

DEPARTMENT OF WORKFORCE SERVICES

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 117 | 232 | 349 | 50 % |
| Black Employees | 74 | 255 | 329 | 47 % |
| Other Racial Minorities | 14 | 10 | 24 | 3 % |
| Total Minorities | | | 353 | 50 % |
| Total Employees | | | 702 | 100 % |

Publications

A.C.A. 25-1-201 et seq.

| Name | Statutory Authorization | Required for | | # of Copies | Reason(s) for Continued Publication and Distribution | Unbound Black & White Copies Produced During the Last Two Years | Cost of Unbound Copies Produced During the Last Two Years |
|--|-------------------------|--------------|------------------|-------------|--|---|---|
| | | Governor | General Assembly | | | | |
| Department of Workforce Services Annual Report | A.C.A. § 11-10-306 (e) | Y | N | 750 | To meet the requirements of A.C.A. § 11-10-306 (e) and to have sufficient copies for interested parties. | 0 | 2500.00 |
| Extended Unemployment Benefits to Legislative Council | A.C.A. § 11-10-543 | N | Y | 10 | To meet the requirements of A.C.A. § 11-10-503 (j) | 0 | 200.00 |
| TANF Comprehensive Annual Program Report to the Arkansas Legislature | A.C.A. § 20-76-106 | Y | Y | 10 | Arkansas Act 817 of 2011 required this comprehensive TANF Program Report, as required by A.C.A. § 20-76-106. This requirement replaced the various legislatively mandate reports and consolidated all of the prior reporting requirements. | 0 | 200.00 |

A.C.A. 25-1-201 et seq.

| Name | Statutory Authorization | Required for | | # of Copies | Reason(s) for Continued Publication and Distribution | Unbound Black & White Copies Produced During the Last Two Years | Cost of Unbound Copies Produced During the Last Two Years |
|----------------------------|-------------------------|--------------|------------------|-------------|--|---|---|
| | | Governor | General Assembly | | | | |
| TANF Drug Screening Report | A.C.A. § 20-76-704 | N | Y | 10 | To meet the requirements of A.C.A. § 11-10-503 (b) | 0 | 200.00 |
| Uses of the Special Fund | A.C.A. § 19-5-984 | N | Y | 10 | To meet the requirements of A.C.A. § 19-5-984 | 0 | 200.00 |

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2018
Required by A.C.A. 25-36-104

AGENCY: 0810 DEPARTMENT OF WORKFORCE SERVICES

| Minority Business | Total Contract Awarded | Minority Type per A.C.A. 15-4-303 (2) | | | | | |
|-------------------|------------------------|---------------------------------------|-------------------|-----------------|----------------|---------------------------|------------------|
| | | African American | Hispanic American | American Indian | Asian American | Pacific Islander American | Disabled Veteran |
| Andre Morgan | \$85,950 | X | | | | | |
| Ashley Sharp | \$83,712 | X | | | | | |
| KLR Properties | \$119,223 | X | | | | | |
| Southern Maid | \$85,950 | X | | | | | |

| | |
|---|--------------------|
| TOTAL NUMBER OF MINORITY CONTRACTS AWARDED | <u>4</u> |
| TOTAL EXPENDITURES FOR CONTRACTS AWARDED | <u>\$8,020,390</u> |
| % OF MINORITY CONTRACTS AWARDED | <u>3.16 %</u> |

Department Appropriation Summary

| Appropriation | Historical Data | | | | | | Agency Request and Executive Recommendation | | | | | | | |
|--|--------------------|------------|--------------------|------------|--------------------|------------|---|------------|--------------------|------------|--------------------|------------|--------------------|------------|
| | 2017-2018 | | 2018-2019 | | 2018-2019 | | 2019-2020 | | | | 2020-2021 | | | |
| | Actual | Pos | Budget | Pos | Authorized | Pos | Agency | Pos | Executive | Pos | Agency | Pos | Executive | Pos |
| 2RF Annual Assessments | 24,000 | 0 | 26,000 | 0 | 26,000 | 0 | 26,000 | 0 | 26,000 | 0 | 26,000 | 0 | 26,000 | 0 |
| 2SC Excess Unemploy Benefits/Expenses | 743,715 | 0 | 10,000,000 | 0 | 10,000,000 | 0 | 10,000,000 | 0 | 10,000,000 | 0 | 10,000,000 | 0 | 10,000,000 | 0 |
| 2SD Operations | 52,575,690 | 734 | 68,735,101 | 905 | 75,995,106 | 905 | 76,011,701 | 840 | 76,011,701 | 840 | 76,046,725 | 840 | 76,046,725 | 840 |
| 2SE Workforce Innovation and Opportunity Act | 22,140,896 | 0 | 28,512,729 | 0 | 50,000,000 | 0 | 40,000,000 | 0 | 40,000,000 | 0 | 40,000,000 | 0 | 40,000,000 | 0 |
| 2SF UI Trust Fund Loan Interest | 58,984 | 0 | 0 | 0 | 3,000,001 | 0 | 3,000,001 | 0 | 3,000,001 | 0 | 3,000,001 | 0 | 3,000,001 | 0 |
| 35Q DWS Training Trust Fund | 112,094 | 0 | 3,256,577 | 0 | 3,256,577 | 0 | 3,256,577 | 0 | 3,256,577 | 0 | 3,256,577 | 0 | 3,256,577 | 0 |
| 35R DWS Unemployment Insurance Fund | 1,310,068 | 0 | 6,000,000 | 0 | 6,000,000 | 0 | 6,000,000 | 0 | 6,000,000 | 0 | 6,000,000 | 0 | 6,000,000 | 0 |
| 4KP TANF-IDA | 0 | 0 | 0 | 0 | 0 | 0 | 141,738 | 0 | 141,738 | 0 | 141,738 | 0 | 141,738 | 0 |
| 4KQ TANF Block Grant Paying/New Hire Registr | 8,558,284 | 44 | 39,905,482 | 53 | 40,009,700 | 53 | 39,879,079 | 50 | 39,879,079 | 50 | 39,879,079 | 50 | 39,879,079 | 50 |
| C27 Unemployment Benefits & Expenses - Cash | 2,548,739 | 0 | 20,000,001 | 0 | 20,000,001 | 0 | 8,000,001 | 0 | 8,000,001 | 0 | 8,000,001 | 0 | 8,000,001 | 0 |
| C28 Federal Employees Benefit-Cash | 10,581,209 | 0 | 75,000,000 | 0 | 75,000,000 | 0 | 45,000,000 | 0 | 45,000,000 | 0 | 45,000,000 | 0 | 45,000,000 | 0 |
| C29 U I Benefits - Taxable Employers - Cash | 120,881,970 | 0 | 500,000,000 | 0 | 500,000,000 | 0 | 400,000,000 | 0 | 400,000,000 | 0 | 400,000,000 | 0 | 400,000,000 | 0 |
| C30 U I Benefits-Reimb Employers - Cash | 5,587,548 | 0 | 30,000,000 | 0 | 30,000,000 | 0 | 20,000,000 | 0 | 20,000,000 | 0 | 20,000,000 | 0 | 20,000,000 | 0 |
| C31 Bldg Improvmt/Land-Reed Act | 0 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 |
| C56 Loans to Local WDBs | 164,588 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 | 1,500,000 | 0 |
| N48 DWS Federal Grants | 1,292,958 | 0 | 1,400,000 | 0 | 10,000,000 | 0 | 9,000,000 | 0 | 9,000,000 | 0 | 9,000,000 | 0 | 9,000,000 | 0 |
| V97 UI Benefits & Expenses-Cash in Treasury | 0 | 0 | 2,000,000 | 0 | 0 | 0 | 8,000,000 | 0 | 8,000,000 | 0 | 8,000,000 | 0 | 8,000,000 | 0 |
| Total | 226,580,743 | 778 | 786,335,891 | 958 | 824,787,386 | 958 | 669,815,098 | 890 | 669,815,098 | 890 | 669,850,122 | 890 | 669,850,122 | 890 |

