

DEPARTMENT OF WORKFORCE SERVICES

Enabling Laws

Act 1289 of 2007
A.C.A. §11-10-101 et seq.

History and Organization

The Arkansas Employment Security Department (AESD) was created as a division of the Department of Labor (DOL) by Act 391 of 1941 to administer the Employment Security Law. Act 100 of 1991 made AESD independent of the State DOL and established it as a separate Department. The Director is appointed by and serves at the pleasure of the Governor. The primary responsibilities of the Department are to promote employment security by increasing opportunities for placement through the maintenance of a system of public employment offices and to provide through the accumulation of funds from employer's contribution taxes for the payment of benefits to individuals who are involuntarily unemployed.

Act 391 of 1941 was enacted to conform to the state law requirements of the Federal Unemployment Tax Act (26 USCA 3301-3310), Title IX of the Social Security Act (42 USCA 501-504) and the Wagner-Peyser Act (29 USCA 49). The Workforce Investment Act, enacted by Congress as P. L. 105-220 of 1998 has resulted in the placement of additional responsibilities on the Department. Other State Acts, which govern the operations of the Department, include Act 35 of 1971, as amended; Act 1205 of 1975 (Extended Session of 1976); and Act 173 of 1935.

Act 1705 of 2005 changed the name of the agency to Arkansas Department of Workforce Services. This Act authorized the transfer of the Transitional Employment Assistance (TEA) program to this agency and receipt of Temporary Assistance for Needy Families (TANF) block grant funds from the U.S. Department of Health and Human Services.

Act 490 of 2007 changed the name of the Unemployment Insurance (UI) law from "Arkansas Employment Security Law" to "Department of Workforce Services Law".

ADMINISTRATION

The Department of Workforce Services Law provides the Department of Workforce Services shall be administered through a Director. The Director is appointed by the Governor and is directly responsible for the proper administration of the Department and the Workforce Services Program in conformity with state and federal law and regulations.

The Department operates through a central administrative office and local offices strategically located throughout the State, frequently in one-stop career development centers, known in Arkansas as "Arkansas Workforce Centers". Within the central administrative offices are located five main departments: Administration, Financial Management and Administrative Services, Unemployment Insurance, Labor Market Information & Analysis, and Employment Assistance.

Administration activities include communication services by providing information in various formats within the Agency and outside the Agency to the media; monitor the overall operation of the affirmative

action program and promote equal employment opportunities; provide training for agency staff, handle legal agency affairs, organize and control overall information technology activities, and track new hires in the State of Arkansas through the New Hire Registry.

BOARD OF REVIEW

The Board of Review provides the final level of administrative appeal in unemployment compensation cases and in employer coverage cases. The Board is composed of a full-time Chairman and two part-time members, who are appointed by the Governor. The chairman is authorized to independently decide most cases. Appeals of the decision of the Board of Review are made to the Arkansas Court of Appeals.

APPEAL TRIBUNAL

An initial determination of eligibility for unemployment compensation benefits is made by the Agency. Any interested party may appeal this determination to the Appeal Tribunal, where the parties are afforded fair hearings before appeals referees. Either party may then appeal to the Board of Review.

ADVISORY COUNCIL

A.C.A. §11-10-305 was originally enacted to comply with the requirement in the Wagner-Peyser Act that states have advisory councils composed of men and women representing employer and employee. Though this requirement was removed by subsequent amendment to the Wagner-Peyser Act, the Council is a firmly fixed institution in Arkansas. The purpose of the Council is to advise and assist the Director of the Department in the administration of the Arkansas Department of Workforce Services Law.

FINANCIAL MANAGEMENT SERVICES

Financial Management activities include preparation of budgets, disbursements of agency funds, preparation of payroll, maintenance of the agency accounting system, preparation of financial reports, and forecasting expenditures. Additional activities include monitoring the fiscal affairs of the agency and sub-grantees, conducting audits, studies and investigations to prevent waste, theft, undesirable practices and making recommendations for improvement of the operations of the agency. Financial Management Services also provides material support for leasing, records management, maintenance, printing, contracts, shipping/receiving as well as personnel administration and maintenance of the Agency's classification and compensation plan, develops and implements policies, programs and services to meet agency needs.

UNEMPLOYMENT INSURANCE

The Office of Unemployment Insurance is responsible for planning, directing and coordinating tax collections and payment of benefit claims; interpreting laws, rules and regulations which affect the unemployment insurance program; evaluating the effectiveness of the programs and conferring with the Assistant Director for Employment Assistance concerning operating needs or changes necessary for more effective operations; and exercising functional responsibility for procedures, policies and guidelines for the claims taking and adjudication process.

EMPLOYMENT ASSISTANCE

The Office of Employment Assistance plans, directs, coordinates and evaluates activities relevant to labor exchange functions, service to military veterans, workshops on work search techniques, and several programs including the Governor's Dislocated Worker Task Force, Trade Adjustment Assistance, Work Opportunity Tax Credit, Alien Labor Certification, Temporary Assistance for Needy Families, Transitional Employment Assistance (TEA), Arkansas Work Pays, and Labor Market Information. It provides technical assistance to and training for DWS staff engaged in these activities.

The Employment Assistance Division provides assistance to TEA and Work Pays participants in preparing them for gainful employment through skills assessment, career counseling, work search techniques, job training, and provides supportive services. Additionally, the Office of Employment Assistance contracts with various community- and faith-based providers in Arkansas for services to low-income families to assist them in reaching self-sufficiency.

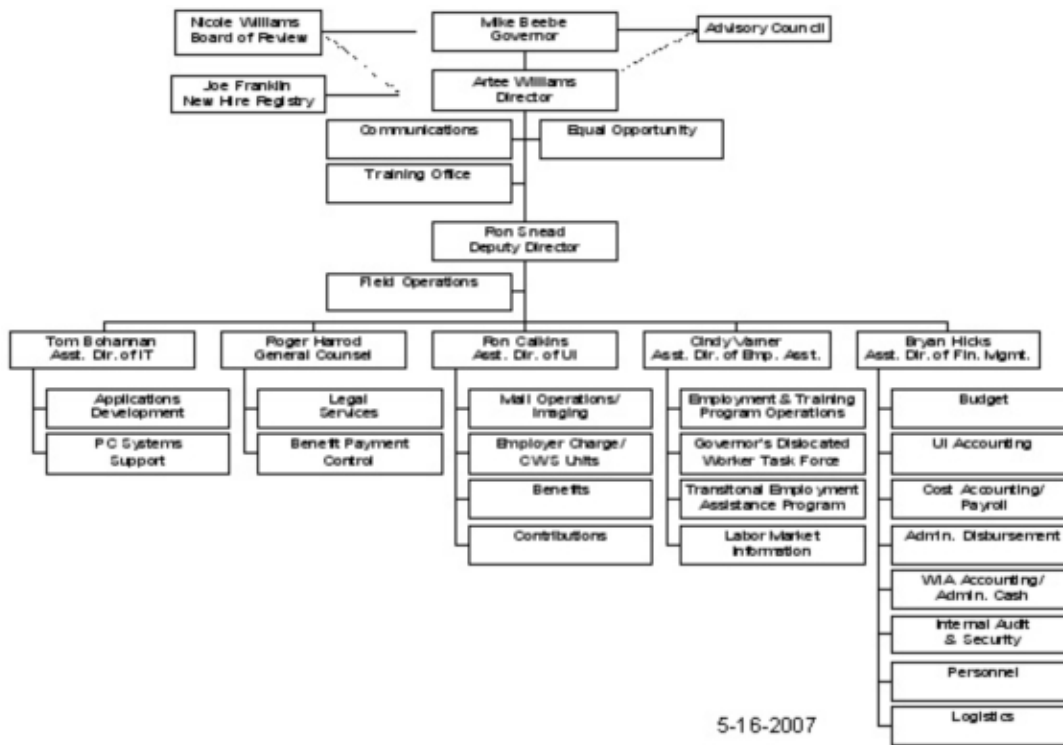
Arkansas Act 514 of 2007 created the Temporary Assistance for Needy Families (TANF) Oversight Board to provide program oversight for the delivery of effective services to the Transitional Employment Assistance (TEA) and Work Pays Program recipients. The nine-member TANF Oversight Board is required to meet no less than one time every three months and is responsible for the development of a vision and blueprint for the State's TANF Program. The Board provides recommendations to the Governor, the General Assembly, DWS, and other state agencies on a variety of topics. The main focus of the TANF Oversight Board is the provision of effective program services to clients, improved performance in client outcomes, and increased integration of TEA and Work Pays Program services into local workforce offices. The Director of the Department of Workforce Services is required to designate a senior manager of DWS as staff director for the board. Additional staff support to the board is provided by DWS and DHS.

The Labor Market Information and Analysis Division of Employment Assistance produces and distributes a wide variety of information and statistics about employment and careers in Arkansas. Working closely with the U.S. Department of Labor's Bureau of Labor Statistics and Employment & Training Administration, staff members use surveys and employer reports to gather and report statistics describing the state's level and type of employment, unemployment numbers and rates, occupational mix, industry and occupation projections, and other data of use to government, education and citizen users. In conjunction with the Arkansas Workforce Investment Board and the Department of Workforce Education, staff members also provide a variety of career preparation products and services, especially for students.

Additionally, the Office of Employment Assistance programmatically oversees and administers several discretionary grant programs such as national emergency grants, Arkansas Delta Workforce Innovations in Regional Economic Development (ADWIRED), and a new truck driver training program.

FIELD OPERATIONS

Field Operations, overseen by the Deputy Director of the agency, is responsible for the delivery of services to the public through 32 local workforce centers and 4 satellite offices throughout the state. These services include: 1) job placement assistance to job seekers; 2) recruiting and screening assistance to employers seeking workers or a central place to post job openings; 3) initial unemployment insurance claims processing for unemployed workers; and 4) career readiness certificate preparation and issuance; 5) case management services to low-income families enrolled in TEA and Work Pays; and 6) assistance to migrant seasonal farm workers; 7) other specialized services to applicants and employers through contractual agreements with other local, state, or federal agencies and organizations; 8) and coordinates all logistical support for all DWS workforce centers.



Agency Commentary

The Department of Workforce Services (DWS) is requesting an increase in appropriation authority for Disaster Relief Payments, Federal Employees Benefit Payments, Unemployment Insurance (UI) Benefits-Reimbursable Employers, the Unemployment Insurance Administration Fund, the Workforce Investment Act, the DWS Training Trust Fund, the DWS Unemployment Insurance Fund, the Temporary Assistance for Needy Families (TANF) Block Grant Paying, and the Appropriation for the Maintenance and General Operations of the Department. This is to ensure sufficient authority in the event of unforeseen economic downturns through the 2009-20011 biennium.

The Agency's position request is 916 Regular Salary and 400 Extra Help positions in each year of the biennium. This is an increase of 133 positions based on the assumption of the TANF/TEA program including staff transferred from the Department of Human Services.

Current Status

The Agency is currently operating 32 local offices, 4 outreach offices and the Hope Migrant Farm Labor Center located in Hope, Arkansas which provides services to legal immigrants.

Future Outlook

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

Our current forecasts project no Unemployment Insurance Trust Fund Loans or UI Loan Interest payments.

AGENCY PROGRAM AREAS

A. Public Labor Exchange System

The Department of Workforce Services offers services to employers and to jobseekers at 32 local offices and 4 outreach offices throughout the State as well as the Hope Migrant Farm Labor Center. Applicant services include job finding assistance to all persons legally qualified to work; job referral, job development, and placement services for workers who are "job ready"; and assessment, counseling, and referral to available training for those not "job ready". Veteran's services are provided on a preferential basis as required by federal statute. Other special applicant groups such as youth, older workers, handicapped and economically disadvantaged receive special attention and referral to services that help in the removal of barriers to employment. Unemployment insurance claimants are given special attention to encourage and assist their re-entry into the workforce.

Employer services include: Selection of qualified applicants for referral, labor surveys, recruitment of applicants in shortage occupations locally and nationwide, assistance to meet affirmative action goals and conditionally certifying applicants for Work Opportunity Tax Credits.

Other services include: Cooperation with partner agencies providing services under the Workforce Investment Act (WIA), participation on workforce investment boards in local workforce investment areas to improve delivery of services, and provide Labor Market Information to educational and community based organizations for use in preparing citizens for the world of work. The Agency also administers the Jobs for Veterans State grant provided by the Veterans Employment and Training Service to staff Local Veterans Employment Representatives and Disabled Veterans Outreach Program specialists in local offices dedicated to meeting the employment needs of veterans.

