

DEPARTMENT OF WORKFORCE SERVICES

Enabling Laws

Act 212 of 2010
A.C.A. §11-10-101 et seq.

History and Organization

The Arkansas Department of Workforce Services (DWS) was created as the Arkansas Employment Security Department (AESD) 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 Public Law 105-220 of 1998 to replace the Job Training Partnership Act and other Federal job training laws with new workforce investment systems to induce local businesses to participate in the delivery of Workforce Development Services. Workforce Investment Boards were created by this Law and are chaired by private sector members in the local community. 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".

Act 1487 of 2009 transferred the Arkansas Workforce Investment Board to ADWS and restructured the Workforce Investment Board to be in compliance with applicable federal law.

ADMINISTRATION

The Department of Workforce Services Law provides that the DWS 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 programs in conformity with state and federal law and regulations.

DWS 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 six main departments: Administration, Financial Management and Administrative Services, Unemployment Insurance, Employment Assistance, TANF, and New Hire Registry and Career Readiness Certification.

Administrative activities include: communication services by providing information in various formats within and outside the Agency; monitor the overall operation of the affirmative action program and promote equal employment opportunities; provide training for agency staff, handle legal agency affairs, and organize and control overall information technology activities.

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.

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.

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 employers and employees. 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 ADWS 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 subgrantees; conducting audits, studies and investigations to prevent waste, theft, and undesirable practices; and

for leasing, records management, maintenance, printing, contracts, shipping/receiving, personnel administration and maintenance of the Agency's classification and compensation plan as well as 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 Deputy Director 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, Workforce Investment Act programs, Reemployment Services, and several programs including the Governor's Dislocated Worker Task Force, Trade Adjustment Assistance, Work Opportunity Tax Credit, Alien Labor Certification, and Labor Market Information. It provides technical assistance to and training for DWS staff engaged in these activities. The Office of Employment Assistance programmatically oversees and administers several discretionary grant programs such as national emergency grants.

The Office of Employment Assistance provides staff support to the Arkansas Workforce Investment Board and technical assistance for the operation of the Arkansas Workforce Centers statewide. Arkansas Workforce Centers provide locally developed and operated services linking employers and jobseekers through a statewide delivery system. Convenient "one-stop" centers are designed to eliminate the need to visit different locations. The Centers integrate multiple workforce development programs into a single system, making the resources much more accessible and user friendly to jobseekers as well as expanding services to employers. Arkansas Workforce Centers are designed "by employers for employers" to find and train qualified workers and help jobseekers find new opportunities.

WORKFORCE INVESTMENT BOARD

The Arkansas Workforce Investment Board (AWIB), an advisory board to the Governor, coordinates and establishes policy for conducting employment and training activities in the state, including all activities within the Arkansas Workforce Centers. The AWIB was created by Arkansas Act 1125 of 1999, which implements the federal Workforce Investment Act in Arkansas. The Board is comprised of a majority of business and industry leaders from throughout Arkansas, including representatives from local chief elected officials, organized labor, legislative appointments, and the state agency directors of Workforce Services, Workforce Education, Economic Development, Higher Education, Human Services, Rehabilitation Services, and Services for the Blind.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