| Funding Sources | | % | | % | | % | | % | | % | | % | |
|-------------------------------|---------|--------------|--------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|
| Fund Balance | 4000005 | 22,226,504 | 8.8 | 25,400,344 | 3.2 | | | | | | | | |
| General Revenue | 4000010 | 3,651,240 | 1.4 | 3,864,840 | 0.5 | 12,798,386 | 2.0 | 12,798,386 | 2.0 | 3,366,411 | 0.5 | 3,366,411 | 0.5 |
| Federal Revenue | 4000020 | 253,794,135 | 100.7 | 796,407,948 | 99.7 | 3,864,840 | 0.6 | 3,864,840 | 0.6 | 3,864,840 | 0.6 | 3,864,840 | 0.6 |
| Stabilization Tax | 4000033 | 4,813,768 | 1.9 | 4,587,121 | 0.6 | 650,013,012 | 101.7 | 650,013,012 | 101.7 | 649,223,617 | 103.1 | 649,223,617 | 103.1 |
| Advance Interest Funds | 4000070 | 45,935 | 0.0 | 0 | 0.0 | 5,000,000 | 0.8 | 5,000,000 | 0.8 | 5,000,000 | 0.8 | 5,000,000 | 0.8 |
| Employer Penalties & Interest | 4000225 | 2,925,209 | 1.2 | 2,294,023 | 0.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Fees | 4000245 | 12 | 0.0 | 0 | 0.0 | 2,552,000 | 0.4 | 2,552,000 | 0.4 | 3,052,000 | 0.5 | 3,052,000 | 0.5 |
| Inter-agency Fund Transfer | 4000316 | (2,468,192) | (1.0) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Intra-agency Fund Transfer | 4000317 | (2,500,000) | (1.0) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Other | 4000370 | 144,115 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Settlement Proceeds | 4000450 | 8,044 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| TANF Transfer | 4000478 | (30,751,418) | (12.2) | (33,870,000) | (4.2) | (35,248,506) | (5.5) | (35,248,506) | (5.5) | (35,248,506) | (5.6) | (35,248,506) | (5.6) |
| Transfers / Adjustments | 4000683 | 19,374 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |

| Funding Sources | | | % | | % | | % | | % | | % | | % |
|--------------------------------|---------|--------------|----------|--------------|----------|--|----------|-------------|----------|-------------|----------|-------------|----------|
| Transfers (to) / from Agencies | 4000693 | 72,360 | 0.0 | 450,000 | 0.1 | | | 450,000 | 0.1 | 450,000 | 0.1 | 450,000 | 0.1 |
| Total Funds | | 251,981,086 | 100.0 | 799,134,276 | 100.0 | | | 639,429,732 | 100.0 | 639,429,732 | 100.0 | 629,708,362 | 100.0 |
| Excess Appropriation/(Funding) | | (25,400,343) | | (12,798,385) | | | | 30,385,366 | | 30,385,366 | | 40,141,760 | |
| Grand Total | | 226,580,743 | | 786,335,891 | | | | 669,815,098 | | 669,815,098 | | 669,850,122 | |

Variations in fund balance due to unfunded appropriation in (2SC) Excess Unemploy Benefits/Expenses, (2SD) Operations, (2SF) UI Trust Fund Loan Interest, (35Q) DWS Training Trust Fund, (35R) DWS Unemployment Insurance Fund, (4KP) TANF-IDA, (4KQ) TANF Block Grant Paying/New Hire Registry, and (C27) Unemployment Benefits & Expenses - Cash.

Analysis of Budget Request

Appropriation: 2RF - Annual Assessments

Funding Sources: TZS - DWS Special Fund

The Annual Assessments appropriation pays the annual assessment to maintain voting member rights in the National Association of Workforce Agencies. This appropriation is funded from the Department of Workforce Services Special Fund, which derives its funding from penalties and interest assessed to Arkansas employers and delinquent tax contributions.

