,312 for FY11, with 7 positions budgeted.

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

Continuation at Base Level is the Agency Request.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2SQ - Community Assistance-Federal
Funding Sources: FAK - Economic Development - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	248,121	286,942	241,493	300,474	300,474	300,474	306,614	306,614	306,614
#Positions		7	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	76,339	82,943	78,304	91,948	91,948	91,948	93,098	93,098	93,098
Operating Expenses	5020002	46,152	60,600	60,600	60,600	60,600	60,600	60,600	60,600	60,600
Conference & Travel Expenses	5050009	28,229	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	7,446	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	24,928,638	30,000,000	36,500,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		25,334,925	30,525,485	36,975,397	30,548,022	30,548,022	30,548,022	30,555,312	30,555,312	30,555,312
Funding Sources										
Federal Revenue	4000020	25,334,925	30,525,485		30,548,022	30,548,022	30,548,022	30,555,312	30,555,312	30,555,312
Total Funding		25,334,925	30,525,485		30,548,022	30,548,022	30,548,022	30,555,312	30,555,312	30,555,312
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		25,334,925	30,525,485		30,548,022	30,548,022	30,548,022	30,555,312	30,555,312	30,555,312

Actual and/or Budget in Regular Salaries and Personal Services Matching exceed Authorized due to salary adjustments during the 2007-2009 Biennium.
 Actual in Conference and Travel Expenses exceeds Authorized due to a Budget Classification Transfer.

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Economic Development Commission

Program: Community Assistance-Federal

Act #: 1224 of 2007 Section(s) #: 4 & 20

Estimated Carry Forward Amount \$ 0.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0790 Funds Center: 2SQ Fund: FAK Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Total		\$ 0.00	\$ 0.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

Sufficient appropriation and funding are authorized for FY09 in Section 4 of Act 1224 of 2007 for this program. No carry forward is requested.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

No appropriation or funding was carried forward. Sufficient resources are appropriated directly for FY09 in Section 4 of Act 1224 of 2007, rendering carry forward unnecessary.

Maria Luisa M. Haley
Director

08-12-2008
Date

Analysis of Budget Request

Appropriation: 2SR - Motion Picture Development Office

Funding Sources: HOA - Department of Economic Development Fund

This general revenue funded appropriation is used for the Motion Picture Development Office of the Arkansas Economic Development Commission. This program works directly with film/movie producers to promote Arkansas as an ideal location for film production. Base Level is \$103,730 for FY10 and \$105,736 for FY11, with one position budgeted.

The one Base Level position in this program was changed from unclassified to classified to reflect the recommendations of the Pay Plan Study and annual salaries were adjusted accordingly. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Changes requested by the Commission are as follows:

One additional position, AEDC Area/Program Representative, for film promotion work and monitoring of newly approved film incentives. Salary and matching costs are \$53,964 in the first year and \$55,088 in the second year. An additional \$4,000 in the first year in Operating Expenses is for office furnishings and equipment for this position and another \$5,000 each year is for in-state travel expenses.

Conference and Travel Expenses of \$3,000 each year is for attendance at conferences for film promotion purposes.

The Commission is also requesting that this program be combined with the State Operations Program.

The Executive Recommendation provides for the consolidation of the Motion Picture Development Office into the State Operations Program 2SK (see pages 175 & 175A). Further, the Executive Recommendation provides for positions, appropriation, and general revenue funding for this appropriation at Base Level only.

Appropriation Summary

Appropriation: 2SR - Motion Picture Development Office
Funding Sources: HOA - Department of Economic Development Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	77,150	72,666	72,666	73,392	114,551	73,392	75,080	117,185	75,080
#Positions		1	1	1	1	2	1	1	2	1
Personal Services Matching	5010003	17,862	17,760	18,915	18,838	31,643	18,838	19,156	32,139	19,156
Operating Expenses	5020002	7,433	11,500	6,500	11,500	20,500	11,500	11,500	16,500	11,500
Conference & Travel Expenses	5050009	3,000	0	0	0	3,000	0	0	3,000	0
Professional Fees	5060010	0	0	5,000	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	14,772	0	0	0	0	0	0	0	0
Total		120,217	101,926	103,081	103,730	169,694	103,730	105,736	168,824	105,736
Funding Sources										
General Revenue	4000010	105,445	101,926		103,730	169,694	103,730	105,736	168,824	105,736
DFA Motor Vehicle Acquisition	4000184	14,772	0		0	0	0	0	0	0
Total Funding		120,217	101,926		103,730	169,694	103,730	105,736	168,824	105,736
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		120,217	101,926		103,730	169,694	103,730	105,736	168,824	105,736