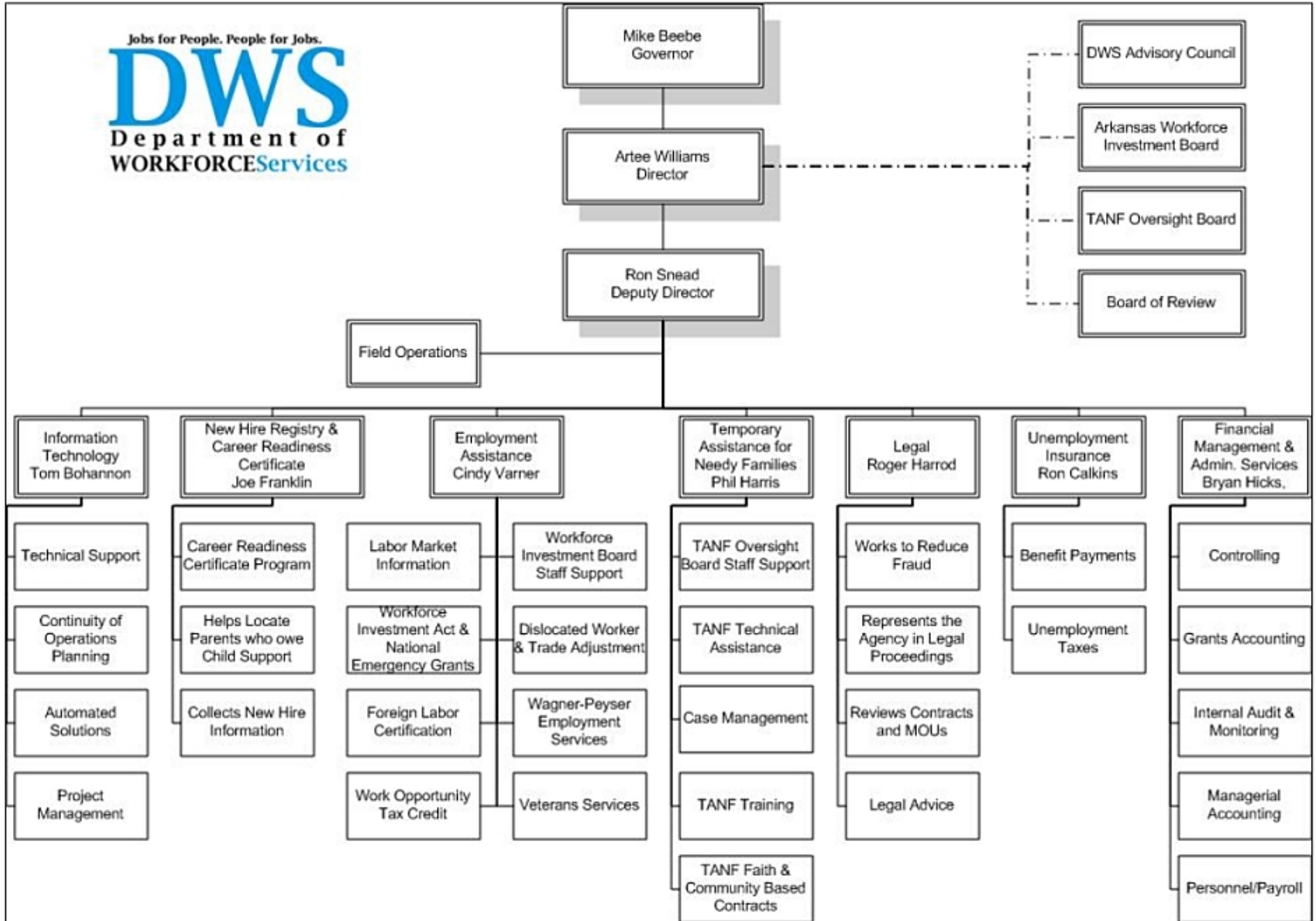
The TANF Division provides assistance to TEA and Work Pays participants in preparing them for gainful employment through skills assessment, career counseling, work search techniques, job training, and provides supportive services. TANF contracts with various community and faith-based providers in Arkansas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

TANF provides technical assistance related to the delivery of TANF program services to agency staff in the statewide network of Arkansas Workforce Centers and DWS Local Offices. TANF Division staff also provides technical assistance to the community and faith-based contractors across the state.

Arkansas Act 514 of 2007 created the Temporary Assistance for Needy Families 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.

FIELD OPERATIONS

Field Operations, overseen by the Deputy Director, is responsible for the delivery of services to the public through 30 local workforce centers, 7 satellite offices, and two mobile offices. 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; 4) career readiness certificate preparation and issuance; 5) case management services to low-income families enrolled in TEA and Work Pays; 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; and 8) coordinates all logistical support for all DWS workforce centers.



Agency Commentary

The Department of Workforce Services (DWS) requests the following changes in appropriation for the 2011 - 2013 biennium.