The Agency Request is \$26,000 each year of the 2019-2021 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2RF - Annual Assessments

Funding Sources: TZS - DWS Special Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|---------------------------------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|
| | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| Annual Assessment 5900046 | 24,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 |
| Total | 24,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 |
| Funding Sources | | | | | | | |
| Employer Penalties & Interest 4000225 | 24,000 | 26,000 | | 26,000 | 26,000 | 26,000 | 26,000 |
| Total Funding | 24,000 | 26,000 | | 26,000 | 26,000 | 26,000 | 26,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 |
| Grand Total | 24,000 | 26,000 | | 26,000 | 26,000 | 26,000 | 26,000 |

Analysis of Budget Request

Appropriation: 2SC - Excess Unemploy Benefits/Expenses

Funding Sources: TZS - DWS Special Fund

The Excess Unemployment Benefits and Expenses appropriation is utilized by the Department of Workforce Services for construction, personal services and matching, maintenance and general operating expenses for the Administration Building and all other agency owned buildings, building land acquisition, rent of buildings, and payment of unemployment benefits and expenses incurred by the department in excess of other funding sources due to reductions in federal funds. This appropriation is funded from the Department of Workforce Services Special Fund, which derives its funding from penalties and interest assessed to Arkansas employers and delinquent tax contributions.

The Agency Request is \$10,000,000 each year of the 2019-2021 Biennium.

The Agency's Request to maintain appropriation authority above 10% of FY18 Actual expenditures includes the following justifications:

- To assist with the Unemployment Insurance (UI), Employment Services, and TAA Programs. This appropriation will also be utilized to support the Agency with building remodels, and salaries and benefits to support workforce programs, as needed.

Due to a renaming of the Arkansas Employment Security Law to the 'Department of Workforce Services Law', Agency Request provides to amend the purpose in the appropriation language for Excess Unemployment Benefits and Expenses, substituting "Employment Security Law" for "Department of Workforce Services Law, the Arkansas Workforce Innovation and Opportunity Act, the Temporary Assistance for Needy Families Program, and the Arkansas Works Act, or their successor programs". This change will require a substantive change to A.C.A. 19-5-984. Department of Workforce Services Special Fund.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2SC - Excess Unemploy Benefits/Expenses

Funding Sources: TZS - DWS Special Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|--------------------------------|---------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| Construction | 5090005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rent of Buildings | 5900022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payment/Expenses | 5900046 | 743,715 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| Total | | 743,715 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| Funding Sources | | | | | | | | |
| Fund Balance | 4000005 | 10,085,323 | 12,387,193 | | 4,655,216 | 4,655,216 | 0 | 0 |
| Employer Penalties & Interest | 4000225 | 2,901,209 | 2,268,023 | | 2,526,000 | 2,526,000 | 3,026,000 | 3,026,000 |
| Other | 4000370 | 144,376 | 0 | | 0 | 0 | 0 | 0 |
| Total Funding | | 13,130,908 | 14,655,216 | | 7,181,216 | 7,181,216 | 3,026,000 | 3,026,000 |
| Excess Appropriation/(Funding) | | (12,387,193) | (4,655,216) | | 2,818,784 | 2,818,784 | 6,974,000 | 6,974,000 |
| Grand Total | | 743,715 | 10,000,000 | | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |

Other Funding includes Insurance Proceeds, Investment Revenues, and Misc. Non-Revenues.

Analysis of Budget Request

Appropriation: 2SD - Operations

Funding Sources: TES - DWS Trust Fund

The Department of Workforce Services Trust Fund (A.C.A. §19-5-912) provides operational support for the various programs of the Department. 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.

The Agency Request is \$76,011,701 in FY20 and \$76,046,725 in FY21.

The Agency Request includes the reduction of sixty-five (65) budgeted positions, decreasing the number of Authorized employees to 840.

The Agency Request provides for the following changes for each year of the 2019-2021 Biennium:

- Operating Expenses - reduction of (\$2,000,000).
- Professional Fees and Services - reduction of (\$1,000,000) due to anticipated reductions in federal funding.
- Restoration of Capital Outlay of \$2,419,001 to provide for mobile workforce offices and office renovations.

The Agency's Request to maintain appropriation authority above 10% of FY18 Actual expenditures includes the following justifications:

- Operating Expenses, Conference & Travel and Professional Fees - to allow for changes in the economy and to immediately respond in the event of economic downturns.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2SD - Operations
Funding Sources: TES - DWS Trust Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|--------------------------------|---------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| Regular Salaries | 5010000 | 27,474,557 | 37,151,437 | 31,967,252 | 34,691,952 | 34,691,952 | 34,720,152 | 34,720,152 |
| #Positions | | 734 | 905 | 905 | 840 | 840 | 840 | 840 |
| Extra Help | 5010001 | 2,268,147 | 3,280,191 | 3,300,000 | 3,300,000 | 3,300,000 | 3,300,000 | 3,300,000 |
| #Extra Help | | 144 | 363 | 363 | 363 | 363 | 363 | 363 |
| Personal Services Matching | 5010003 | 11,549,945 | 13,357,607 | 12,207,672 | 12,499,567 | 12,499,567 | 12,506,391 | 12,506,391 |
| Overtime | 5010006 | 950 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| Operating Expenses | 5020002 | 10,521,782 | 10,595,210 | 21,335,741 | 19,335,741 | 19,335,741 | 19,335,741 | 19,335,741 |
| Conference & Travel Expenses | 5050009 | 104,119 | 95,419 | 705,440 | 705,440 | 705,440 | 705,440 | 705,440 |
| Professional Fees | 5060010 | 509,877 | 3,999,338 | 4,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 146,313 | 195,899 | 2,419,001 | 2,419,001 | 2,419,001 | 2,419,001 | 2,419,001 |
| Total | | 52,575,690 | 68,735,101 | 75,995,106 | 76,011,701 | 76,011,701 | 76,046,725 | 76,046,725 |
| Funding Sources | | | | | | | | |
| Federal Revenue | 4000020 | 52,575,690 | 68,735,101 | | 59,250,423 | 59,250,423 | 58,461,028 | 58,461,028 |
| Total Funding | | 52,575,690 | 68,735,101 | | 59,250,423 | 59,250,423 | 58,461,028 | 58,461,028 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 16,761,278 | 16,761,278 | 17,585,697 | 17,585,697 |
| Grand Total | | 52,575,690 | 68,735,101 | | 76,011,701 | 76,011,701 | 76,046,725 | 76,046,725 |