The delivery of service to both employers and applicants is enhanced by a computerized statewide order sharing system to bring applicants and employers together, thereby speeding up the placement process. To increase efficiency and save staff time in the delivery of services, DWS uses a computerized file search system to match job applicants with employer openings. This process, known as the Arkansas Job Link (AJL) involves all local offices and One-Stop Centers in Arkansas.

B. Workforce Investment Act Title I Programs; Adult, Youth and Dislocated Worker Employment Assistance

The Department of Workforce Services serves as the Governor's Administrative Entity (GAE) for Arkansas programs funded by Title I of the federal Workforce Investment Act (WIA) of 1998. WIA seeks to provide needed employment and preparation services for adults, youth and dislocated workers through programs operated by agencies in the ten local workforce investment areas (LWIAs). Each area's local workforce investment board (LWIB) selects their operation entities. WIA program activities include core (e.g. employment information, employment self-service centers, etc.) and training (e.g. classroom instruction, on-the-job training, etc.) activities. DWS monitors the fiscal and performance integrity of the Title I programs and provides technical assistance on the program aspects of Title I.

DWS acts as the lead agency for the Governor's Dislocated Worker Task Force. Composed of DWS, the Department of Economic Development and the Arkansas American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), this group provides on-site rapid response assistance in the event of a business closing or major layoff. The assistance ranges from help in securing a replacement company for a vacated building to help for laid off individuals to find new employment or training for employment.

The Task Force also helps the town and the individuals cope with the problems created by loss of employment.

DWS also serves in an advisory capacity to the State Workforce Investment Board in establishing WIA policy. DWS serves as the fiscal agency for Title I of WIA. Workforce Investment Act dollars are distributed by formula under direction of the State WIB.

DWS is requesting an increase in appropriation of \$12,000,000 each year due to increases in federal funds relating to the Workforce Innovations in Economic Regional Development (WIRED) grants and for any increases that may come in National Emergency Grants for any emergencies experienced in the state such as tornadoes and flooding.

C. Agency Unemployment Insurance Program

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

Tax rated employers subject to the Arkansas Department of Workforce Services law presently pay a quarterly payroll tax on the first \$10,000 of wages paid to each employee during the calendar year or, if the employer is a reimbursable employer, the employer repays the UI Trust Fund for all unemployment insurance benefits paid to their employees. Tax rates for tax rated employers are determined by an experience rating system, which measures each employer's benefit risk and history of contributions and benefit payments. The tax rate calculation considers taxes paid in, benefits paid and charged to the employer's account and the average annual taxable payroll. In addition, a Stabilization Tax of up to 0.80% is added to the calculated tax rate based on the overall balance of the UI Trust Fund as compared to total payrolls for employment during the preceding calendar year. All tax rates are re-calculated each year.

As of July 1, 2008, an individual may qualify for a maximum weekly benefit of \$431, with the minimum weekly benefit being \$77 for up to 26 weeks of total unemployment. The maximum and minimum weekly benefit amounts are subject to change each July 1. (A.C.A. §11-10-502) As of January 2008, an individual's weekly benefit amount represents on average, approximately 41% of his/her average weekly wage.

During periods of high unemployment, individuals who have exhausted their regular benefits may be eligible for additional weeks of extended benefits under a program jointly funded by the State's Unemployment Insurance Trust Fund and the Federal Government; or under programs resulting entirely from special Federal legislation. Special federal programs for extended benefits, when authorized, are 100% federally funded.

In addition to the regular and extended unemployment compensation programs, unemployment compensation is paid to former Federal employees and ex-military personnel. Federal employee and ex-military unemployment benefits are funded entirely by Federal funds.

Special benefits administered by DWS Unemployment Insurance Division are paid to workers whose jobs or hours of work and wages have been adversely affected by foreign imports and/or the transfer of jobs to foreign countries. These benefits are paid by authority of the Trade Act of 1974, as amended. When approved these benefits afford individual workers opportunities for retraining and relocation to a more favorable labor market area.

Another Federal program is Disaster Unemployment Assistance (DUA), which provides special benefits for workers whose jobs are temporarily closed due to a natural disaster upon proclamation by the President. When DUA benefits are authorized, they are 100% federally funded.

When a potential issue related to an unemployment insurance claim is identified, a decision is rendered by the Department of Workforce Services based on the facts and the application of the Department of Workforce Services Law. Both the claimant and the employer are notified in writing of the decision. If either the claimant or employer objects to the decision, they may file an appeal as authorized by statute. The Appeal Tribunal is the first of two (2) administrative steps available to claimants and employers alike in resolving disputes related to unemployment insurance claims. Decisions of the Appeal Tribunal may be appealed by either party to the Board of Review.

The Board of Review will review the decision of the Appeal Tribunal when properly appealed by the claimant or employer. The Board of Review evaluates the facts of the record and either affirms, reverses or remands the Appeal Tribunal decision. Claimants and employers may appeal decisions of the Board of Review through the Arkansas Court of Appeals.

Unemployment Insurance fraud detection, both internal and external, overpayment prevention, and recovery are inherently important aspects of the Unemployment Insurance program. A toll-free "hotline" is available for anyone who wishes to report a suspected case of fraud or abuse and callers are not required to reveal their identity. A special computer software program cross-matches wages reported by employers with benefits paid to claimants. Unemployment Insurance investigators conduct on-site investigations of potentially fraudulent claims, and a close working relationship is maintained with county officials in order to prosecute persons fraudulently claiming benefits. Department of Workforce Services participates in the Benefit Accuracy Measures Program (BAM), as mandated by the US Department of Labor, which is based on comprehensive reviews for randomly sampled claims made statewide to determine the precise nature of any improper payments. The audit performed under the BAM program produces estimates of overpayment rates, underpayment rates and total error rates while identifying the source of the errors, whether it is the agency, the claimant, the employer or some other action. Department of Workforce Services also participates in the Benefit Payment Control Program (BPC) designed to identify overpayments by administrative and/or legal action. Finally, Department of Workforce Services also participates in the Tax Performance System (TPS) intended to ensure full and proper reporting of all wage items and the accurate and timely payment of taxes due from employers.

DWS is requesting an increase in appropriation of \$5,000,000 for the UI Benefits-Reimbursable employers to allow for the anticipated increase in paying benefits to employees of companies that reimburse the Unemployment Compensation fund. An increase of \$40,000,000 each year for the Federal Employees Benefits to allow for the payment of the extended or emergency unemployment benefits that are anticipated to increase in this biennium. For example, House Resolution 2642 signed into law on June 30, 2008 authorized emergency unemployment benefits and Arkansas expects to spend up to \$100,000,000 on this program from federal funds. Also, we are requesting an increase in appropriation, for the DWS Unemployment Insurance Fund, in the amount of \$2,500,000 each year to support the DWS Unemployment Insurance program during federal funding shortfalls and to expend the carry forward funding from the 2007 -2009 beinnium. An increase in the appropriation for Disaster Relief Payments in the amount of \$3,000,000 was requested to cover any unforeseen disasters.

DWS is requesting that the appropriation section called "Operations" to be changed to "Unemployment Benefits and Expenses" because only Unemployment Insurance expenditures will remain in this

appropriation upon approval of the transfer of Maintenance and Operations (M&O) appropriations as discussed in section G.

D. Temporary Assistance for Needy Families/TANF

The Temporary Assistance for Needy Families (TANF) program provides a wide variety of employment and training activities, supportive services, and benefits that will enable clients to get a job, keep a job, and improve their economic circumstances. The four purposes of TANF are to 1) provide assistance to needy families; 2) end dependence of needy parents by promoting job preparation, work and marriage; 3) prevent and reduce out-of-wedlock pregnancies; and 4) encourage the formation and maintenance of two-parent families.

State Maintenance of Effort Requirements - The TANF block grant program has an annual cost-sharing requirement, referred to as "maintenance of effort," or "MOE." Every fiscal year each state must spend a certain minimum amount of its own money to help eligible families in ways that are consistent with the purposes of the TANF program. The required MOE amount is based on an "applicable percentage" of the state's (nonfederal) expenditure on Aid to Families with Dependent Children (AFDC) and the AFDC-related programs in 1994.

Congress reauthorized the TANF program through the Deficit Reduction Act of 2005. Although the Act requires States to meet higher rates of work participation, no significant changes were made in the program design beyond the initiatives and organizational changes prescribed by Act 1705 of 2005 and Act 514 of 2007.

In this Biennium, we are requesting an increase in our appropriation of \$33,409,350 each year to allow for the expensing of remaining TANF Grant Award balances. DHS will expend their carry forward funds and DWS needs to spend its carry forward funds when theirs is depleted. Act 514 of 2007 provides the basis for additional items to be transferred to DWS.

E. Other Special Employment and Training Services in Accordance with Local, State, and Federal Agencies

Through contract or financial agreement, DWS:

Administers the Trade Adjustment Act to provide re-employment assistance and re-training to workers dislocated as a result of production moving to another country.

Administers the Work Opportunity Tax Credit Program.

Administers the Alien Certification Program to certify foreign workers for existing employer needs based on a market survey.

Inspects housing of agricultural workers who are legally eligible to work in the United States (as part of the agricultural Alien Labor Certification Program);

Operates the Hope Migrant Farm Labor Center, providing overnight accommodations, employment, health, and education services in cooperation with other agencies to legal immigrants. These immigrants provide agricultural services throughout the mid west corridor from Rio Grande Valley Texas to Michigan and as far north as upstate New York.

DWS is requesting an increase in the appropriation for the Training Trust Fund in the amount of \$2,500,000 each year of the biennium to expend the carry forward funding from the 2007-2009 biennium, for the DWS Training Trust programs.

F. Labor Market Information & Analysis

The Labor Market Information (LMI) program is administered by the U.S. Department of Labor through three (3) organizations: the Employment and Training Administration (ETA), the Bureau of Labor Statistics (BLS), and the State Workforce Agency (SWA). By the Governor's proclamation through the recommendation of the Arkansas Department of Workforce Education and its Board, DWS also carries out the LMI functions of Section 118 of the Carl Perkins Act.

1. The ETA is responsible for funding, monitoring, and evaluating the LMI activities relating to the development of state and local market information.
2. The BLS is responsible for developing methods and procedures for federal-state programs. The Bureau is authorized to collect labor market information and reimburse SWA's to provide national statistical information. More specifically, BLS is responsible for funding, administering and providing technical guidance for the Current Employment Statistics (CES), Local Area Unemployment Statistics (LAUS), Occupational Employment Statistics (OES), Quarterly Census of Employment and Wages (QCEW), and the Mass Layoff Statistics (MLS) programs.
3. SWA's Occupational-Career Information/BLS sections carry out the basic work in compliance with the ETA's policies and the BLS technical directives.
4. Section 118 of the Carl Perkins Act provides language to the states to develop and distribute LMI through a State Career Resource Network. Upon recommendation of the Arkansas Department of Workforce Education, the Governor has designated DWS to handle this responsibility.

The Labor Market Information program in Arkansas provides six (6) basic types of information output services:

1. Occupational employment projections, employment supply and demand data, labor force statistics on employment and unemployment, and employment estimates by industry are produced for the state and many of its labor market areas. This information, also with other Labor Market Information (LMI) is available via Internet through LMI's web portal. Through this portal, the DWS/LMI is able to provide instant industry, occupational, career and workforce information to its many customers, including counselors, employers, planners, job seekers, and others needing occupational, career and workforce information.
2. Computerized delivery of a career information delivery system (CIDS) provides guidance personnel, students, training program participants, and other job seekers a Career Resource Network of Information. The Arkansas Occupation and Skill Computer-Assisted Researcher (ARKOSCAR) is available online and the system is updated annually.
3. A computerized delivery of Educational services provided is found in the Arkansas Consumer Reporting System (ACRS). This system is designed for two different but complimentary purposes. First, it is intended to be a reference for any Arkansan wishing to pursue post-secondary education.

Secondly, it is intended to assist in the automation of applications submitted by education providers who wish to become or remain eligible training providers under the Workforce Investment Act. DWS has attempted to include all Arkansas postsecondary educational institutions, as well as out-of-state post-secondary educational institutions that are certified by the Arkansas Board of Private Career Education.