Actual in Regular Salaries exceeds Authorized due to salary adjustments during the 2007-2009 Biennium.

Actual and Budget in Operating Expenses and Actual in Conference and Travel Expenses exceed Authorized due to Budget Classification Transfers.

Actual in Capital Outlay reflects a transfer from the Motor Vehicle Acquisition Fund.

BEFORE CONSOLIDATION INTO STATE OPERATIONS PROGRAM 2SK (see pages 175 & 175A).

Change Level by Appropriation

Appropriation: 2SR - Motion Picture Development Office
Funding Sources: HOA - Department of Economic Development Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	103,730	1	103,730	100.0	105,736	1	105,736	100.0
C01	Existing Program	65,964	1	169,694	163.6	63,088	1	168,824	159.7

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	103,730	1	103,730	100.0	105,736	1	105,736	100.0
C01	Existing Program	0	0	103,730	100.0	0	0	105,736	100.0

Justification

C01	Film Division - One new position (R-377 AEDC Area/Program Representative) plus office furniture and equipment (\$4,000 in the first year only) for the new position that will be used to assist in film promotion work and in monitoring newly approved film incentives.----- Also, Operating Expenses for in-state travel for the new position (\$5,000 each year) and Conference and Travel Expenses (\$3,000 each year) for film promotion work.
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Analysis of Budget Request

Appropriation: 2SS - Established Industry Division-State

Funding Sources: HOA - Department of Economic Development Fund

This is a general revenue funded appropriation used to fund administrative activities and provide support for various federally funded programs authorized by the U.S. Department of Energy. Base Level is \$612,931 for FY10 and \$623,603 for FY11, with 8 positions budgeted.

One Base Level position was changed from unclassified to classified to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

In addition to Base Level, the Commission is requesting increases of \$5,000 each year in Conference and Travel Expenses for training of staff in current market research methods.

The Commission is also requesting that this program be combined with the State Operations Program.

The Executive Recommendation provides for the consolidation of the Established Industry Division-State Program into the State Operations Program 2SK (see pages 175 & 175A). Further, the Executive Recommendation provides for positions, appropriation, and general revenue funding for this appropriation at Base Level only.

Appropriation Summary

Appropriation: 2SS - Established Industry Division-State
Funding Sources: HOA - Department of Economic Development Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	379,003	405,052	390,134	417,477	417,477	417,477	426,466	426,466	426,466
#Positions	8	8	8	8	8	8	8	8	8
Personal Services Matching 5010003	110,084	109,183	112,602	118,951	118,951	118,951	120,634	120,634	120,634
Operating Expenses 5020002	34,613	42,503	41,503	42,503	42,503	42,503	42,503	42,503	42,503
Conference & Travel Expenses 5050009	10,846	12,500	10,000	12,500	17,500	12,500	12,500	17,500	12,500
Professional Fees 5060010	0	21,500	25,000	21,500	21,500	21,500	21,500	21,500	21,500
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	534,546	590,738	579,239	612,931	617,931	612,931	623,603	628,603	623,603
Funding Sources									
General Revenue 4000010	534,546	590,738		612,931	617,931	612,931	623,603	628,603	623,603
Total Funding	534,546	590,738		612,931	617,931	612,931	623,603	628,603	623,603
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	534,546	590,738		612,931	617,931	612,931	623,603	628,603	623,603

Budget in Regular Salaries exceeds Authorized due to salary adjustments during the 2007-2009 Biennium.

Budget in Operating Expenses and Conference and Travel Expenses exceed Authorized due to Budget Classification Transfers.