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

Analysis of Budget Request

Appropriation: 2SE - Workforce Innovation and Opportunity Act

Funding Sources: FCG - Federal Funds

The Workforce Innovation and Opportunity Act appropriation provides for payment of federal funds to agencies in the ten (10) Local Workforce Development Areas. These programs provide needed employment and employment preparation services for adults, youth, and dislocated workers. Funding for this appropriation is provided by federal funds derived from the Workforce Innovation and Opportunity Act of 2014.

The Agency Request is \$40,000,000 each year of the Biennium.

The Agency Request provides that the Workforce Innovation and Opportunity Act be reduced to appropriation levels of \$40,000,000 due to anticipated reductions in federal funding. Reductions for this appropriation will not affect the ability of ADWS to provide needed employment and preparation services for adults, youth, and dislocated workers through programs operated by agencies in the ten (10) Local Workforce Development Areas.

The Agency's Request to maintain appropriation above 10% of FY18 Actual expenditures include the following justifications:

- Grants and Aid - To allow for changes in the economy and to immediately respond to economic downturns. These funds will be used to provide needed employment and preparation services for adults, youth, and dislocated workers through programs operated by agencies in the ten (10) Local Workforce Development Areas (LWDA).

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2SE - Workforce Innovation and Opportunity Act

Funding Sources: FCG - Federal Funds

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|-----------------|---------|------------|------------|------------|------------|------------|------------|------------|
| | | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| Grants and Aid | 5100004 | 22,140,896 | 28,512,729 | 50,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 |
| Total | | 22,140,896 | 28,512,729 | 50,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 |

| Funding Sources | | | | | | | | |
|--------------------------------|---------|------------|------------|--|------------|------------|------------|------------|
| Federal Revenue | 4000020 | 22,140,896 | 28,512,729 | | 28,449,842 | 28,449,842 | 28,449,842 | 28,449,842 |
| Total Funding | | 22,140,896 | 28,512,729 | | 28,449,842 | 28,449,842 | 28,449,842 | 28,449,842 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 11,550,158 | 11,550,158 | 11,550,158 | 11,550,158 |
| Grand Total | | 22,140,896 | 28,512,729 | | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 |

Analysis of Budget Request

Appropriation: 2SF - UI Trust Fund Loan Interest

Funding Sources: TZR - Employment Security Advance Interest Trust Fund

In November of each calendar year, the director shall transfer all assets of the Employment Security Advance Interest Trust Fund, which exceed five million dollars (\$5,000,000) to the Unemployment Compensation Fund, A.C.A. §11-10-801, provided that the state has no interest-bearing advances obtained from the federal Unemployment Fund under Title XII of the Social Security Act outstanding.

Any interest required to be paid on advances obtained by the state under Title XII of the Social Security Act shall be paid in a timely manner and shall not be paid directly or indirectly by an equivalent reduction in unemployment contributions or taxes imposed under other provisions of §11-10-701 - §11-10-715 or otherwise from amounts in the Unemployment Compensation Fund established under A.C.A. §11-10-801 et seq.

The Agency Request is \$3,000,001 each fiscal year.

The Agency Request provides for \$1 in the Loan Interest Line Item as a holding amount, in the event an Advance Loan is necessary due to our state's economic conditions.

Justification for Authorized appropriation levels exceeding Actual expenditures by more than 10%, which have been submitted by the agency are as follows:

- Refunds/Investments/Transfers - to pay to the Unemployment Insurance (UI) Trust Fund excess collections and earnings. To pay any interest on any future advances to pay UI benefits.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2SF - UI Trust Fund Loan Interest

Funding Sources: TZR - Employment Security Advance Interest Trust Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|---------------------------------------|-------------|-------------|------------|-------------|-------------|-----------|-----------|
| | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| Refunds/Investments/Transfers 5110020 | 58,984 | 0 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Loan Interest 5900046 | 0 | 0 | 1 | 1 | 1 | 1 | 1 |
| Total | 58,984 | 0 | 3,000,001 | 3,000,001 | 3,000,001 | 3,000,001 | 3,000,001 |
| Funding Sources | | | | | | | |
| Fund Balance 4000005 | 5,032,229 | 5,019,180 | | 5,019,180 | 5,019,180 | 2,019,179 | 2,019,179 |
| Advance Interest Funds 4000070 | 45,935 | 0 | | 0 | 0 | 0 | 0 |
| Total Funding | 5,078,164 | 5,019,180 | | 5,019,180 | 5,019,180 | 2,019,179 | 2,019,179 |
| Excess Appropriation/(Funding) | (5,019,180) | (5,019,180) | | (2,019,179) | (2,019,179) | 980,822 | 980,822 |
| Grand Total | 58,984 | 0 | | 3,000,001 | 3,000,001 | 3,000,001 | 3,000,001 |

Analysis of Budget Request

Appropriation: 35Q - DWS Training Trust Fund

Funding Sources: TWT - DWS Training Trust Fund

The Department of Workforce Services Training Trust Fund was established in A.C.A. §19-5-1131 to be used for worker training by providing a state funding source under certain conditions for benefits to Arkansas employers and employees. Funding for this appropriation consists of the proceeds of the Stabilization Tax, any interest accruing on these revenues, and any other funds made available by the General Assembly.