4. Publications that provide the following type of labor market information on the Internet and in hard copy format are produced on a regular basis: monthly analyses of total employment, unemployment, industrial employment, and hours and earnings statistics for the State and major labor areas; monthly labor force estimates and unemployment rates for the State and 75 counties; annual affirmative action information for the State and its 75 counties; annual planning information for the State, local workforce investment areas (LWIAs) and metropolitan statistical areas (MSAs); projections by industry and occupation for the State and LWIAs; and wage data for manufacturing industries and occupations within those industries for the State, LWIAs and 75 counties. A directory of labor market information publications is also available.
5. Technical assistance and training in the availability and use of labor market information are offered. Additionally, materials are distributed for pre-service and in-service counselor education and training needs. Also, training on the availability and uses of LMI, occupational and career information is now being offered through the special focused LMI training seminars conducted by DWS LMI professionals.
6. Research and special projects are conducted to update labor market information techniques and output, particularly those that streamline programs through computerization.

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

Labor Market Information is used by Congress to allocate billions of dollars for employment and training programs, economic development and public work projects conducted by local, state, and national governments. Also, LMI development and use is an integral part of the Arkansas Workforce Center operations. Many new pamphlets, flyers, publications, internet and CD-ROM materials and other additions to the career and planning information systems are being developed primarily for use in these centers and Arkansas' educational institutions.

G. Maintenance and Operations

DWS is requesting that the appropriation section called Personal Services to also include the Maintenance and General Operations appropriations previously under the Operations appropriation. The new name for this appropriation is requested to be titled "Operations". This would have all of the appropriations for operating the agency in one section and fund center of 2SD.

Also under the new Operations appropriation, we are requesting \$2,419,001 for Capital Outlay. This has

biennium is for various IT projects that include working on the mainframe and updating the Financial Accounting Reporting System (FARS) which performs all federal accounting functions for the Agency and maintains compliance with federal reporting requirements. This IT Plan has been approved by the Office of Intergovernmental Services.

H. New Hire Registry

The New Hire Registry was created to compile an automated state registry of newly hired and returning employees. Information shall be entered into the registry data base maintained by the Department of Workforce Services or its designated contractor within five (5) business days of receipt from an employer. This information shall be furnished to the National Registry of New Hires. This is required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193. DWS is requesting that the separate stand alone appropriations for the New Hire Registry in 2SH and 2SG be moved to the agency's combined fund center of 2SD for personal services as well as Maintenance and General Operations. This will allow for more effective and efficient operations of the program. This request is for the appropriations of both the State and Federal expenses will be included.

The Department of Workforce Services will be requesting to amend A.C.A. §11-10-901 and §11-10-902 in the 87th Legislative Session to accommodate this transfer.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF WORKFORCE SERVICES

FOR THE YEAR ENDED JUNE 30, 2006

Findings	Recommendations
None	None

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS TRANSITIONAL EMPLOYMENT BOARD

FOR THE YEAR ENDED JUNE 30, 2005

Findings	Recommendations
<p>Lack of management oversight and review of credit card transactions allowed Ms. Dametrice Burke, former Outreach Monitor, to charge personal purchases totaling \$27,052 to the Agency's credit card during the period March 2003 through April 2006. We recommend Ms. Burke, who accepted responsibility for the improper credit card charges, reimburse the Agency.</p>	<p>Agency strengthen internal controls related to credit card transactions and travel expenditures.</p>

In addition, travel reimbursements of \$3,059 paid to Ms. Burke were not supported with adequate documentation. As a result, the Agency was unable to substantiate the business purpose of these expenditures.

Employment Summary

	Male	Female	Total	%
White Employees	121	245	366	50 %
Black Employees	64	291	355	48 %
Other Racial Minorities	3	8	11	2 %
	Total Minorities		366	50 %
	Total Employees		732	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Mission Statement and Report of Activity	A.C.A. §11-10-306 (e)	Y	N	33	To meet the requirements of A.C.A. §11-10-306 (e) and to have sufficient copies for interested parties.
Annual Report to the Arkansas Legislature on the Individual Development Account (IDA) program	A.C.A. §20-86-113	N	Y	10	The annual report on the status of the IDA program is given to the Public Health, Welfare and Labor Committee as required by A.C.A. §20-86-113.
Arkansas Transitional Employment Assistance (TEA) Program Bi-Annual Report on Families Sanctioned and Outcomes of Home visits	A.C.A. §20-76-410 Section 9(c)(l)(f) as amended	Y	Y	20	The Department shall submit a bi-annual report on families sanctioned and the outcomes of the home visits to the Governor and the House and Senate Interim Committees on Public Health, Welfare and Labor
Independent Evaluator report for the TEA and Work Pays Programs	A.C.A. §20-76-104 (a) (3)	Y	Y	20	The Department shall submit a bi-annual report on families served through the Transitional Employment Assistance and Arkansas Work Pays Program.
Performance Progress Report	A.C.A. §20-76-113 (c) (2)	Y	Y	20	The Department shall submit a bi-annual report on the progress of achieving the performance indicators set for the TEA and Work Pays programs by December and June 10 of each year.

Department Appropriation Summary

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	
2RD Administrative Building Upkeep	0	0	455,000	0	0	0	455,000	0	455,000	0	455,000	0	0	0	0	0	0	0	0
2RE Building and Land Acquisition	1,620	0	298,380	0	0	0	300,000	0	300,000	0	300,000	0	0	0	0	0	0	0	0
2RF Annual Assessments	22,000	0	26,000	0	26,000	0	26,000	0	26,000	0	26,000	0	26,000	0	26,000	0	26,000	0	0
2SA Rent of Buildings	0	0	96,708	0	0	0	96,708	0	96,708	0	96,708	0	0	0	0	0	0	0	0
2SB Special Improvement District Taxes	0	0	1,000	0	0	0	1,000	0	1,000	0	1,000	0	0	0	0	0	0	0	0
2SC Excess Unemploy Benefits/Expenses	3,353,997	0	10,878,035	0	10,878,035	0	10,878,035	0	10,878,035	0	10,878,035	0	10,878,035	0	10,878,035	0	10,878,035	0	0
2SD Operations *	35,999,960	789	40,224,753	789	40,995,102	783	38,741,202	681	84,851,990	916	84,851,990	916	39,341,977	681	85,627,616	916	85,627,616	916	0
2SE Workforce Investment Act	32,235,532	0	58,000,000	0	58,000,000	0	58,000,000	0	70,000,000	0	70,000,000	0	58,000,000	0	70,000,000	0	70,000,000	0	0
2SF UI Trust Fund Loan Interest	225,512	0	3,000,001	0	3,000,001	0	3,000,001	0	3,000,001	0	3,000,001	0	3,000,001	0	3,000,001	0	3,000,001	0	0
2SG New Hire Registry-State	113,892	0	152,103	0	152,958	0	153,535	0	0	0	0	0	154,184	0	0	0	0	0	0
2SH New Hire Registry-Federal	230,083	1	356,062	1	356,943	1	358,120	1	0	0	0	0	359,435	1	0	0	0	0	0
35Q DWS Training Trust Fund	74,500	0	2,500,000	0	2,500,000	0	2,500,000	0	5,000,000	0	5,000,000	0	2,500,000	0	5,000,000	0	5,000,000	0	0
35R DWS Unemployment Insurance Fund	562,640	0	2,500,000	0	2,500,000	0	2,500,000	0	5,000,000	0	5,000,000	0	2,500,000	0	5,000,000	0	5,000,000	0	0
4KP TANF-IDA	496,829	0	1,700,000	0	1,700,000	0	1,700,000	0	1,700,000	0	1,700,000	0	1,700,000	0	1,700,000	0	1,700,000	0	0
4KQ TANF Block Grant Paying	8,496,760	0	66,590,650	0	66,590,650	0	66,590,650	0	100,000,000	0	100,000,000	0	66,590,650	0	100,000,000	0	100,000,000	0	0
56Z Workforce Investment	0	0	0	0	0	0	0	0	0	0	1,082,554	13	0	0	0	0	1,099,152	13	0
C27 Unemployment Benefits & Expenses-Cash*	19,311,679	0	53,049,930	0	53,049,930	0	50,630,929	0	20,000,001	0	20,000,001	0	50,630,929	0	20,000,001	0	20,000,001	0	0
C28 Federal Employees Benefit-Cash	26,126,835	0	100,000,000	0	100,000,000	0	100,000,000	0	140,000,000	0	140,000,000	0	100,000,000	0	140,000,000	0	140,000,000	0	0
C29 U I Benefits - Taxable Employers - Cash	270,737,952	0	500,000,000	0	500,000,000	0	500,000,000	0	500,000,000	0	500,000,000	0	500,000,000	0	500,000,000	0	500,000,000	0	0
C30 U I Benefits-Reimb Employers-Cash	11,317,924	0	20,000,000	0	20,000,000	0	20,000,000	0	25,000,000	0	25,000,000	0	20,000,000	0	25,000,000	0	25,000,000	0	0
C31 Bldg Improvmt/Land-Reed Act	398,771	0	76,601,229	0	0	0	77,000,000	0	77,000,000	0	77,000,000	0	0	0	0	0	0	0	0
Total	409,706,486	790	936,429,851	790	859,749,619	784	932,931,180	682	1,043,308,735	916	1,044,391,289	929	855,681,211	682	966,231,653	916	967,330,805	929	

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	15,688,099	3.6	20,252,338	2.1	20,252,338	2.1	20,252,338	1.9	20,252,338	1.9	20,252,338	2.3	15,889,478	1.6	15,889,478	1.6		
General Revenue	4000010	3,754,542	0.9	3,792,753	0.4	3,794,185	0.4	3,794,185	0.4	3,794,185	0.4	3,794,834	0.4	3,794,834	0.4	3,794,834	0.4		
Federal Revenue	4000020	403,711,875	93.9	912,881,974	95.4	909,380,251	95.4	1,014,757,806	95.9	1,015,840,360	95.9	832,982,341	95.1	938,532,783	96.1	939,631,935	96.1		
Stabilization Tax	4000033	5,000,000	1.2	5,000,000	0.5	5,000,000	0.5	5,000,000	0.5	5,000,000	0.5	5,000,000	0.6	5,000,000	0.5	5,000,000	0.5		
Advance Interest Funds	4000070	243,218	0.1	3,000,001	0.3	3,000,001	0.3	3,000,001	0.3	3,000,001	0.3	3,000,001	0.3	3,000,001	0.3	3,000,001	0.3		
Employer Penalties & Interest	4000225	3,561,290	0.8	11,755,123	1.2	11,756,743	1.2	11,756,743	1.1	11,756,743	1.1	10,904,035	1.2	10,904,035	1.1	10,904,035	1.1		

Funding Sources		%		%		%		%		%		%		%		%	
Transfer to DHS-DCO	4000612	(2,000,200)	(0.5)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		429,958,824	100.0	956,682,189	100.0	953,183,518	100.0	1,058,561,073	100.0	1,059,643,627	100.0	875,933,549	100.0	977,121,131	100.0	978,220,283	100.0
Excess Appropriation/(Funding)		(20,252,338)		(20,252,338)		(20,252,338)		(15,252,338)		(15,252,338)		(20,252,338)		(10,889,478)		(10,889,478)	
Grand Total		409,706,486		936,429,851		932,931,180		1,043,308,735		1,044,391,289		855,681,211		966,231,653		967,330,805	

* Agency requesting to change Appropriation Titles for C27 - from "ESD - Cash Operations" to "Unemployment Benefits & Expenses - Cash" and 2SD - from "Personal Services" to "Operations".

Actual and Budget number of positions higher than Authorized amount due to establishment of "Growth Pool" positions approved during 2007-2009 biennium.

Appropriation 2RD is a biennial appropriation. The authorized amount for the 2007-2009 biennium was \$455,000.

Appropriation 2RE is a biennial appropriation. The authorized amount for the 2007-2009 biennium was \$300,000.

Appropriation 2SA is a biennial appropriation. The authorized amount for the 2007-2009 biennium was \$96,708.

Appropriation 2SB is a biennial appropriation. The authorized amount for the 2007-2009 biennium was \$1,000.

Appropriation C31 is a biennial appropriation. The authorized amount for the 2007-2009 biennium was \$77,000,000.

Variances in fund balances are due to unfunded appropriation.

Reflects Executive Recommendation to transfer Base Level Maintenance & Operations line items from Appropriation C27 (page 654) to Operations 2SD (page 616).

Reflects Executive Recommendation to transfer Base Level of New Hire Registry - State & Federal 2SG & 2SH (pages 628 & 632) to Operations 2SD (page 616).

Reflects Executive Recommendation to transfer Base Level of Appropriation 554 (page 579) from Workforce Investment Board to Appropriation 56Z Workforce Investment (page 651).