BEFORE CONSOLIDATION INTO STATE OPERATIONS PROGRAM 2SK (see pages 175 & 175A).

Change Level by Appropriation

Appropriation: 2SS - Established Industry Division-State
Funding Sources: HOA - Department of Economic Development Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	612,931	8	612,931	100.0	623,603	8	623,603	100.0
C01	Existing Program	5,000	0	617,931	100.8	5,000	0	628,603	100.8

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	612,931	8	612,931	100.0	623,603	8	623,603	100.0
C01	Existing Program	0	0	612,931	100.0	0	0	623,603	100.0

Justification

C01	Strategic Planning - A request for Professional Fees (\$500,000 each year) to contract for implementation of the Commission's Strategic Plan to include training sessions for qualified communities/regions for business development opportunities, responding to prospect inquiries, and to assist communities/regions in strategic planning and recruitment activities.----- Market Research - A request for an increase in Conference and Travel Expenses (\$5,000 each year) to allow the staff to keep current on research methodologies.
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Analysis of Budget Request

Appropriation: 2ST - State Energy Plan-Federal

Funding Sources: FKE - Department of Energy - Federal

This is one of the major federal programs administered by the Arkansas Economic Development Commission. Federal funding for the State Energy Plan is received from the U.S. Department of Energy and is directed at projects that address the State's needs in energy conservation. This appropriation is also used to expend indirect cost obligations for all federal programs administered by the Department. Base Level is \$1,388,838 for FY10 and \$1,397,573 for FY11, with 9 positions budgeted.

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

Base Level is the Agency Request.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2ST - State Energy Plan-Federal

Funding Sources: FKE - Department of Energy - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	259,345	332,697	351,150	349,425	349,425	349,425	356,784	356,784	356,784
#Positions		7	9	9	9	9	9	9	9	9
Personal Services Matching	5010003	94,349	99,883	113,108	111,313	111,313	111,313	112,689	112,689	112,689
Operating Expenses	5020002	49,694	166,675	166,675	166,675	166,675	166,675	166,675	166,675	166,675
Conference & Travel Expenses	5050009	8,392	39,573	39,573	39,573	39,573	39,573	39,573	39,573	39,573
Professional Fees	5060010	92,628	204,001	204,001	204,001	204,001	204,001	204,001	204,001	204,001
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	226,404	517,851	517,851	517,851	517,851	517,851	517,851	517,851	517,851
Refunds/Reimbursements	5110014	67,400	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		798,212	1,360,680	1,392,358	1,388,838	1,388,838	1,388,838	1,397,573	1,397,573	1,397,573
Funding Sources										
Federal Revenue	4000020	798,212	1,360,680		1,388,838	1,388,838	1,388,838	1,397,573	1,397,573	1,397,573
Total Funding		798,212	1,360,680		1,388,838	1,388,838	1,388,838	1,397,573	1,397,573	1,397,573
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		798,212	1,360,680		1,388,838	1,388,838	1,388,838	1,397,573	1,397,573	1,397,573

Actual exceeds Authorized in Refunds/Reimbursements due to a Miscellaneous Federal Grant approved in November, 2007.

Analysis of Budget Request

Appropriation: 2SU - Business Development-State

Funding Sources: HOA - Department of Economic Development Fund

This general revenue appropriation is used by the Arkansas Economic Development Commission to encourage the establishment, development, and expansion of minority-owned businesses in the State. Base Level is \$277,333 for FY10 and \$280,445 for FY11, including 4 positions.

One Base Level position was changed from unclassified to classified to reflect the recommendations of the Pay Plan Study and annual salaries were adjusted accordingly. Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Commission is requesting changes for the program as follows:

One additional position, AEDC Area/Program Representative, to increase the program's ability to provide guidance in the development and expansion of small and minority-owned businesses statewide. Salary and matching costs are \$53,964 for FY10 and \$55,088 for FY11, along with \$4,000 in Operating Expenses in the first year for office furnishings and equipment for this position.

An additional \$8,500 each year is requested in Operating Expenses to provide a level of support that would maximize this Division's ability to assist the small and minority business sector.