The Agency Request is for \$3,256,577 each fiscal year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 35Q - DWS Training Trust Fund

Funding Sources: TWT - DWS Training Trust Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|--|-------------|-------------|------------|-------------|-------------|-----------|-----------|
| | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| Personal Services, Operating Exp 5900046 | 112,094 | 3,256,577 | 3,256,577 | 3,256,577 | 3,256,577 | 3,256,577 | 3,256,577 |
| Total | 112,094 | 3,256,577 | 3,256,577 | 3,256,577 | 3,256,577 | 3,256,577 | 3,256,577 |
| Funding Sources | | | | | | | |
| Fund Balance 4000005 | 3,136,552 | 2,838,422 | | 2,103,809 | 2,103,809 | 1,347,232 | 1,347,232 |
| Stabilization Tax 4000033 | 2,313,964 | 2,521,964 | | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Intra-agency Fund Transfer 4000317 | (2,500,000) | 0 | | 0 | 0 | 0 | 0 |
| Total Funding | 2,950,516 | 5,360,386 | | 4,603,809 | 4,603,809 | 3,847,232 | 3,847,232 |
| Excess Appropriation/(Funding) | (2,838,422) | (2,103,809) | | (1,347,232) | (1,347,232) | (590,655) | (590,655) |
| Grand Total | 112,094 | 3,256,577 | | 3,256,577 | 3,256,577 | 3,256,577 | 3,256,577 |

Inter-agency Fund Transfer to Skills Development Fund pursuant to Special Language Section 22, Act 91 of 2018.

Intra-agency Fund Transfer not reflected in Actual expenditures.

Analysis of Budget Request

Appropriation: 35R - DWS Unemployment Insurance Fund

Funding Sources: MUI - DWS Unemployment Insurance Administration Fund

The Department of Workforce Services Unemployment Insurance Administration Fund was established in A.C.A. §19-5-1232 to be used for operating expenses of the unemployment insurance program necessary for the proper administration of the Department of Workforce Services Law. This appropriation is used to maintain current programs during federal funding shortfalls to avoid reducing services to the state. Funding for this appropriation consists of the proceeds of the Stabilization Tax, any interest accruing on these revenues, and any other funds made available by the General Assembly.

A.C.A. 11-10-706 (f)(2)(A) provides that 0.025% of taxable wages from the Stabilization Tax to support this program, which includes a sunset clause of June 30, 2019. The Agency will request to continue this funding during the 92nd Regular Legislative Session. If the funding is not continued, the Agency will still require this appropriation in order to spend the balance remaining in the fund.

The Agency Request is \$6,000,000 each fiscal year.

Justification for Authorized appropriation levels exceeding Actual expenditures by more than 10%, which have been submitted by the agency are as follows:

- Administration Expenses - These funds will be used to cover the shortages foreseen in the UI Administration Grant due to a reduction in annual funding.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 35R - DWS Unemployment Insurance Fund

Funding Sources: MUI - DWS Unemployment Insurance Administration Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|--------------------------------|---------|-------------|-----------|------------|-----------|-----------|-----------|-----------|
| | | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| Administration Expenses | 5900046 | 1,310,068 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| Total | | 1,310,068 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| Funding Sources | | | | | | | | |
| Fund Balance | 4000005 | 3,623,550 | 4,813,286 | | 878,443 | 878,443 | 0 | 0 |
| Stabilization Tax | 4000033 | 2,499,804 | 2,065,157 | | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Total Funding | | 6,123,354 | 6,878,443 | | 3,378,443 | 3,378,443 | 2,500,000 | 2,500,000 |
| Excess Appropriation/(Funding) | | (4,813,286) | (878,443) | | 2,621,557 | 2,621,557 | 3,500,000 | 3,500,000 |
| Grand Total | | 1,310,068 | 6,000,000 | | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |

Analysis of Budget Request

Appropriation: 4KP - TANF-IDA

Funding Sources: TID - Individual Development Account

The Individual Development Account (IDA) appropriation was created by Act 1217 of 1999 to assist in the Welfare Reform effort by providing low income families with an opportunity to accumulate assets, facilitate good savings habits, promote home ownership, micro enterprise development, education, saving for retirement, and stabilize and build communities. Program participants must participate in mandatory training and establish a savings goal. For each \$1 contributed by program participants to their IDA savings account, the state matches their deposits by \$3. Funds are only available once the savings goal has been met or for qualified emergency withdrawals as specified by the Agency. The Department of Workforce Services provides IDA program services by contracting with fiduciary organizations that are non-profit organizations.

Funding for this appropriation is 100% federally funded with Transitional Employment Assistance Program funds (TANF Block Grant).

The Agency Request is \$141,738 each fiscal year. This appropriation will allow the department to utilize remaining fund balances in Individual Development Accounts.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 4KP - TANF-IDA

Funding Sources: TID - Individual Development Account

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | 2019-2020 | | 2020-2021 | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|-----------|-----------|-----------|-----------|
| | | 2017-2018 Actual | 2018-2019 Budget | 2018-2019 Authorized | Agency | Executive | Agency | Executive |
| Operating Expenses | 5020002 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Conference & Travel Expenses | 5050009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional Fees | 5060010 | 0 | 0 | 0 | 141,738 | 141,738 | 141,738 | 141,738 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 0 | 0 | 0 | 141,738 | 141,738 | 141,738 | 141,738 |
| Funding Sources | | | | | | | | |
| Fund Balance | 4000005 | 141,738 | 141,738 | | 141,738 | 141,738 | 0 | 0 |
| Total Funding | | 141,738 | 141,738 | | 141,738 | 141,738 | 0 | 0 |
| Excess Appropriation/(Funding) | | (141,738) | (141,738) | | 0 | 0 | 141,738 | 141,738 |
| Grand Total | | 0 | 0 | | 141,738 | 141,738 | 141,738 | 141,738 |

Analysis of Budget Request

Appropriation: 4KQ - TANF Block Grant Paying/New Hire Registry

Funding Sources: PWS - TANF Block Grant Paying

The Arkansas Temporary Assistance for Needy Families (TANF) program is to provide grants to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. The New Hire Registry appropriation was established to develop and maintain a state directory where employers report newly hired and returning employees to aid in the establishment and enforcement of child support orders. Funding for this appropriation is derived from the federal TANF Block Grant and General Revenues.