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	
703	668	22	690	13	4.98 %	784	743	0	743	41	5.23 %	784	732	58	790	-6	6.63 %

FY09 Budgeted number of positions higher than Authorized due to establishment of "Growth Pool" positions approved during 2007-2009 biennium.

Analysis of Budget Request

Appropriation: 2RD - Administrative Building Upkeep

Funding Sources: TZS - DWS Special Fund

The Administration Building Upkeep biennial appropriation provides for maintenance, repairs, equipment, furnishing, and upkeep of the Administration Building and all other Agency owned buildings and the adjacent parking areas of these buildings.

This appropriation is funded from the Department of Workforce Services Special Fund derived from penalties and interest assessed to Arkansas employers and delinquent tax contributions.

The Base Level for this appropriation is \$455,000 and represents the Agency Request.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2RD - Administrative Building Upkeep

Funding Sources: TZS - DWS Special Fund

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
Construction 5090005	0	455,000	0	455,000	455,000	455,000	0	0	0
Total	0	455,000	0	455,000	455,000	455,000	0	0	0
Funding Sources									
Employer Penalties & Interest 4000225	0	455,000		455,000	455,000	455,000	0	0	0
Total Funding	0	455,000		455,000	455,000	455,000	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	455,000		455,000	455,000	455,000	0	0	0

This is a biennial appropriation.

FY09 Budget amount has been adjusted to reflect the carry forward balance of appropriation between fiscal years of \$455,000.

Base Level has been restored to the FY08 Authorized amount of \$455,000.

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

Agency: Workforce Services Department

Program: Administrative Building Upkeep

Act #: 1289 of 2007 Section(s) #: 12 & 24

Estimated Carry Forward Amount \$ 455,000.00 Appropriation Funds

Funding Source: Employer Penalties/Interest

Accounting Information:

Business Area: 0810 Funds Center: 2RD Fund: TZS Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Construction	5090005	455,000.00	455,000.00
Total		\$ 455,000.00	\$ 455,000.00

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:

The Carry Forward is necessary to provide normal maintenance, upkeep, and unforeseen repairs on the Administration Building and all other agency owned buildings.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary to provide normal maintenance, upkeep, and unforeseen repairs on the Administration Building and all other agency owned buildings.

Artee Williams
Director

08-15-2008
Date

Analysis of Budget Request

Appropriation: 2RE - Building and Land Acquisition

Funding Sources: TZS - DWS Special Fund

The Building and Land Acquisition biennial appropriation is utilized by the Department of Workforce Services for the acquisition of buildings and land, construction of buildings, and/or modification of existing buildings outside the Pulaski County area.

This appropriation is funded from the Department of Workforce Services Special Fund derived from penalties and interest assessed to Arkansas employers and delinquent tax contributions.

The Base Level for this appropriation is \$300,000 and represents the Agency Request.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2RE - Building and Land Acquisition

Funding Sources: TZS - DWS Special 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
Construction 5090005	1,620	298,380	0	300,000	300,000	300,000	0	0	0
Total	1,620	298,380	0	300,000	300,000	300,000	0	0	0
Funding Sources									
Employer Penalties & Interest 4000225	1,620	298,380		300,000	300,000	300,000	0	0	0
Total Funding	1,620	298,380		300,000	300,000	300,000	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,620	298,380		300,000	300,000	300,000	0	0	0

This is a biennial appropriation.

FY09 Budget amount has been adjusted to reflect the carry forward balance of appropriation between fiscal years of \$298,380.

Base Level has been restored to the FY08 Authorized amount of \$300,000.

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

Agency: Workforce Services Department

Program: Building and Land Acquisition

Act #: 1289 of 2007 Section(s) #: 13 & 24

Estimated Carry Forward Amount \$ 295,000.00 Appropriation Funds

Funding Source: Employer Penalties/Interest

Accounting Information:

Business Area: 0810 Funds Center: 2RE Fund: TZS Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Construction	5090005	295,000.00	298,380.00
Total		\$ 295,000.00	\$ 298,380.00

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:

The Carry Forward is needed for any unanticipated acquisition of buildings or land across fiscal years.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is needed for any unanticipated acquisition of buildings or land across fiscal years.

Artee Williams
Director

08-15-2008
Date

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 derived from penalties and interest assessed to Arkansas employers and delinquent tax contributions.

The Base Level for this appropriation is \$26,000 each year of the biennium and represents the Agency Request.

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	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Annual Assessment 5900046	22,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	22,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Funding Sources									
Employer Penalties & Interest 4000225	22,000	26,000		26,000	26,000	26,000	26,000	26,000	26,000
Total Funding	22,000	26,000		26,000	26,000	26,000	26,000	26,000	26,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	22,000	26,000		26,000	26,000	26,000	26,000	26,000	26,000

Carry forward balance of appropriation between fiscal years is \$4,000.

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

Agency: Workforce Services Department

Program: Annual Assessments

Act #: 1289 of 2007 Section(s) #: 4 & 24

Estimated Carry Forward Amount \$ 4,000.00 Appropriation Funds

Funding Source: Employer Penalties/Interest

Accounting Information:

Business Area: 0810 Funds Center: 2RF Fund: TZS Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Annual Assessment	5900046	4,000.00	4,000.00
Total		\$ 4,000.00	\$ 4,000.00

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:

The Carry Forward is necessary to maintain the annual assessment of voting member rights in the National Association of Workforce agencies.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

To allow for increase in dues. Dues are based on a percentage of federal funding.

Artee Williams
Director

08-15-2008
Date

Analysis of Budget Request

Appropriation: 2SA - Rent of Buildings

Funding Sources: TZS - DWS Special Fund

The Rent of Buildings biennial appropriation allows the Department of Workforce Services to utilize the Department of Workforce Services Special Fund for the rent of buildings when the U.S. Department of Labor determines, for an unforeseen reason, that federal funds are not appropriate for rent on a particular facility. This is a biennial appropriation.

This appropriation is funded from the Department of Workforce Services Special Fund derived from penalties and interest assessed to Arkansas employers and delinquent tax contributions.

The Base Level for this appropriation is \$96,708 and represents the Agency Request.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2SA - Rent of Buildings
Funding Sources: TZS - DWS Special 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
Rent of Buildings 5900022	0	96,708	0	96,708	96,708	96,708	0	0	0
Total	0	96,708	0	96,708	96,708	96,708	0	0	0
Funding Sources									
Employer Penalties & Interest 4000225	0	96,708		96,708	96,708	96,708	0	0	0
Total Funding	0	96,708		96,708	96,708	96,708	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	96,708		96,708	96,708	96,708	0	0	0

This is a biennial appropriation.

FY09 Budget amount has been adjusted to reflect the carry forward balance of appropriation between fiscal years of \$96,708.

Base Level has been restored to the FY08 Authorized amount of \$96,708.

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

Agency: Workforce Services Department

Program: Rent of Buildings

Act #: 1289 of 2007 Section(s) #: 14 & 24

Estimated Carry Forward Amount \$ 96,708.00 Appropriation Funds

Funding Source: Employer Penalties/Interest

Accounting Information:

Business Area: 0810 Funds Center: 2SA Fund: TZS Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Rent of Buildings	5900022	96,708.00	96,708.00
Total		\$ 96,708.00	\$ 96,708.00

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:

The Carry Forward is necessary for rent of buildings when, for an unforeseen reason, federal funds are not appropriate for rent.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary for rent of buildings when, for an unforeseen reason, federal funds are not appropriate for rent.

Artee Williams
Director

08-15-2008
Date

Analysis of Budget Request

Appropriation: 2SB - Special Improvement District Taxes

Funding Sources: TZS - DWS Special Fund

The Special Improvement District Taxes biennial appropriation allows the Department of Workforce Services to pay any required city or county Special Improvement District Taxes. These taxes are levied on local DWS offices.

This appropriation is funded from the Department of Workforce Services Special Fund derived from penalties and interest assessed to Arkansas employers and delinquent tax contributions.

The Base Level for this appropriation is \$1,000 and represents the Agency Request.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2SB - Special Improvement District Taxes

Funding Sources: TZS - DWS Special Fund

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
Special Improvement District Tax 5900046	0	1,000	0	1,000	1,000	1,000	0	0	0
Total	0	1,000	0	1,000	1,000	1,000	0	0	0
Funding Sources									
Employer Penalties & Interest 4000225	0	1,000		1,000	1,000	1,000	0	0	0
Total Funding	0	1,000		1,000	1,000	1,000	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	1,000		1,000	1,000	1,000	0	0	0

This is a biennial appropriation.

FY09 Budget amount has been adjusted to reflect the carry forward balance of appropriation between fiscal years of \$1,000.

Base Level has been restored to the FY08 Authorized amount of \$1,000.

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

Agency: Workforce Services Department

Program: Special Improvement District Taxes

Act #: 1289 of 2007 Section(s) #: 15 & 24

Estimated Carry Forward Amount \$ 1,000.00 Appropriation Funds

Funding Source: Employer Penalties/Interest

Accounting Information:

Business Area: 0810 Funds Center: 2SB Fund: TZS Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Special Improvement District Taxes	5900046	1,000.00	1,000.00
Total		\$ 1,000.00	\$ 1,000.00

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:

The Carry Forward is necessary to pay any unforeseen city or county Special Improvement District Taxes.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary to pay any unforeseen city or county Special Improvement District Taxes.

Artee Williams
Director

08-15-2008
Date

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 payment of administrative expenditures in excess of other funding sources because of reductions in federal funds. This appropriation is funded from the Department of Workforce Services Special Fund derived from penalties and interest assessed to Arkansas employers and delinquent tax contributions.

The Base Level for this appropriation is \$10,878,035 each year of the biennium and represents the Agency Request.

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		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			Base Level	Agency	Executive
Payment/Expenses	5900046	3,353,997	10,878,035	10,878,035	10,878,035	10,878,035	10,878,035	10,878,035	10,878,035	10,878,035
Total		3,353,997	10,878,035	10,878,035	10,878,035	10,878,035	10,878,035	10,878,035	10,878,035	10,878,035
Funding Sources										
Fund Balance	4000005	10,587,380	10,771,053		10,771,053	10,771,053	10,771,053	10,771,053	10,771,053	10,771,053
Employer Penalties & Interest	4000225	3,537,670	10,878,035		10,878,035	10,878,035	10,878,035	10,878,035	10,878,035	10,878,035
Total Funding		14,125,050	21,649,088		21,649,088	21,649,088	21,649,088	21,649,088	21,649,088	21,649,088
Excess Appropriation/(Funding)		(10,771,053)	(10,771,053)		(10,771,053)	(10,771,053)	(10,771,053)	(10,771,053)	(10,771,053)	(10,771,053)
Grand Total		3,353,997	10,878,035		10,878,035	10,878,035	10,878,035	10,878,035	10,878,035	10,878,035

Carry forward balance of appropriation between fiscal years is \$11,077,665.72

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

Agency: Workforce Services Department

Program: Excess Unemployment Benefits/Expenses

Act #: 1289 of 2007 Section(s) #: 5 & 24

Estimated Carry Forward Amount \$ 11,000,000.00 Appropriation Funds

Funding Source: Employer Penalties/Interest

Accounting Information:

Business Area: 0810 Funds Center: 2SC Fund: TZS Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Payment/Expenses	5900046	11,000,000.00	11,077,665.72
Total		\$ 11,000,000.00	\$ 11,077,665.72

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:

The Carry Forward is necessary to pay any unanticipated administrative expenditures in excess of other funding sources because of reductions in federal funds.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary to pay any unanticipated administrative expenditures in excess of other funding sources because of reductions in federal funds such as replacing DWS's cost allocation system and the Department of Information Services (DIS) convenience contracts for programming.

Artee Williams
Director

08-22-2008
Date

Analysis of Budget Request

Appropriation: 2SD - Operations

Funding Sources: TES - DWS Trust Fund

Act 1705 of 2005 renamed the Arkansas Employment Security Department to the Department of Workforce Services. Currently, this appropriation provides for payment of Regular Salaries, Personal Services Matching, Extra Help and Overtime. A.C.A. §19-5-912 authorized the creation of the "Employment Security Department Trust Fund." Funding for this appropriation is derived from revenues authorized by the federal government for support of various programs, any interest earned on these revenues and any other funds made available by the Arkansas General Assembly.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study as well as the recommendation for transitioning several positions from unclassified to classified. 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.

The Base Level for this appropriation is \$38,741,202 in FY10 and \$39,341,977 in FY11 with 681 positions.