Also requested is \$5,000 each year in Conference and Travel Expenses to help maintain knowledge of the latest small and minority business assistance strategies.

The Commission is also requesting that this program be combined with the State Operations Program.

The Executive Recommendation provides for the consolidation of the Business Development-State Program into the State Operations Program 2SK (see pages 175 & 175A). Further, the Executive Recommendation provides for positions, appropriation, and general revenue funding for this appropriation at Base Level only.

Appropriation Summary

Appropriation: 2SU - Business Development-State
Funding Sources: HOA - Department of Economic Development Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	165,905	188,483	185,055	205,469	246,628	205,469	208,091	250,196	208,091
#Positions		4	4	4	4	5	4	4	5	4
Personal Services Matching	5010003	36,414	41,221	54,275	58,864	71,669	58,864	59,354	72,337	59,354
Operating Expenses	5020002	9,054	10,000	10,000	10,000	22,500	10,000	10,000	18,500	10,000
Conference & Travel Expenses	5050009	2,145	3,000	3,000	3,000	8,000	3,000	3,000	8,000	3,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		213,518	242,704	252,330	277,333	348,797	277,333	280,445	349,033	280,445
Funding Sources										
General Revenue	4000010	213,518	242,704		277,333	348,797	277,333	280,445	349,033	280,445
Total Funding		213,518	242,704		277,333	348,797	277,333	280,445	349,033	280,445
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		213,518	242,704		277,333	348,797	277,333	280,445	349,033	280,445

Budget in Regular Salaries exceeds Authorized due to salary adjustments during the 2007-2009 Biennium.

BEFORE CONSOLIDATION INTO STATE OPERATIONS PROGRAM 2SK (see pages 175 & 175A).

Change Level by Appropriation

Appropriation: 2SU - Business Development-State

Funding Sources: HOA - Department of Economic Development Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	277,333	4	277,333	100.0	280,445	4	280,445	100.0
C01	Existing Program	71,464	1	348,797	125.8	68,588	1	349,033	124.5

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	277,333	4	277,333	100.0	280,445	4	280,445	100.0
C01	Existing Program	0	0	277,333	100.0	0	0	280,445	100.0

Justification

C01	Small & Minority Business - One new position (R377-AEDC Area/Program Representative) plus office furniture and equipment (\$4,000 in the first year only) for the new position.----- In addition, a request is made for an increase in Operating Expenses (\$8.500 each year) to help bring the operations to a level where the Division can realistically assist the small business sector in the State.----- Also, a request is made for additional Conference and Travel Expenses (educational fees of \$5,000 each year) to help the Division be able to keep abreast of current small and minority business assistance strategies.
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Analysis of Budget Request

Appropriation: 2SV - Industry Training

Funding Sources: HOA - Department of Economic Development Fund

This general revenue appropriation is used by the Economic Development Commission to provide pre-employment training and re-training necessary for eligible business and industry workers to meet the technical manpower needs of new or expanding industry in the State. Equipment purchases necessary to conduct training are also incurred in this program. Base Level is \$1,688,139 for FY10 and \$1,695,452 for FY11, with 6 positions budgeted.

One Base Level position was changed from unclassified to classified to reflect the recommendations of the Pay Plan Study and annual salaries were adjusted accordingly. Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Commission's request is for Base Level. The Commission is also requesting that this program be combined with the State Operations Program.

The Executive Recommendation provides for the consolidation of the Industry Training Program into the State Operations Program 2SK (see pages 175 & 175A). Further, the Executive Recommendation for this appropriation provides for the Agency Request.