The Agency Request is \$39,879,079 each fiscal year.

The Agency Request provides for the reduction of three (3) positions: two (2) GS05 Fiscal Support Analysts and one (1) GS04 Fiscal Support Specialist.

Justification for Authorized appropriation levels exceeding Actual expenditures by more than 10%, which have been submitted by the agency are as follows:

- TANF/New Hire Registry - To allow for changes in the economy to immediately respond to downturns and to provide for increased expenditures due to the expansion of services offered.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 4KQ - TANF Block Grant Paying/New Hire Registry

Funding Sources: PWS - TANF Block Grant Paying

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|--------------------------------|---------|--------------|--------------|------------|--------------|--------------|--------------|--------------|
| | | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| TANF/New Hire Registry | 5900046 | 8,558,284 | 39,905,482 | 40,009,700 | 39,879,079 | 39,879,079 | 39,879,079 | 39,879,079 |
| Total | | 8,558,284 | 39,905,482 | 40,009,700 | 39,879,079 | 39,879,079 | 39,879,079 | 39,879,079 |
| Funding Sources | | | | | | | | |
| Fund Balance | 4000005 | 207,112 | 200,525 | | 0 | 0 | 0 | 0 |
| General Revenue | 4000010 | 3,651,240 | 3,864,840 | | 3,864,840 | 3,864,840 | 3,864,840 | 3,864,840 |
| Federal Revenue | 4000020 | 38,020,537 | 69,260,117 | | 70,812,745 | 70,812,745 | 70,812,745 | 70,812,745 |
| Fees | 4000245 | 12 | 0 | | 0 | 0 | 0 | 0 |
| Inter-agency Fund Transfer | 4000316 | (2,468,192) | 0 | | 0 | 0 | 0 | 0 |
| Other | 4000370 | (261) | 0 | | 0 | 0 | 0 | 0 |
| Settlement Proceeds | 4000450 | 8,044 | 0 | | 0 | 0 | 0 | 0 |
| TANF Transfer | 4000478 | (30,751,418) | (33,870,000) | | (35,248,506) | (35,248,506) | (35,248,506) | (35,248,506) |
| Transfers / Adjustments | 4000683 | 19,374 | 0 | | 0 | 0 | 0 | 0 |
| Transfers (to) / from Agencies | 4000693 | 72,360 | 450,000 | | 450,000 | 450,000 | 450,000 | 450,000 |
| Total Funding | | 8,758,808 | 39,905,482 | | 39,879,079 | 39,879,079 | 39,879,079 | 39,879,079 |
| Excess Appropriation/(Funding) | | (200,524) | 0 | | 0 | 0 | 0 | 0 |
| Grand Total | | 8,558,284 | 39,905,482 | | 39,879,079 | 39,879,079 | 39,879,079 | 39,879,079 |

Federal Revenue does not reflect total Award Funds available as reported through the PMS System.

Inter-agency transfer of general revenue to DHS - Division of County Operations.

Other is for payment of Claims.

Transfer from Agencies is Child Support Funds for New Hire Registry.

Actual Expenditures do not reflect inter-agency TANF fund transfers.

Actual expenditures do not reflect inter-agency transfer of \$213,600 from MWS0000 to DHS-DCO for Transportation Bonus.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2018 TO FISCAL YEAR 2019**

Agency: Workforce Services Department

Program: TANF Block Grant Paying/New Hire Registry

Act #: 91 Section(s) #: 9 & 15

Estimated Carry Forward Amount \$ 100,000.00 Funding Source: General & Federal Revenue

Accounting Information:

Business Area: 0810 Funds Center: 4KQ Fund: PWS Functional Area: COMM

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

The Carry Forward is necessary to continue normal operations of the Agency. Specifically, overall administration of New Hire Registry services. The Carry Forward is critical when an unanticipated increase in services is required,

Actual Funding Carry Forward Amount \$ 93,833.00

Current status of carry forward funding:

The Carry Forward balance of revenues for the New Hire Registry program will be utilized for any unanticipated increase in services.

Daryl Bassett

Director

08-03-2018

Date

Analysis of Budget Request

Appropriation: C27 - Unemployment Benefits & Expenses - Cash

Funding Sources: 177 - DWS Cash

The Department of Workforce Services Unemployment Benefits & Expenses - Cash appropriation currently provides for the Unemployment Insurance (UI) programs. This appropriation is funded by federal dollars deposited into a cash account. An explanation of the line items other than those for normal departmental operations is listed below:

- 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 - to repay loans taken by the State from the federal Unemployment Insurance Trust Fund during times of high unemployment.
- Department of Workforce Services Special Fund - for repayment to the Special Fund for building construction costs from the federally funded operating budget.

The Agency Request is \$8,000,001 each fiscal year.

The Agency Request provides for the following changes each year of the 2019-2021 Biennium. These reductions are due in part to robust economy and reflect closer to pre-recession appropriation levels.

- Grants and Aid - decrease of (\$1,000,000) from Authorized.
- Training Allowances - decrease of (\$1,000,000) from Authorized.
- Reallocation of Payments to Participating Contractors from Cash in Bank to Cash in State Treasury, (V97) in the amount of \$8,000,000. This is a net reduction of (\$2,000,000).
- UI Advance Repayment - \$1 each fiscal year, for use in the event of economic downturn.