The Agency's Change Level requests for this appropriation is \$46,110,788 in FY10 and \$46,285,639 in FY11 and are reflected below:

- Restoration of one hundred-two (102) currently authorized unbudgeted positions
- Continue one hundred thirty-two (132) Growth Pool positions as Regular Positions. Act 1289 of 2007 special language section 26 stipulates that the Agency, upon review by the Arkansas Legislative Council, shall have the authority to establish new or additional full time positions as necessary to carry out the objectives of the program, to meet Federal requirements, and/or to expand programs where such needs are financed by federal funds. The language stipulates that the Agency must request to continue the positions in their biennial budget request. These positions were established to support the Transitional Employment Assistance (TEA) and Work Pays programs as well as to fulfill federal Temporary Assistance to Needy Families (TANF) regulations.
- \$2,419,001 each year in Capital Outlay for various Information Technology (IT) projects that include working on the mainframe and updating the Financial Accounting Reporting System (FARS) which performs all federal accounting functions for the Agency and maintains compliance with federal reporting requirements.
- Transfer in \$33,530,928 each year from Cash Appropriation C27 (Unemployment Benefits & Expenses). This request is to reallocate Base Level of the Maintenance and Operations line items into this main Operations appropriation to allow the Agency better administration of the program (see page 654).

- Transfer in \$511,655 in FY10 and \$516,619 in FY11 from the State and Federal New Hire Registry Appropriations 2SG & 2SH (see pages 628 & 632). This request reflects the transfer of Base Level of the New Hire Registry program including the DWS Program Administrator position into this main Operations appropriation to allow the Agency better administration of the program. **The Department of Workforce Services will be requesting to amend A.C.A. §11-10-901 and §11-10-902 in the 87th Legislative Session to accommodate this transfer.**

The Agency also requests changing the title of this appropriation from "Personal Services" to "Operations".

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		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	25,048,189	27,629,867	27,266,533	25,935,296	33,143,539	33,143,539	26,441,070	33,796,581	33,796,581
#Positions		789	789	783	681	916	916	681	916	916
Extra Help	5010001	3,045,399	4,093,000	4,093,000	4,093,000	4,093,000	4,093,000	4,093,000	4,093,000	4,093,000
#Extra Help		295	400	400	400	400	400	400	400	400
Personal Services Matching	5010003	7,902,177	8,441,886	9,575,569	8,652,906	11,200,793	11,200,793	8,747,907	11,323,377	11,323,377
Overtime	5010006	4,195	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Operating Expenses	5020002	0	0	0	0	23,098,544	23,098,544	0	23,098,544	23,098,544
Conference & Travel Expenses	5050009	0	0	0	0	681,493	681,493	0	681,493	681,493
Professional Fees	5060010	0	0	0	0	1,625,104	1,625,104	0	1,625,104	1,625,104
Data Processing	5090012	0	0	0	0	8,530,516	8,530,516	0	8,530,516	8,530,516
Capital Outlay	5120011	0	0	0	0	2,419,001	2,419,001	0	2,419,001	2,419,001
Total		35,999,960	40,224,753	40,995,102	38,741,202	84,851,990	84,851,990	39,341,977	85,627,616	85,627,616

Funding Sources										
General Revenue	4000010	1,635,538	0		0	153,535	153,535	0	154,184	154,184
Federal Revenue	4000020	34,364,422	40,224,753		38,741,202	84,698,455	84,698,455	39,341,977	85,473,432	85,473,432
Total Funding		35,999,960	40,224,753		38,741,202	84,851,990	84,851,990	39,341,977	85,627,616	85,627,616
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		35,999,960	40,224,753		38,741,202	84,851,990	84,851,990	39,341,977	85,627,616	85,627,616

* Agency requesting to change Appropriation Title from "Personal Services" to "Operations".

The FY2009 Budget amount in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

Actual and Budget number of positions higher than Authorized amount due to establishment of "Growth Pool" positions approved during 2007-2009 biennium.

Carry forward balance of appropriation between fiscal years is \$2,660,887.80.

Reflects Executive Recommendation to transfer Base Level Maintenance & Operations line items from Appropriation C27 (see page 654).

Reflects Executive Recommendation to transfer Base Level Operations of New Hire Registry - State & Federal (see pages 628 & 632).

Change Level by Appropriation

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	38,741,202	681	38,741,202	100.0	39,341,977	681	39,341,977	100.0
C01	Existing Program	6,423,533	102	45,164,735	116.6	6,503,548	102	45,845,525	116.5
C04	Reallocation	33,530,928	0	78,695,663	203.1	33,530,928	0	79,376,453	201.8
C06	Restore Position/Approp	5,644,672	132	84,340,335	217.7	5,737,544	132	85,113,997	216.3
C07	Agency Transfer	511,655	1	84,851,990	219.0	513,619	1	85,627,616	217.6

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	38,741,202	681	38,741,202	100.0	39,341,977	681	39,341,977	100.0
C01	Existing Program	6,423,533	102	45,164,735	116.6	6,503,548	102	45,845,525	116.5
C04	Reallocation	33,530,928	0	78,695,663	203.1	33,530,928	0	79,376,453	201.8
C06	Restore Position/Approp	5,644,672	132	84,340,335	217.7	5,737,544	132	85,113,997	216.3
C07	Agency Transfer	511,655	1	84,851,990	219.0	513,619	1	85,627,616	217.6

Justification

C01	Agency requests restoration of 102 positions previously authorized in Act but not budgeted in FY09. Also included is a Capital Outlay request of \$2,419,001 of appropriation only each year for various IT projects that include working on the mainframe and updating the Financial Accounting Reporting System (FARS) which performs all federal accounting functions for the Agency and maintains compliance with federal reporting requirements.
C04	Agency requests Maintenance and Operations line itmes moved from Cash in Bank to Treasury.
C06	Agency requests restoration of 132 new Growth Pool positions as authorized in Act 1289 of 2007 section 26. Positions were previously authorized by the Office of Personnel Management but Special Language section 26 stipulates that these must be requested as new positions during biennial budget request.
C07	Agency requests transfer of the New Hire Registry division (2SG and 2SH) including one (1) position and operations into the Agency's main Operating appropriation (2SD) for better program administration.

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

Agency: Workforce Services Department

Program: Personal Services

Act #: 1289 of 2007

Section(s) #: 2 & 24

Estimated Carry Forward Amount \$ 1,242,000.00

Appropriation

Funds

Funding Source: Federal

Accounting Information:

Business Area: 0810

Funds Center: 2SD

Fund: TES

Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Extra Help	5010001	1,040,000.00	1,047,601.34
Personal Services Matching	5010003	147,000.00	1,557,481.11
Overtime	5010006	55,000.00	55,805.35
Total		\$ 1,242,000.00	\$ 2,660,887.80

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:

The Carry Forward is necessary to maintain normal payroll operations for the agency and to allow extra appropriation for the receipt of unanticipated federal funds.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary to maintain normal payroll operations for the agency and to allow extra appropriation for the receipt of unanticipated federal funds.

Artee Williams
Director

08-21-2008
Date

Analysis of Budget Request

Appropriation: 2SE - Workforce Investment Act

Funding Sources: FCG - Federal Funds

The Workforce Investment Act appropriation provides for payment of federal funds to agencies in the ten local workforce investment areas (LWIAs). These programs provide needed employment and employment preparation services for adults, youth, and dislocated workers.

Funding for this appropriation is federal funds derived from the Workforce Investment Act of 1998, Public Law 105-220.

The Base Level for this appropriation is \$58,000,000 each year of the biennium.

The Agency's Change Level request of \$12,000,000 each year of the biennium in the Grants and Aid is for anticipated increases of grants awarded, specifically Workforce Innovation in Regional Economic Development (WIRED) grants. The grants are utilized for talent development within a region by bringing together state, local and federal entities including academic institutions, investment groups, foundations, and business and industry to address challenges associated with building a globally competitive and prepared workforce. Regional economies in Arkansas targeted for development include the Fayetteville shale area (drilling), the Delta region (manufacturing and biofuel research and development), Eastern Arkansas (trucking and automotive plants) and Southwest Arkansas (coal).

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2SE - Workforce Investment Act

Funding Sources: FCG - Federal Funds

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
Grants and Aid	5100004	32,235,532	58,000,000	58,000,000	58,000,000	70,000,000	70,000,000	58,000,000	70,000,000	70,000,000
Total		32,235,532	58,000,000	58,000,000	58,000,000	70,000,000	70,000,000	58,000,000	70,000,000	70,000,000
Funding Sources										
Federal Revenue	4000020	32,235,532	58,000,000		58,000,000	70,000,000	70,000,000	58,000,000	70,000,000	70,000,000
Total Funding		32,235,532	58,000,000		58,000,000	70,000,000	70,000,000	58,000,000	70,000,000	70,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		32,235,532	58,000,000		58,000,000	70,000,000	70,000,000	58,000,000	70,000,000	70,000,000

Carry forward balance of appropriation between fiscal years is \$25,764,468.13.

Change Level by Appropriation

Appropriation: 2SE - Workforce Investment Act

Funding Sources: FCG - Federal Funds

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	58,000,000	0	58,000,000	100.0	58,000,000	0	58,000,000	100.0
C01	Existing Program	12,000,000	0	70,000,000	120.7	12,000,000	0	70,000,000	120.7

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	58,000,000	0	58,000,000	100.0	58,000,000	0	58,000,000	100.0
C01	Existing Program	12,000,000	0	70,000,000	120.7	12,000,000	0	70,000,000	120.7

Justification

C01	Agency requests appropriation only in the amount of \$12,000,000 each year due to increases in federal funds relating to the Workforce Innovations in Economic Regional Development (WIRED) grants and for any increases that may come in National Emergency Grants for any emergencies experienced in the state such as tornadoes and flooding.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Workforce Services Department

Program: Workforce Investment Act

Act #: 1289 of 2007 Section(s) #: 6 & 24

Estimated Carry Forward Amount \$ 26,000,000.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0810 Funds Center: 2SE Fund: FCG Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Grants and Aid	5100004	26,000,000.00	25,764,468.13
Total		\$ 26,000,000.00	\$ 25,764,468.13

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:

The Carry Forward is necessary to maintain essential programs related to needed employment and employment preparation.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary to maintain essential programs related to needed employment and employment preparation and to allow extra appropriation for the receipt of unanticipated federal funds to include National Emergency Grants (NEG's).

Artee Williams
Director

08-15-2008
Date

Analysis of Budget Request

Appropriation: 2SF - UI Trust Fund Loan Interest

Funding Sources: TZR - Employment Security Advance Interest Trust Fund

A.C.A. §11-10-708 created an Advance Interest Tax in addition to the contributions and any stabilization and extended benefits taxes levied under other provisions of A.C.A. §11-10-703 -- §11-10-708. Each employer, except employers that have made an election to reimburse the Unemployment Compensation Fund under A.C.A. §11-10-713(c), shall pay a separate and additional tax, to be known as the advance interest tax, on wages paid by that employer with respect to employment.

For rate years beginning on and after January 1, 1993, the advance interest tax shall be two-tenths of one percent (0.2%) when the state has an outstanding interest-bearing advance under Title XII of the Social Security Act. The Advance Interest Tax is only triggered "on" when such outstanding interest-bearing advance loan status is in effect. At all other times there is no assessment of the Advance Interest Tax.

When triggered "on", the tax is effective the first month of the quarter following the state's obtaining an interest-bearing advance and shall remain until the quarter immediately following the repayment of the advancement and the Employment Security Advance Interest Trust Fund, A.C.A. §19-5-935, attains a balance of five million dollars (\$5,000,000).

This Advance Interest Tax shall be levied and collected in the same manner as contributions and shall be subject to the same penalty and interest, collection, impoundment, priority, lien, certificate of assessment, and assessment provisions and procedures set forth in A.C.A. §11-10-716 -- §11-10-722. When in effect, at least once each month, deposits which have been established as Advance Interest Tax payments and any interest and penalty payments applicable to the advance interest payments shall be paid over to the Treasurer of State and credited by the Treasurer of State to the Employment Security Advance Interest Trust Fund created and established in the State Treasury. In addition, all income from investment of the Employment Security Advance Interest Trust Fund shall be deposited and credited to that Employment Security Advance Interest Trust Fund.