Appropriation Summary

Appropriation: 2SV - Industry Training
Funding Sources: HOA - Department of Economic Development Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	328,299	329,339	319,095	340,542	340,542	340,542	346,703	346,703	346,703
#Positions	6	6	6	6	6	6	6	6	6
Extra Help 5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help	0	8	8	8	8	8	8	8	8
Personal Services Matching 5010003	83,464	87,419	90,588	95,122	95,122	95,122	96,274	96,274	96,274
Operating Expenses 5020002	158,731	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Conference & Travel Expenses 5050009	21,910	22,475	22,475	22,475	22,475	22,475	22,475	22,475	22,475
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Industry Training Program 5900046	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Existing Worker Training Prgm 5900047	0	0	1,500,000	0	0	0	0	0	0
Total	1,592,404	1,669,233	3,162,158	1,688,139	1,688,139	1,688,139	1,695,452	1,695,452	1,695,452
Funding Sources									
General Revenue 4000010	1,592,404	1,663,501		1,688,139	1,688,139	1,688,139	1,695,452	1,695,452	1,695,452
Merit Adjustment Fund 4000055	0	5,732		0	0	0	0	0	0
Total Funding	1,592,404	1,669,233		1,688,139	1,688,139	1,688,139	1,695,452	1,695,452	1,695,452
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,592,404	1,669,233		1,688,139	1,688,139	1,688,139	1,695,452	1,695,452	1,695,452

Actual and Budget in Regular Salaries exceed Authorized due to salary adjustments during the 2007-2009 Biennium.

BEFORE CONSOLIDATION INTO STATE OPERATIONS PROGRAM 2SK (see pages 175 & 175A).

Analysis of Budget Request

Appropriation: 56N - Energy Efficiency Arkansas-Cash

Funding Sources: NDE - Energy Efficiency - Cash in Treasury

The Energy Efficiency Arkansas - Cash in Treasury appropriation was authorized for 2007-2008 by request from the Cash Fund Holding Account in January, 2008, and reauthorized for 2008-2009 in June, 2008. Funding for this program is received from various energy companies operating within the State for the Quick Start Statewide Energy Efficiency Program mandated by the Public Service Commission. The one position requested in this program is part of the complement currently authorized by Act 1224 of 2007. It has been assigned to provide staff and management for this program.

As a Change Level, the Commission is requesting continuation of this program for the 2009-2011 Biennium.

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

Appropriation Summary

Appropriation: 56N - Energy Efficiency Arkansas-Cash
Funding Sources: NDE - Energy Efficiency - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	50,000	0	0	48,166	48,166	0	49,273	49,273
#Positions	0	1	0	1	1	1	1	1	1
Personal Services Matching 5010003	0	13,530	0	0	14,116	14,116	0	14,324	14,324
Operating Expenses 5020002	48,486	43,900	0	0	43,900	43,900	0	43,900	43,900
Conference & Travel Expenses 5050009	0	2,000	0	0	2,000	2,000	0	2,000	2,000
Professional Fees 5060010	101,224	2,202,955	0	0	2,102,955	2,102,955	0	2,102,955	2,102,955
Grants and Aid 5100004	0	0	0	0	100,000	100,000	0	100,000	100,000
Total	149,710	2,312,385	0	0	2,311,137	2,311,137	0	2,312,452	2,312,452
Funding Sources									
Fund Balance 4000005	0	1,122,032		95,149	95,149	95,149	95,149	80,178	80,178
Cash Fund 4000045	1,271,742	1,285,502		0	2,296,166	2,296,166	0	2,296,166	2,296,166
Total Funding	1,271,742	2,407,534		95,149	2,391,315	2,391,315	95,149	2,376,344	2,376,344
Excess Appropriation/(Funding)	(1,122,032)	(95,149)		(95,149)	(80,178)	(80,178)	(95,149)	(63,892)	(63,892)
Grand Total	149,710	2,312,385		0	2,311,137	2,311,137	0	2,312,452	2,312,452

This appropriation was authorized for 2007-2008 by request from the Cash Fund Holding Account in January, 2008, and reauthorized for 2008-2009 in June, 2008. The position requested is part of the Base Level complement currently authorized by Act 1224 of 2007. It has been assigned to provide staff and management for this program.