The Agency's request to maintain appropriation above 10% of FY18 Actual expenditures include the following justifications:

- Grants and Aid - These funds will be utilized for immediate response for disaster relief emergencies.
- Training Allowances - To allow for changes in the economy and to immediately respond to economic downturns.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C27 - Unemployment Benefits & Expenses - Cash

Funding Sources: 177 - DWS Cash

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|--------------------------------|---------|------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|
| | | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| Grants and Aid | 5100004 | 0 | 5,000,000 | 5,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 |
| Training Allowances | 5900046 | 605,848 | 5,000,000 | 5,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 |
| Payments to Part Contractors | 5900047 | 1,942,891 | 10,000,000 | 10,000,000 | 0 | 0 | 0 | 0 |
| UI Advance Repayment | 5900048 | 0 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total | | 2,548,739 | 20,000,001 | 20,000,001 | 8,000,001 | 8,000,001 | 8,000,001 | 8,000,001 |
| Funding Sources | | | | | | | | |
| Federal Revenue | 4000020 | 2,548,739 | 20,000,001 | | 8,000,001 | 8,000,001 | 8,000,001 | 8,000,001 |
| Total Funding | | 2,548,739 | 20,000,001 | | 8,000,001 | 8,000,001 | 8,000,001 | 8,000,001 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 |
| Grand Total | | 2,548,739 | 20,000,001 | | 8,000,001 | 8,000,001 | 8,000,001 | 8,000,001 |

Analysis of Budget Request

Appropriation: C28 - Federal Employees Benefit-Cash

Funding Sources: 177 - DWS Cash

The Federal Employees Benefit Payments appropriation is funded by federal dollars deposited into a cash account. These funds are necessary to pay unemployment insurance benefits to unemployed federal civilian employees, ex-servicemen, and public service employees. This appropriation also provides for the payments of extended unemployment insurance benefits.

The Agency Request is \$45,000,000 each fiscal year, a reduction of (\$30,000,000) from current FY19 Authorized amounts.

The Agency's Request to maintain appropriation authority above 10% of FY18 Actual expenditures include the following justifications:

- Benefits-Non Employee - To allow for changes in the economy to allow for immediately response to economic downturns. These funds will be used for Federal Employees in case of a recession.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C28 - Federal Employees Benefit-Cash

Funding Sources: 177 - DWS Cash

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|--------------------------------|------------|------------|------------|------------|------------|------------|------------|
| | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| Benefits-Non Employee 5100023 | 10,581,209 | 75,000,000 | 75,000,000 | 45,000,000 | 45,000,000 | 45,000,000 | 45,000,000 |
| Total | 10,581,209 | 75,000,000 | 75,000,000 | 45,000,000 | 45,000,000 | 45,000,000 | 45,000,000 |
| Funding Sources | | | | | | | |
| Federal Revenue 4000020 | 10,581,209 | 75,000,000 | | 45,000,000 | 45,000,000 | 45,000,000 | 45,000,000 |
| Total Funding | 10,581,209 | 75,000,000 | | 45,000,000 | 45,000,000 | 45,000,000 | 45,000,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 |
| Grand Total | 10,581,209 | 75,000,000 | | 45,000,000 | 45,000,000 | 45,000,000 | 45,000,000 |

Analysis of Budget Request

Appropriation: C29 - U I Benefits - Taxable Employers - Cash

Funding Sources: 177 - DWS Cash

The Unemployment Insurance (UI) Benefits - Taxable Employers appropriation allows for payment of Unemployment Insurance benefits to unemployed individuals. Qualifying individuals receive payments based on wages paid by Arkansas employers. The employer must be a for-profit organization and pay contributions to the Unemployment Compensation Fund.

The Agency Request is \$400,000,000 each fiscal year, a decrease of (\$100,000,000) to more accurately reflect pre-recession levels.

The Agency's Request to maintain appropriation authority above 10% of FY18 Actual expenditures include the following justifications:

- Benefits-Non Employee - To allow for changes in the economy and for immediately response to economic downturns. These funds will be used for Federal Employees in case of a recession for UI Benefits to Taxable Employers.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C29 - U I Benefits - Taxable Employers - Cash

Funding Sources: 177 - DWS Cash

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| Benefits-Non Employee 5100023 | 120,881,970 | 500,000,000 | 500,000,000 | 400,000,000 | 400,000,000 | 400,000,000 | 400,000,000 |
| Total | 120,881,970 | 500,000,000 | 500,000,000 | 400,000,000 | 400,000,000 | 400,000,000 | 400,000,000 |
| Funding Sources | | | | | | | |
| Federal Revenue 4000020 | 120,881,970 | 500,000,000 | | 400,000,000 | 400,000,000 | 400,000,000 | 400,000,000 |
| Total Funding | 120,881,970 | 500,000,000 | | 400,000,000 | 400,000,000 | 400,000,000 | 400,000,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 |
| Grand Total | 120,881,970 | 500,000,000 | | 400,000,000 | 400,000,000 | 400,000,000 | 400,000,000 |

Analysis of Budget Request

Appropriation: C30 - U I Benefits-Reimb Employers - Cash

Funding Sources: 177 - DWS Cash

The Unemployment Insurance (UI) Benefits - Reimbursable Employers appropriation allows for payments for Unemployment Insurance benefits to unemployed individuals. The individuals receive payments 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 Agency Request is \$20,000,000 each fiscal year, a decrease of (\$10,000,000) from current FY19 Authorized amounts.

The Agency's Request to maintain appropriation authority above 10% of FY18 Actual expenditures include the following justifications:

- Benefits-Non Employee - To allow for changes in the economy to immediately respond to downturns. These funds will be used for Reimbursing Employers in case of a recession.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C30 - U I Benefits-Reimb Employers - Cash

Funding Sources: 177 - DWS Cash

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|--------------------------------|-----------|------------|------------|------------|------------|------------|------------|
| | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| Benefits-Non Employee 5100023 | 5,587,548 | 30,000,000 | 30,000,000 | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 |
| Total | 5,587,548 | 30,000,000 | 30,000,000 | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 |
| Funding Sources | | | | | | | |
| Federal Revenue 4000020 | 5,587,548 | 30,000,000 | | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 |
| Total Funding | 5,587,548 | 30,000,000 | | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 |
| Grand Total | 5,587,548 | 30,000,000 | | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 |

Analysis of Budget Request

Appropriation: C31 - Bldg Improvmnt/Land–Reed Act

Funding Sources: 167 - DWS Cash - Reed Act

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. 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. 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.