All withdrawals shall be upon voucher warrants issued, or caused to be issued, by the Director of the Arkansas Department of Workforce Services as authorized by legislative appropriation and, shall be used only for the purposes of:

- A. Paying interest incurred by the state on advances obtained from the federal Unemployment Trust Fund under Title XII of the Social Security Act;
- B. Making refunds of the aforementioned advance interest tax and interest and penalty payments attributed to the advance interest tax which were erroneously paid; and
- C. Returning moneys to the Unemployment Compensation Fund Clearing Account which may have been incorrectly identified and erroneously transferred to the Employment Security Advance Interest Trust Fund in the State Treasury.

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 - - §11-10-804.

Arkansas was last in interest bearing loan status under Title XII of the Social Security Act from December 6, 1982 to April 19, 1983. Advances secured totaled \$118,075,000 which was paid in May 1984, with the balance of the interest bearing portion of the loan repaid in September 1984. Total interest in the amount of \$5,830,270 was paid on \$54,075,000 of the total loan amount. The balance of the repayments was made prior to the assessment of interest. The Advance Interest Tax has not been triggered "on" at any time since 1984.

There is neither indication for nor anticipation of a need for the State to borrow funds from the Federal Unemployment Trust Fund to pay benefits at this time. However, a \$1 appropriation is requested so the Agency will have the flexibility to utilize this line item in the unlikely event it is needed to pay interest on a loan so that the spending authority would be established without requiring special Legislative action.

The UI Trust Fund Transfer line item was established for transferring from the Advance Interest Trust Fund as was required by law when the Advanced Interest Tax Fund exceeds \$5 million. Excess funds over the \$5 million in FY2008 totaled \$225,512 and were transferred to the Unemployment Insurance Trust Fund as required.

The Base Level for this appropriation is \$3,000,001 each year of the biennium and represents the Agency Request.

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	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Investments/Transfers 5110020	225,512	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Loan Interest 5900046	0	1	1	1	1	1	1	1	1
Total	225,512	3,000,001	3,000,001	3,000,001	3,000,001	3,000,001	3,000,001	3,000,001	3,000,001
Funding Sources									
Fund Balance 4000005	5,100,719	5,118,425		5,118,425	5,118,425	5,118,425	5,118,425	5,118,425	5,118,425
Advance Interest Funds 4000070	243,218	3,000,001		3,000,001	3,000,001	3,000,001	3,000,001	3,000,001	3,000,001
Total Funding	5,343,937	8,118,426		8,118,426	8,118,426	8,118,426	8,118,426	8,118,426	8,118,426
Excess Appropriation/(Funding)	(5,118,425)	(5,118,425)		(5,118,425)	(5,118,425)	(5,118,425)	(5,118,425)	(5,118,425)	(5,118,425)
Grand Total	225,512	3,000,001		3,000,001	3,000,001	3,000,001	3,000,001	3,000,001	3,000,001

Carry forward balance of appropriation between fiscal years is \$2,774,488.87.

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

Agency: Workforce Services Department

Program: UI Trust Fund Loan Interest

Act #: 1289 of 2007

Section(s) #: 7 & 24

Estimated Carry Forward Amount \$ 2,700,001.00

Appropriation

Funds

Funding Source: Advance Interest Trust

Accounting Information:

Business Area: 0810

Funds Center: 2SF

Fund: TZR

Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Refunds/Investments/Transfers	5110020	2,700,000.00	2,774,487.87
Loan Interest	5900046	1.00	1.00
Total		\$ 2,700,001.00	\$ 2,774,488.87

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:

The Carry Forward is necessary for normal operations specifically to pay unforeseen interest incurred by the State on advances obtained from the Federal Unemployment Trust Fund, unexpected refunds of erroneously paid tax monies, and returning erroneous transfers to the Unemployment Compensation Fund Clearing Account.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary for normal operations specifically to pay unforeseen interest incurred by the State on advances obtained from the Federal Unemployment Trust Fund, unexpected refunds of erroneously paid tax monies, and returning erroneous transfers to the Unemployment Compensation Fund Clearing Account.

Artee Williams

Director

08-15-2008

Date

Analysis of Budget Request

Appropriation: 2SG - New Hire Registry-State

Funding Sources: HUA - Miscellaneous Agencies Fund

The New Hire Registry - State appropriation was established to support the state portion of the New Hire Registry Division. The purpose of the legislation and establishment of a New Hire Registry Division is to develop and maintain a state directory which employers report newly hired and returning employees to aid in the establishment and enforcement of child support orders. This appropriation funds 33% of the New Hire Registry program based on Social Security Act Title IV-D section 455. Funding for this appropriation is derived from General Revenue.

The Base Level for this appropriation is \$153,535 in FY2010 and \$154,184 in FY2011 and includes Regular Salaries and Personal Services Matching for the 33% match of one position authorized in the New Hire Registry Federal Appropriation.

The Agency requests transferring this Base Level appropriation into the main operating appropriation 2SD (see page 616) to allow the Agency better administration of the program. **The Department of Workforce Services will be requesting to amend A.C.A. 11-10-901 and 11-10-902 in the 87th Legislative Session to accommodate this transfer.**

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2SG - New Hire Registry-State
Funding Sources: HUA - Miscellaneous Agencies 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	30,717	27,586	27,388	28,303	0	0	28,850	0	0
#Positions		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	7,264	6,263	7,316	6,978	0	0	7,080	0	0
Operating Expenses	5020002	75,911	118,254	118,254	118,254	0	0	118,254	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
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		113,892	152,103	152,958	153,535	0	0	154,184	0	0
Funding Sources										
General Revenue	4000010	113,892	152,103		153,535	0	0	154,184	0	0
Total Funding		113,892	152,103		153,535	0	0	154,184	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		113,892	152,103		153,535	0	0	154,184	0	0

Regular Salaries and Matching reflects 33% breakdown of State match for New Hire Registry Program.

General Revenue is transferred from the Miscellaneous Agencies Fund to the Department of Workforce Services Fund..

The FY2009 Budget amount in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

THE EXECUTIVE RECOMMENDATION IS TO TRANSFER THE BASE LEVEL OF THIS APPROPRIATION TO THE MAIN OPERATIONS APPROPRIATION 2SD (see page 616).

Change Level by Appropriation

Appropriation: 2SG - New Hire Registry-State
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	153,535	0	153,535	100.0	154,184	0	154,184	100.0
C07	Agency Transfer	(153,535)	0	0	0.0	(154,184)	0	0	0.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	153,535	0	153,535	100.0	154,184	0	154,184	100.0
C07	Agency Transfer	(153,535)	0	0	0.0	(154,184)	0	0	0.0

Justification

C07	Agency requests transfer of the New Hire Registry division (2SG) including one (1) position and operations into the Agency's main Operating appropriation (2SD) for better program administration.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Workforce Services Department

Program: New Hire Registry-State

Act #: 1289 of 2007 Section(s) #: 9 & 22

Estimated Carry Forward Amount \$ 0.00 Appropriation Funds

Funding Source: Miscellaneous Agencies

Accounting Information:

Business Area: 0810 Funds Center: 2SG Fund: HUA 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:

No Carry Forward is anticipated for year end FY08.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

No carry forward is anticipated for year end.

Artee Williams
Director

08-15-2008
Date

Analysis of Budget Request

Appropriation: 2SH - New Hire Registry-Federal

Funding Sources: FED - Federal Funds

The New Hire Registry - Federal appropriation was established to support the federal portion of the New Hire Registry Division. The purpose of the legislation and establishment of a New Hire Registry Division is to develop and maintain a state directory which employers report newly hired and returning employees to aid in the establishment and enforcement of child support orders. This appropriation funds 67% of the New Hire Registry program based on Social Security Act Title IV-D section 455. Funding for this appropriation is derived from federal funds.

Base Level salaries reflect the recommendation of the Pay Plan Study to transition one position from unclassified to classified. 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.

The Base Level for this appropriation is \$358,120 in FY2010 and \$359,435 in FY2011.

The Agency requests transferring this Base Level appropriation into the main operating appropriation 2SD (see page 616) to allow the Agency better administration of the program. **The Department of Workforce Services will be requesting to amend A.C.A. 11-10-901 and 11-10-902 in the 87th Legislative Session to accommodate this transfer.**

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2SH - New Hire Registry-Federal

Funding Sources: FED - Federal Funds

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	61,433	56,009	55,607	57,466	0	0	58,575	0	0
#Positions		1	1	1	1	0	0	1	0	0
Personal Services Matching	5010003	14,527	13,578	14,861	14,179	0	0	14,385	0	0
Operating Expenses	5020002	154,123	286,475	286,475	286,475	0	0	286,475	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
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		230,083	356,062	356,943	358,120	0	0	359,435	0	0
Funding Sources										
Federal Revenue	4000020	230,083	356,062		358,120	0	0	359,435	0	0
Total Funding		230,083	356,062		358,120	0	0	359,435	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		230,083	356,062		358,120	0	0	359,435	0	0

Regular Salaries and Matching reflect 67% breakdown of State match for New Hire Registry Program.

The FY2009 Actual and/or Budget amount in Regular Salaries and Personal Services Matching exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

THE EXECUTIVE RECOMMENDATION IS TO TRANSFER THE BASE LEVEL OF THIS APPROPRIATION TO THE MAIN OPERATIONS APPROPRIATION 2SD (see page 616).

Change Level by Appropriation

Appropriation: 2SH - New Hire Registry-Federal

Funding Sources: FED - Federal Funds

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	358,120	1	358,120	100.0	359,435	1	359,435	100.0
C07	Agency Transfer	(358,120)	(1)	0	0.0	(359,435)	(1)	0	0.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	358,120	1	358,120	100.0	359,435	1	359,435	100.0
C07	Agency Transfer	(358,120)	(1)	0	0.0	(359,435)	(1)	0	0.0

Justification

C07	Agency requests transfer of the New Hire Registry division (2SH) including one (1) position and operations into the Agency's main Operating appropriation (2SD) for better program administration.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Workforce Services Department

Program: New Hire Registry-Federal

Act #: 1289 of 2007 Section(s) #: 10 & 22

Estimated Carry Forward Amount \$ 180,000.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0810 Funds Center: 2SH Fund: FED Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Operating Expenses	5020002	180,000.00	0.00
Total		\$ 180,000.00	\$ 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:

The Carry Forward is necessary to maintain normal operations of the agency.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

No carry forward.

Artee Williams
Director

08-15-2008
Date

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 Base Level for this appropriation is \$2,500,000 each year of the biennium.

The Agency's Change Level request is \$2,500,000 each year in appropriation only to allow utilization of the fund balance to support the growth of the Training Trust fund programs. Anticipated increases in grants offered for training include a growing displaced worker population, and potential business opportunity within the State.

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	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Personal Services, Operating Exp: 5900046	74,500	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000	2,500,000	5,000,000	5,000,000
Total	74,500	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000	2,500,000	5,000,000	5,000,000
Funding Sources									
Fund Balance 4000005	0	2,425,500		2,425,500	2,425,500	2,425,500	2,425,500	0	0
Stabilization Tax 4000033	2,500,000	2,500,000		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Funding	2,500,000	4,925,500		4,925,500	4,925,500	4,925,500	4,925,500	2,500,000	2,500,000
Excess Appropriation/(Funding)	(2,425,500)	(2,425,500)		(2,425,500)	74,500	74,500	(2,425,500)	2,500,000	2,500,000
Grand Total	74,500	2,500,000		2,500,000	5,000,000	5,000,000	2,500,000	5,000,000	5,000,000

Carry forward balance of appropriation between fiscal years is \$2,425,500.

Change Level by Appropriation

Appropriation: 35Q - DWS Training Trust Fund
Funding Sources: TWT - DWS Training Trust Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	2,500,000	0	2,500,000	100.0	2,500,000	0	2,500,000	100.0
C01	Existing Program	2,500,000	0	5,000,000	200.0	2,500,000	0	5,000,000	200.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	2,500,000	0	2,500,000	100.0	2,500,000	0	2,500,000	100.0
C01	Existing Program	2,500,000	0	5,000,000	200.0	2,500,000	0	5,000,000	200.0

Justification

C01	Agency requests \$2,500,000 in appropriation only each year to support the growth of the DWS Training Trust Fund programs.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Workforce Services Department

Program: DWS Training Trust Fund

Act #: 1289 of 2007 Section(s) #: 18 & 24

Estimated Carry Forward Amount \$ 2,250,000.00 Appropriation Funds

Funding Source: Trust

Accounting Information:

Business Area: 0810 Funds Center: 35Q Fund: TWT Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Personal Services, Operating Expenses and Grants	5900046	2,250,000.00	2,425,500.00
Total		\$ 2,250,000.00	\$ 2,425,500.00

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:

The Carry Forward is necessary to continue the normal operations of the agency.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary to use the funds this year. We are anticipating several training requests from employers.