Change Level by Appropriation

Appropriation: 56N - Energy Efficiency Arkansas-Cash
Funding Sources: NDE - Energy Efficiency - Cash in Treasury

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	0	1	0	0.0	0	1	0	0.0
C02	New Program	2,311,137	0	2,311,137	100.0	2,312,452	0	2,312,452	100.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	0	1	0	0.0	0	1	0	0.0
C02	New Program	2,311,137	0	2,311,137	100.0	2,312,452	0	2,312,452	100.0

Justification

C02	The Energy Efficiency Arkansas Program was initiated as a request from the Cash Fund Holding Account and was first approved in January, 2008. The Commission is requesting that this program be continued in the 2009-2011 Biennium. A position from the Commission's Base Level staff has been assigned to manage this program.
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Analysis of Budget Request

Appropriation: C32 - Incentive Plans-Cash

Funding Sources: 113 - Arkansas Industrial Development - Cash in Bank

The Arkansas Economic Development Commission's cash appropriation for Incentive Plans provides resources with which to work with industries to develop financial incentive plans that will attract them to locate or expand in a particular area. The Department is authorized to collect a one-time fee of \$2,500 from businesses to offset administrative and legal expenses incurred in the preparation of these plans.

Base Level for this program is \$11,100 each year and is the Commission's request.

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

Appropriation Summary

Appropriation: C32 - Incentive Plans-Cash

Funding Sources: 113 - Arkansas Industrial Development - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Incentive Plans 5900046	0	11,100	15,000	11,100	11,100	11,100	11,100	11,100	11,100
Total	0	11,100	15,000	11,100	11,100	11,100	11,100	11,100	11,100
Funding Sources									
Fund Balance 4000005	8,536	8,574		0	0	0	0	0	0
Cash Fund 4000045	38	2,526		11,100	11,100	11,100	11,100	11,100	11,100
Total Funding	8,574	11,100		11,100	11,100	11,100	11,100	11,100	11,100
Excess Appropriation/(Funding)	(8,574)	0		0	0	0	0	0	0
Grand Total	0	11,100		11,100	11,100	11,100	11,100	11,100	11,100

Analysis of Budget Request

Appropriation: C34 - Trade & International Investment-Cash

Funding Sources: 113 - Arkansas Industrial Development - Cash in Bank

This cash appropriation is utilized by the Arkansas Economic Development Commission to disburse funds collected from participating companies for various promotional events. This appropriation is used to pay for expenses such as booth rental and display costs that are shared on a pro-rated basis among participating companies.

Base Level is \$9,625 each year. No additional appropriation is being requested for the 2009-2011 Biennium.

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

Appropriation Summary

Appropriation: C34 - Trade & International Investment-Cash
Funding Sources: 113 - Arkansas Industrial Development - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Trade & Inter Invest Exp 5900046	4,335	9,625	13,725	9,625	9,625	9,625	9,625	9,625	9,625
Total	4,335	9,625	13,725	9,625	9,625	9,625	9,625	9,625	9,625
Funding Sources									
Fund Balance 4000005	13,864	9,582		0	0	0	0	0	0
Cash Fund 4000045	53	43		0	0	0	0	0	0
Total Funding	13,917	9,625		0	0	0	0	0	0
Excess Appropriation/(Funding)	(9,582)	0		9,625	9,625	9,625	9,625	9,625	9,625
Grand Total	4,335	9,625		9,625	9,625	9,625	9,625	9,625	9,625

Analysis of Budget Request

Appropriation: C35 - Existing Business Resource Program-Cash

Funding Sources: 127 - Department of Energy - Cash in Bank

This is a cash appropriation used by the Arkansas Economic Development Commission to organize and conduct quality management training seminars for industry personnel. Funding for this program comes from the various participating companies and is used to cover the expenses of providing newsletters, speakers, and materials for program sessions.

Base Level is \$30,150 each year. No changes are requested for the 2009-2011 Biennium.