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 Agency Request is \$1 each fiscal year as a placeholder in the event funding becomes available. The Agency does not anticipate any funding for this program during the 2019-2021 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C31 - Bldg Improvmt/Land-Reed Act

Funding Sources: 167 - DWS Cash - Reed Act

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|--------------------------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|
| | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| Reed Act Funds 5900046 | 0 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total | 0 | 1 | 1 | 1 | 1 | 1 | 1 |
| Funding Sources | | | | | | | |
| Federal Revenue 4000020 | 0 | 0 | | 1 | 1 | 1 | 1 |
| Total Funding | 0 | 0 | | 1 | 1 | 1 | 1 |
| Excess Appropriation/(Funding) | 0 | 1 | | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 1 | | 1 | 1 | 1 | 1 |

Analysis of Budget Request

Appropriation: C56 - Loans to Local WDBs

Funding Sources: 177 - DWS - Cash

Local Workforce Development Boards (WDBs) request funding for payroll and other operating expenses from Arkansas Department of Workforce Services (DWS) as needed. Upon receiving the request, DWS orders funds from the US Department of Labor (DOL). These funds are then deposited into the state treasury overnight and an Automated Clearing House transaction is processed to send the funds overnight the following night to the WDB. The entire process normally takes three days. The timing of the requests is controlled to comply with the federal Cash Management Improvement Act (Public Law 101-453).

The Agency Request provides for the continuation of the current Authorized amounts of \$1,500,000 each fiscal year to assist in the process of making loans to local workforce development boards.

The Agency's Request to maintain appropriation authority above 10% of FY18 Actual expenditures include the following justifications:

- Loans - This appropriation is needed to allow for Loans to Workforce Development Boards, if needed.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C56 - Loans to Local WDBs

Funding Sources: 177 - DWS - Cash

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|-----------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|
| | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| Loans 5120029 | 164,588 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Total | 164,588 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |

| Funding Sources | | | | | | | |
|--------------------------------|---------|-----------|--|-----------|-----------|-----------|-----------|
| Federal Revenue 4000020 | 164,588 | 1,500,000 | | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Total Funding | 164,588 | 1,500,000 | | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 |
| Grand Total | 164,588 | 1,500,000 | | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |

Federal Revenue received through a transfer from 2SE for Emergency Local Workforce Development Boards.

Analysis of Budget Request

Appropriation: N48 - DWS Federal Grants

Funding Sources: FWS - Federal Funds

The Workforce Development Grant appropriation was first authorized in Fiscal Year 2016. Its purpose is to be used as future unanticipated federal workforce development grants become available. Currently ADWS has these discretionary grants being supported by the Promise Grant and American Incentive Grants fund. ADWS will continue to apply for discretionary grants as the Department of Labor releases them.

The Agency Request is \$9,000,000 each fiscal year, a net reduction of (\$1,000,000) from current Authorized amounts.

The Agency's Request to maintain appropriation authority above 10% of FY18 Actual expenditures include the following justifications:

- Workforce Development Grant - This appropriation supports federal discretionary grants from the Department of Labor. Grants are applied for as they are available.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: N48 - DWS Federal Grants

Funding Sources: FWS - Federal Funds

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|-------------------------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| Workforce Development Grant 5900046 | 1,292,958 | 1,400,000 | 10,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 |
| Total | 1,292,958 | 1,400,000 | 10,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 |
| Funding Sources | | | | | | | |
| Federal Revenue 4000020 | 1,292,958 | 1,400,000 | | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 |
| Total Funding | 1,292,958 | 1,400,000 | | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 |
| Grand Total | 1,292,958 | 1,400,000 | | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 |

Analysis of Budget Request

Appropriation: V97 - UI Benefits & Expenses-Cash in Treasury

Funding Sources: NWS0200 Payments to Participant Contractors

This Cash in Treasury appropriation was established through the Performance Evaluation & Expenditure Review process via cash letter during the 2017-2019 Biennium. This appropriation provides for payments for Unemployment Insurance (UI) Benefits & Expenses and payments to Trade Adjustment Assistance (TAA) vendors and is funded by federal dollars from the U.S. Department of Labor to reimburse private and nonprofit employers for costs incurred to train individuals who are economically disadvantaged, unemployed and underemployed.

The Agency Request provides for the reallocation of appropriation from Cash in Bank (C27B) to Cash in Treasury (V97) for payments to Trade Adjustment Assistance (TAA) vendors.

The Agency Request is for \$8,000,000 each fiscal year, a net reduction of (\$2,000,000) from current Authorized amounts.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: V97 - UI Benefits & Expenses-Cash in Treasury

Funding Sources: NWS0200 Payments to Participant Contractors

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | 2017-2018 | 2018-2019 | 2018-2019 | 2019-2020 | | 2020-2021 | |
|--------------------------------|---------|-----------|-----------|------------|-----------|-----------|-----------|-----------|
| | | Actual | Budget | Authorized | Agency | Executive | Agency | Executive |
| TAA Vendor Payments | 5900047 | 0 | 2,000,000 | 0 | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| Total | | 0 | 2,000,000 | 0 | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| Funding Sources | | | | | | | | |
| Federal Revenue | 4000020 | 0 | 2,000,000 | | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| Total Funding | | 0 | 2,000,000 | | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 |
| Grand Total | | 0 | 2,000,000 | | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |

Budget exceeds Authorized Appropriation in TAA Vendor Payments due to a transfer from the Cash Fund Holding Account.