Artee Williams
Director

08-15-2008
Date

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 to the proper administration of of the Arkansas Employment Security Law. This appropriation is used to maintain current programs during federal funding shortfalls to avoid reducing services 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.

The Base Level for this appropriation is \$2,500,000 each year of the biennium.

The Agency's Change Level request is \$2,500,000 each year in appropriation only to allow utilization of the fund balance to offset potential federal funding shortfalls anticipated during the biennium.

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		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	5900046	562,640	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000	2,500,000	5,000,000	5,000,000
Total		562,640	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000	2,500,000	5,000,000	5,000,000
Funding Sources										
Fund Balance	4000005	0	1,937,360		1,937,360	1,937,360	1,937,360	1,937,360	0	0
Stabilization Tax	4000033	2,500,000	2,500,000		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Funding		2,500,000	4,437,360		4,437,360	4,437,360	4,437,360	4,437,360	2,500,000	2,500,000
Excess Appropriation/(Funding)		(1,937,360)	(1,937,360)		(1,937,360)	562,640	562,640	(1,937,360)	2,500,000	2,500,000
Grand Total		562,640	2,500,000		2,500,000	5,000,000	5,000,000	2,500,000	5,000,000	5,000,000

Carry forward balance of appropriation between fiscal years is \$1,937,360.

Change Level by Appropriation

Appropriation: 35R - DWS Unemployment Insurance Fund

Funding Sources: MUI - DWS Unemployment Insurance Administration Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	2,500,000	0	2,500,000	100.0	2,500,000	0	2,500,000	100.0
C01	Existing Program	2,500,000	0	5,000,000	200.0	2,500,000	0	5,000,000	200.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	2,500,000	0	2,500,000	100.0	2,500,000	0	2,500,000	100.0
C01	Existing Program	2,500,000	0	5,000,000	200.0	2,500,000	0	5,000,000	200.0

Justification

C01	Agency requests \$2,500,000 in appropriation only for each year to support the DWS Unemployment Insurance program during federal funding shortfalls.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Workforce Services Department

Program: DWS Unemployment Insurance Fund

Act #: 1289 of 2007 Section(s) #: 19 & 24

Estimated Carry Forward Amount \$ 1,800,000.00 Appropriation Funds

Funding Source: Employer Penalties/Interest

Accounting Information:

Business Area: 0810 Funds Center: 35R Fund: MUI Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Operating Expenses	5900046	1,800,000.00	1,937,360.00
Total		\$ 1,800,000.00	\$ 1,937,360.00

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:

The Carry Forward is necessary to continue the normal operations of the agency.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary to continue the normal operations of the agency. This is the first year of this new fund and most of the funding was received in the last part of the fiscal year.

Artee Williams
Director

08-21-2008
Date

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 Base Level for this appropriation is \$1,700,000 each year of the biennium and represents the Agency Request.

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			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	496,829	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
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	496,829	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Funding Sources									
Federal Revenue 4000020	496,829	1,700,000		1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Total Funding	496,829	1,700,000		1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	496,829	1,700,000		1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000

Analysis of Budget Request

Appropriation: 4KQ - TANF Block Grant Paying

Funding Sources: PWS - TANF Block Grant Paying

With the enactment of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and the Arkansas Personal Responsibility and Public Assistance Reform Act of 1997, open-ended entitlement for Aid to Families with Dependent Children (AFDC) was replaced with Temporary Assistance to Needy Families federal block grant funding to states. The Arkansas program is entitled Transitional Employment Assistance (TEA). The Arkansas 81st General Assembly passed Act 1058 of 1997 and in so doing, declared that "welfare reform is one of the major human service priorities of state government and establishes the goals of achieving a significant reduction in the number of citizens who are enrolled in such programs, transforming a "one size fits all" welfare system that fosters dependence, low self-esteem, and irresponsible behavior to one that rewards work and fosters self-reliance, responsibility and family stability. Act 1567 of 1999 amended Act 1058 of 1997 by establishing the Arkansas Transitional Employment Board. Act 1264 of 2001 and Act 1306 of 2003 enacted other provisions to strengthen the Arkansas TEA Program. Arkansas Act 1705 of 2005 transferred responsibility for the program to the Department of Workforce Services (DWS). Under this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remained with the Division of County Operations (DCO) while DWS was responsible for the provision of case management services and overall administration of the program. Special Language in Act 1289 of 2007 allows for the transfer of general revenue to DCO of up to \$3,640,650 each fiscal year in support of Arkansas' Temporary Assistance for Needy Families (TANF) programs or any related State programs. Act 1705 of 2005 also created the Work Pays program, which is an extension of the TEA program for former TEA recipients who are working. DWS has overall responsibility for the Work Pays program with eligibility determination and benefit delivery remaining with DCO.

TEA Program eligibility is limited to economically needy families with children under the age of 18 who are U.S. citizens or aliens lawfully admitted to the United States under specific criteria and are residing in Arkansas. The parent(s) living with the children must cooperate in child support enforcement activities, if applicable to the family, and must sign and comply with a Personal Responsibility Agreement, which includes ensuring that their children are immunized and that they attend school. All able-bodied parent(s) must actively engage in work related activities as a condition of the family's on-going eligibility. TEA cash assistance is limited to a maximum of twenty-four (24) months in an adult's lifetime. For those former TEA recipients who are employed at least 24 hours per week and meet the minimum federal work participation rates, an additional twenty-four (24) months of Work Pays benefits are available.

Assistance under the TEA and Work Pays Programs may include: monthly cash assistance payments to help meet the family's basic needs; employment services such as work experience, job search, and job readiness activities; assistance with basic and vocational education; assistance with supportive services such as childcare, transportation and other expenses related to work activity; case management services; and eligibility for extended support services to help the parent retain a job after the cash assistance case closes due to employment.

Congress reauthorized the TANF program through the Deficit Reduction Act of 2005. Although the Act requires States to meet higher rates of work participation, no significant changes were made in the program design beyond the State initiatives and organizational changes prescribed by Act 1705 of 2005.

Funding for this appropriation is derived from the federal TANF Block Grant and general revenue from the general revenue holding fund in Revenue Stabilization.

The Base Level for this appropriation is \$66,590,650 each year of the biennium.

The Agency's Change Level request includes appropriation of \$33,409,350 each year of the biennium due to the transfer of all TANF programs to DWS including eligibility determination and cash assistance.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 4KQ - TANF Block Grant Paying

Funding Sources: PWS - TANF Block Grant Paying

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
TEA	5900046	8,496,760	66,590,650	66,590,650	66,590,650	100,000,000	100,000,000	66,590,650	100,000,000	100,000,000
Total		8,496,760	66,590,650	66,590,650	66,590,650	100,000,000	100,000,000	66,590,650	100,000,000	100,000,000
Funding Sources										
General Revenue	4000010	2,005,112	3,640,650		3,640,650	3,640,650	3,640,650	3,640,650	3,640,650	3,640,650
Federal Revenue	4000020	8,491,848	62,950,000		62,950,000	96,359,350	96,359,350	62,950,000	96,359,350	96,359,350
Transfer to DHS-DCO	4000612	(2,000,200)	0		0	0	0	0	0	0
Total Funding		8,496,760	66,590,650		66,590,650	100,000,000	100,000,000	66,590,650	100,000,000	100,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		8,496,760	66,590,650		66,590,650	100,000,000	100,000,000	66,590,650	100,000,000	100,000,000

Special Language in Act 1289 of 2007 allows for the transfer of general revenue to DHS-DCO of up to \$3,640,650 each fiscal year in support of Arkansas' Temporary Assistance for Needy Families (TANF) programs or any related State programs.

Carry forward balance of appropriation between fiscal years is \$58,129,540.36.

Change Level by Appropriation

Appropriation: 4KQ - TANF Block Grant Paying
Funding Sources: PWS - TANF Block Grant Paying

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	66,590,650	0	66,590,650	100.0	66,590,650	0	66,590,650	100.0
C01	Existing Program	33,409,350	0	100,000,000	150.2	33,409,350	0	100,000,000	150.2

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	66,590,650	0	66,590,650	100.0	66,590,650	0	66,590,650	100.0
C01	Existing Program	33,409,350	0	100,000,000	150.2	33,409,350	0	100,000,000	150.2

Justification

C01	Agency requests \$33,409,350 in appropriation only each year to allow for the expensing of remaining TANF Grant Award balances.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Workforce Services Department

Program: TANF Block Grant Paying

Act #: 1289 of 2007 Section(s) #: 16 & 24

Estimated Carry Forward Amount \$ 58,000,000.00 Appropriation Funds

Funding Source: General/Federal

Accounting Information:

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

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
TEA	5900046	58,000,000.00	58,129,540.36
Total		\$ 58,000,000.00	\$ 58,129,540.36

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:

The Carry Forward is necessary to continue the normal operations of the agency specifically case management services, overall administration of the Transitional Employment Assistance Program, and the Work Pays Program. The Carry Forward is critical when an unanticipated increase in assistance and/or benefits is required.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary to continue the normal operations of the agency specifically case management services, overall administration of the Transitional Employment Assistance Program, and the Work Pays Program. The carry forward is critical when an unanticipated increase in assistance and/or benefits is required.

Artee Williams
Director

08-25-2008
Date

Analysis of Budget Request

Appropriation: 56Z - Workforce Investment

Funding Sources: FCG - DWS Workforce Investment Act

This Base Level appropriation and positions were transferred from the Workforce Investment Board to the Department of Workforce Services by Executive Recommendation (see page 579).

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

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

This appropriation is 100% federally funded through the federal Workforce Investment Act.

Appropriation Summary

Appropriation: 56Z - Workforce Investment

Funding Sources: FCG - DWS Workforce Investment Act

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	0	0	0	0	598,131	0	0	611,551
#Positions	0	0	0	0	0	13	0	0	13
Personal Services Matching 5010003	0	0	0	0	0	207,937	0	0	211,115
Operating Expenses 5020002	0	0	0	0	0	222,394	0	0	222,394
Conference & Travel Expenses 5050009	0	0	0	0	0	24,092	0	0	24,092
Professional Fees 5060010	0	0	0	0	0	30,000	0	0	30,000
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	0	0	0	0	1,082,554	0	0	1,099,152
Funding Sources									
Federal Revenue 4000020	0	0		0	0	1,082,554	0	0	1,099,152
Total Funding	0	0		0	0	1,082,554	0	0	1,099,152
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	0	1,082,554	0	0	1,099,152

THE EXECUTIVE RECOMMENDATION IS TO TRANSFER FROM THE WORKFORCE INVESTMENT BOARD TO THE DEPARTMENT OF WORKFORCE SERVICES BASE LEVEL OF THIS APPROPRIATION (see page 579).

Change Level by Appropriation

Appropriation: 56Z - Workforce Investment
Funding Sources: FCG - DWS Workforce Investment Act

Executive Recommendation

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

Justification

C07	This appropriation was transferred from the Worforce Investment Board by Executive Recommendation.
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Analysis of Budget Request

Appropriation: C27 - Unemployment Benefits & Expenses-Cash

Funding Sources: 177 - DWS Cash

The Department of Workforce Services Operations appropriation currently provides for the operational costs of the Agency as well as Unemployment Insurance (UI) programs. This appropriation is funded by federal dollars and 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.
- ESD Special Fund - for repayment to the Special Fund for building construction costs from the federally funded operating budget.

The Base Level for this appropriation is \$50,630,929 each year of the biennium.

The Agency's Change Level requests for this appropriation is \$30,630,928 each year of the biennium and are reflected below:

- An increase in appropriation of \$3,000,000 in the Grants and Aid line item to support Disaster Relief Payments when unforeseen disasters occur such as tornadoes and floods.
- The discontinuation of the ESD Special Fund line item of \$100,000 due to appropriation for same purpose presently authorized.
- Reduction of \$33,530,928 each year to reallocate the Base Level Maintenance and Operations line items of this appropriation to the main Operations appropriation 2SD to allow the Agency better administration of the program (see page 616).

The Agency also requests changing the title of this appropriation from "Operations" to "Unemployment Benefits & Expenses".