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

Appropriation Summary

Appropriation: C35 - Existing Business Resource Program-Cash

Funding Sources: 127 - Department of Energy - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Existing Business 5900046	5,537	30,150	46,500	30,150	30,150	30,150	30,150	30,150	30,150
Total	5,537	30,150	46,500	30,150	30,150	30,150	30,150	30,150	30,150
Funding Sources									
Fund Balance 4000005	37,566	32,204		2,204	2,204	2,204	0	0	0
Cash Fund 4000045	175	150		0	0	0	0	0	0
Total Funding	37,741	32,354		2,204	2,204	2,204	0	0	0
Excess Appropriation/(Funding)	(32,204)	(2,204)		27,946	27,946	27,946	30,150	30,150	30,150
Grand Total	5,537	30,150		30,150	30,150	30,150	30,150	30,150	30,150

Analysis of Budget Request

Appropriation: C36 - Petroleum Violation Escrow-Cash

Funding Sources: 127 - Department of Energy - Cash in Bank

The Arkansas Economic Development Commission's Petroleum Violation Escrow cash appropriation is used to disburse the State's share of federal court-ordered settlement dollars received from oil companies. Funding is provided by interest earned on current deposits and any future oil company refunds.

Base Level is \$543,000 each year and is the Commission's request.

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

Appropriation Summary

Appropriation: C36 - Petroleum Violation Escrow-Cash
Funding Sources: 127 - Department of Energy - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	50,000	543,000	592,163	543,000	543,000	543,000	543,000	543,000	543,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		50,000	543,000	592,163	543,000	543,000	543,000	543,000	543,000	543,000
Funding Sources										
Fund Balance	4000005	543,384	520,582		0	0	0	0	0	0
Cash Fund	4000045	27,198	22,418		0	0	0	0	0	0
Total Funding		570,582	543,000		0	0	0	0	0	0
Excess Appropriation/(Funding)		(520,582)	0		543,000	543,000	543,000	543,000	543,000	543,000
Grand Total		50,000	543,000		543,000	543,000	543,000	543,000	543,000	543,000

Analysis of Budget Request

Appropriation: C38 - Small Business University-Cash

Funding Sources: 113 - Arkansas Industrial Development - Cash in Bank

The Small Business University cash fund appropriation was established by request from the Cash Fund Holding Account in FY06, and again in FY07. The Program's purpose is to assist small businesses in the development of successful working business plans. Funding is provided by participant registration fees.

The Commission is requesting continuation of the current operating level of \$10,000 each year.

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

Appropriation Summary

Appropriation: C38 - Small Business University-Cash

Funding Sources: 113 - Arkansas Industrial Development - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Funding Sources										
Fund Balance	4000005	342	343		8	8	8	0	0	0
Cash Fund	4000045	1	9,665		9,992	9,992	9,992	10,000	10,000	10,000
Total Funding		343	10,008		10,000	10,000	10,000	10,000	10,000	10,000
Excess Appropriation/(Funding)		(343)	(8)		0	0	0	0	0	0
Grand Total		0	10,000		10,000	10,000	10,000	10,000	10,000	10,000

Appropriation Summary

Appropriation: C33 - Century Tube Program-Cash
Funding Sources: 113 - Arkansas Industrial Development - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Century Tube 5900046	0	5,980	5,980	0	0	0	0	0	0
Total	0	5,980	5,980	0	0	0	0	0	0
Funding Sources									
Fund Balance 4000005	5,980	6,006		0	0	0	0	0	0
Cash Fund 4000045	26	0		0	0	0	0	0	0
Total Funding	6,006	6,006		0	0	0	0	0	0
Excess Appropriation/(Funding)	(6,006)	(26)		0	0	0	0	0	0
Grand Total	0	5,980		0	0	0	0	0	0

This appropriation not being requested for the 2009-2011 Biennium.

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Economic Development Commission

Program: Century Tube Program-Cash

Act #: 1224 of 2007 Section(s) #: 13 & 21

Estimated Carry Forward Amount \$ 0.00 Appropriation Funds

Funding Source: Cash

Accounting Information:

Business Area: 0790 Funds Center: C33 Fund: 113 Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Total		\$ 0.00	\$ 0.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

Sufficient appropriation and funding are authorized for FY09 in Section 13 of Act 1224 of 2007 for this program. No carry forward is requested.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

No appropriation or funding was carried forward. Sufficient resources are appropriated directly for FY09 in Section 13 of Act 1224 of 2007, rendering carry forward unnecessary.

Maria Luisa M. Haley
Director

08-12-2008
Date