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		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	7,690,348	22,744,678	22,744,678	22,744,678	0	0	22,744,678	0	0
Conference & Travel Expenses	5050009	290,776	630,630	630,630	630,630	0	0	630,630	0	0
Professional Fees	5060010	202,114	1,625,104	1,625,104	1,625,104	0	0	1,625,104	0	0
Data Processing	5090012	3,556,645	8,530,516	8,530,516	8,530,516	0	0	8,530,516	0	0
Grants and Aid	5100004	1,389,184	2,000,000	2,000,000	2,000,000	5,000,000	5,000,000	2,000,000	5,000,000	5,000,000
Capital Outlay	5120011	912,076	2,419,001	2,419,001	0	0	0	0	0	0
Training Allowances	5900046	195,975	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Pay To Part Contractors	5900047	5,074,561	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
UI Loan Repayment	5900048	0	1	1	1	1	1	1	1	1
ESD Special Fund	5900049	0	100,000	100,000	100,000	0	0	100,000	0	0
Total		19,311,679	53,049,930	53,049,930	50,630,929	20,000,001	20,000,001	50,630,929	20,000,001	20,000,001

Funding Sources										
Federal Revenue	4000020	19,311,679	53,049,930		50,630,929	20,000,001	20,000,001	50,630,929	20,000,001	20,000,001
Total Funding		19,311,679	53,049,930		50,630,929	20,000,001	20,000,001	50,630,929	20,000,001	20,000,001
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		19,311,679	53,049,930		50,630,929	20,000,001	20,000,001	50,630,929	20,000,001	20,000,001

* Agency requesting to change Appropriation Title from ESD - Cash Operations to Unemployment Benefits & Expenses - Cash

Carry forward balance of appropriation between fiscal years is \$10,440,280.28.

Base Level Maintenance and Operations line items (\$33,530,928 each year) is requested to be transferred to the main Operations appropriation (2SD) to allow the Agency better administration of the program (see page 616).

Agency discontinuing the ESD Special Fund line item.

Change Level by Appropriation

Appropriation: C27 - Unemployment Benefits & Expenses-Cash

Funding Sources: 177 - DWS Cash

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	50,630,929	0	50,630,929	100.0	50,630,929	0	50,630,929	100.0
C01	Existing Program	3,000,000	0	53,630,929	105.9	3,000,000	0	53,630,929	105.9
C03	Discontinue Program	(100,000)	0	53,530,929	105.7	(100,000)	0	53,530,929	105.7
C04	Reallocation	(33,530,928)	0	20,000,001	39.5	(33,530,928)	0	20,000,001	39.5

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	50,630,929	0	50,630,929	100.0	50,630,929	0	50,630,929	100.0
C01	Existing Program	3,000,000	0	53,630,929	105.9	3,000,000	0	53,630,929	105.9
C03	Discontinue Program	(100,000)	0	53,530,929	105.7	(100,000)	0	53,530,929	105.7
C04	Reallocation	(33,530,928)	0	20,000,001	39.5	(33,530,928)	0	20,000,001	39.5

Justification

C01	Agency requests appropriation only of \$3,000,000 in each year due to support an increase in the payment of claims due to disasters such as floods and tornadoes.
C03	Agency requests discontinuation of appropriation due to appropriation for same purpose set up seperately in Act.
C04	Agency requests Maintenance and Operations line items moved from Cash in Bank to Treasury.

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

Agency: Workforce Services Department

Program: ESD-Cash Operations

Act #: 1289 of 2007

Section(s) #: 3 & 24

Estimated Carry Forward Amount \$ 15,400,001.00

Appropriation

Funds

Funding Source: Federal

Accounting Information:

Business Area: 0810

Funds Center: C27

Fund: 177

Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Grants and Aid	5100004	300,000.00	610,815.16
Training Allowances	5900046	5,000,000.00	4,804,025.13
Pay To Part Contractors	5900047	10,000,000.00	4,925,438.99
UI Loan Repayment	5900048	1.00	1.00
ESD Special Fund	5900049	100,000.00	100,000.00
Total		\$ 15,400,001.00	\$ 10,440,280.28

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:

The Carry Forward is necessary to maintain the operational costs of the Agency, to provide unforeseen pay allowances and reimbursements to economically disadvantaged, unemployed, and underemployed, and to repay loans.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary to maintain the operational costs of the Agency to provide unforeseen pay allowances and reimbursements to economically disadvantaged, unemployed, and underemployed, to repay loans and pay for the potential increase of federal funding due to mass layoff and/or company relocation.

Artee Williams

Director

08-21-2008

Date

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 provided to pay unemployment benefits to unemployed federal civilian employees, ex-servicemen, and public service employees. Additionally, this appropriation pays the federal share of the extended benefits program (50%) and the Emergency Unemployment Compensation Program.

The Base Level for this appropriation is \$100,000,000 each year of the biennium.

The Agency's Change Level request of \$40,000,000 each year of the biennium is due to federal legislation invoked that extends the unemployment benefits to those who have exhausted theirs.

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	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	26,126,835	100,000,000	100,000,000	100,000,000	140,000,000	140,000,000	100,000,000	140,000,000	140,000,000
Total	26,126,835	100,000,000	100,000,000	100,000,000	140,000,000	140,000,000	100,000,000	140,000,000	140,000,000
Funding Sources									
Federal Revenue 4000020	26,126,835	100,000,000		100,000,000	140,000,000	140,000,000	100,000,000	140,000,000	140,000,000
Total Funding	26,126,835	100,000,000		100,000,000	140,000,000	140,000,000	100,000,000	140,000,000	140,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	26,126,835	100,000,000		100,000,000	140,000,000	140,000,000	100,000,000	140,000,000	140,000,000

Carry forward balance of appropriation between fiscal years is \$73,873,165.30.

Change Level by Appropriation

Appropriation: C28 - Federal Employees Benefit-Cash

Funding Sources: 177 - DWS Cash

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	100,000,000	0	100,000,000	100.0	100,000,000	0	100,000,000	100.0
C01	Existing Program	40,000,000	0	140,000,000	140.0	40,000,000	0	140,000,000	140.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	100,000,000	0	100,000,000	100.0	100,000,000	0	100,000,000	100.0
C01	Existing Program	40,000,000	0	140,000,000	140.0	40,000,000	0	140,000,000	140.0

Justification

C01	Agency requests \$40,000,000 in appropriation only in each year to allow for the payment of the extended or emergency unemployment benefits that are anticipated to increase in this biennium.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Workforce Services Department

Program: Federal Employees Benefit-Cash

Act #: 1289 of 2007 Section(s) #: 3 & 24

Estimated Carry Forward Amount \$ 80,000,000.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0810 Funds Center: C28 Fund: 177 Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Benefits-Non Employee	5100023	80,000,000.00	73,873,165.30
Total		\$ 80,000,000.00	\$ 73,873,165.30

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:

The Carry Forward is necessary to provide for any unanticipated increase in unemployment benefits to unemployed federal civilian employees, ex-servicemen, and public service employees.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary to provide for any unanticipated increase in unemployment benefits to unemployed federal civilian employees, ex-servicemen, and public service employees and those affected by disasters (DUA) and emergencies in the state (EUC).

Artee Williams
Director

08-15-2008
Date

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. The individuals receive payments based on wages paid by an Arkansas employers. The employer must be a profit organization and pay contributions to the Unemployment Compensation Fund.

The Base Level for this appropriation is \$500,000,000 each year of the biennium and represents the Agency Request.

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	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	270,737,952	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Total	270,737,952	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000

Funding Sources									
Federal Revenue 4000020	270,737,952	500,000,000		500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Total Funding	270,737,952	500,000,000		500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	270,737,952	500,000,000		500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000

Carry forward balance of appropriation between fiscal years is \$229,262,047.80.

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

Agency: Workforce Services Department

Program: U I Benefits - Taxable Employers - Cash

Act #: 1289 of 2007 Section(s) #: 3 & 24

Estimated Carry Forward Amount \$ 285,000,000.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0810 Funds Center: C29 Fund: 177 Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Benefits-Non Employee	5100023	285,000,000.00	229,262,047.80
Total		\$ 285,000,000.00	\$ 229,262,047.80

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:

The Carry Forward is necessary to provide for any unforeseen increase in payments of Unemployment Insurance benefits to unemployed individuals.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary to provide for any unforeseen increase in payments of Unemployment Insurance benefits to unemployed individuals.

Artee Williams
Director

08-15-2008
Date

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 Base Level for this appropriation is \$20,000,000 each year of the biennium.

The Agency's Change Level request of \$5,000,000 each year of the biennium is due to anticipated increase in paying benefits based on current and future unemployment.

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		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee	5100023	11,317,924	20,000,000	20,000,000	20,000,000	25,000,000	25,000,000	20,000,000	25,000,000	25,000,000
Total		11,317,924	20,000,000	20,000,000	20,000,000	25,000,000	25,000,000	20,000,000	25,000,000	25,000,000
Funding Sources										
Federal Revenue	4000020	11,317,924	20,000,000		20,000,000	25,000,000	25,000,000	20,000,000	25,000,000	25,000,000
Total Funding		11,317,924	20,000,000		20,000,000	25,000,000	25,000,000	20,000,000	25,000,000	25,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		11,317,924	20,000,000		20,000,000	25,000,000	25,000,000	20,000,000	25,000,000	25,000,000

Carry forward balance of appropriation between fiscal years is \$8,682,075.55.

Change Level by Appropriation

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

Funding Sources: 177 - DWS Cash

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	20,000,000	0	20,000,000	100.0	20,000,000	0	20,000,000	100.0
C01	Existing Program	5,000,000	0	25,000,000	125.0	5,000,000	0	25,000,000	125.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	20,000,000	0	20,000,000	100.0	20,000,000	0	20,000,000	100.0
C01	Existing Program	5,000,000	0	25,000,000	125.0	5,000,000	0	25,000,000	125.0

Justification

C01	Agency requests an increase of \$5,000,000 in appropriation only each year of the biennium to allow for the anticipated increase in paying benefits to employees of companies that reimburse the Unemployment Compensation Fund.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Workforce Services Department

Program: U I Benefits-Reimb Employers-Cash

Act #: 1289 of 2007 Section(s) #: 3 & 24

Estimated Carry Forward Amount \$ 11,000,000.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0810 Funds Center: C30 Fund: 177 Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Benefits-Non Employee	5100023	11,000,000.00	8,682,075.55
Total		\$ 11,000,000.00	\$ 8,682,075.55

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:

The Carry Forward is necessary to provide for any unforeseen increase in payments for Unemployment Insurance benefits to unemployed individuals.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary to provide for any unforeseen increase in payments for Unemployment Insurance benefits to unemployed individuals.

Artee Williams
Director

08-15-2008
Date

Analysis of Budget Request

Appropriation: C31 - Bldg Improvmnt/Land–Reed Act

Funding Sources: 177 - 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. This is a biennial appropriation.

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.

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

This appropriation is funded by Reed Act Funds for the purpose of construction and improvement of buildings, rent/lease costs, acquisition of data processing equipment and/or land, and for the payment of salaries and related benefits of local office staff.

The Base Level for this appropriation is \$77,000,000 and represents the Agency Request.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C31 - Bldg Improvmt/Land-Reed Act

Funding Sources: 177 - DWS Cash - Reed Act

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
Reed Act Funds 5900046	398,771	76,601,229	0	77,000,000	77,000,000	77,000,000	0	0	0
Total	398,771	76,601,229	0	77,000,000	77,000,000	77,000,000	0	0	0
Funding Sources									
Federal Revenue 4000020	398,771	76,601,229		77,000,000	77,000,000	77,000,000	0	0	0
Total Funding	398,771	76,601,229		77,000,000	77,000,000	77,000,000	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	398,771	76,601,229		77,000,000	77,000,000	77,000,000	0	0	0

This is a biennial appropriation.

FY09 Budget amount has been adjusted to reflect the carry forward balance of appropriation between fiscal years of \$76,601,229.

Base Level has been restored to the FY08 Authorized amount of \$77,000,000.

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

Agency: Workforce Services Department

Program: Building Improvement/Land-Reed Act

Act #: 1289 of 2007 Section(s) #: 11 & 24

Estimated Carry Forward Amount \$ 75,000,000.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0810 Funds Center: C31 Fund: 167 Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Reed Act Funds	5900046	75,000,000.00	76,601,228.66
Total		\$ 75,000,000.00	\$ 76,601,228.66

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:

The Carry Forward is necessary for any unforeseen construction and improvement of buildings, rent/lease costs, acquisition of data processing equipment and/or land, and other operations.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The carry forward is necessary for any unforeseen construction and improvement of buildings, rent/lease costs, acquisition of data processing equipment and/or land, and other operations.

Artee Williams
Director

08-21-2008
Date