- A. By the beginning of the 2011 - 2013 biennium, most of DWS' ARRA funding will be expended. We are requesting ARRA appropriation for programs that will still have funding and/or may receive additional ARRA funds. The funding expected to still be available includes the State Energy Sector Partnership Grant, Unemployment Insurance, and new competitive ARRA grants. ARRA grants for Wagner-Peyser, Reemployment Services, and Workforce Investment Act (formula grants) must be expended by 6/30/2011.
- B. In the development of the prior biennial budget and the uncertainty surrounding the passing of the ARRA and its implementation, the Unemployment Insurance (UI) Modernization - ARRA program (Appropriation C49) was labeled as "Reed Act Funds ARRA" because the federal formula to disburse the funds was based on the Reed Act formula. DWS requests an appropriation name change to "Unemployment Insurance (UI) Modernization - ARRA".
- C. We have been informed by the U.S. Department of Labor that the changes made to the Trade Act legislation under ARRA adding new service related certification categories, the funding is not ARRA and the legislated changes to TAA will not cease with the expiration of ARRA funding. Therefore, a continued need exists for these positions and appropriation in order to continue providing the same level of service to TAA certified workers. DWS requests Training Allowances - ARRA (Appropriation C45) and Payments to Participant Contractors - ARRA (Appropriation C46) be eliminated, and that non-ARRA funding for these programs under Unemployment Benefits and Expenses (Appropriation C27) be increased respectively. (Moved from Section 4 to Section 3; from ARRA to non-ARRA.)
- D. At this time Congress has not indicated what it is going to do about repayments of Title XII Advances and/or interest on Title XII Advances. DWS does not know if some payments will be required in the next biennium or not. We anticipate that some legislation will be proposed to increase UI collections and/or reduce benefits, but we don't know what affect that legislation will have because no one has decided on the legislation, yet. When repayments of Title XII Advances are made, DWS will be doing so by fund transfer in the US Treasury system from the UI Trust Fund. DWS requests \$100,000,000 in appropriation for possible repayment.
- E. When the Title XII Advances become interest bearing DWS will have to start paying interest. DWS requests appropriation amounts for both FY2012 and FY2013 to be \$25,000,000. The current date for interest to begin is January 1, 2011.
- F. For many reasons in the past the Employment Security Special Fund (TZS0000) was subdivided from one main appropriation Excess Unemployment Benefits and Expenses (Appropriation 2SC) into several appropriations: Annual Assessments (Appropriation 2RF), Administration Building Upkeep (Appropriation 2RD), Building and Land Acquisition (Appropriation 2RE), Rent of Buildings

to the main appropriation, Excess Unemployment Benefits and Expenses (Appropriation 2SC), with the language for this appropriation to be changed to include the former appropriation categories. DWS requests that the appropriation for Annual Assessments (Appropriation 2RF) remain unchanged. (Moved from Sections 11, 12, 13, and 14 to Section 6.)

- G. The Department of Workforce Services Training Trust Fund legislation contains a sunset clause for the set aside from the Stabilization Tax to expire on June 30, 2011. DWS will request legislation to continue this funding.
- H. The Department of Workforce Services Unemployment Insurance Administration Fund legislation contains a sunset clause for the set aside from the Stabilization Tax to expire on June 30, 2011. DWS will request legislation to continue this funding.
- I. Local Workforce Investment Boards (WIBs) request funding for payroll and other operating expenses from Arkansas Department of Workforce Services (DWS) as needed. Upon receiving the request, DWS orders funds from the US Department of Labor (DOL). These funds are then deposited into the state treasury overnight and an Automated Clearing House transaction is processed to send the funds overnight the following night to the WIB. The entire process normally takes three days. The timing of the requests is controlled to comply with the Cash Management Improvement Act.

This can occur for a variety of reasons, including closing of state offices for inclement weather and other unforeseeable events which may delay the process. Our expectation is that this situation will not occur often, but in the rare event that it does occur the nature of the situation, especially as it involves payroll, requires that we to be able to respond within the same day.

As the state treasury currently does not allow agencies to either receive or send same-day wires, the new appropriation will be used to establish a cash fund wherein we can request a draw from DOL for same-day deposit to a bank account then send a same-day wire to the WIB office. The normal balance in the account will be \$0.00. Funds will be transferred into it only in the situation described above. It is expected that the WIBs will repay such funds to DWS within a week. Legislative Council approved this Emergency Cash Appropriation for state fiscal years 2010 and 2011.

- J. In the last biennium, the Agency requested 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 due to the economic downturn. The request for this biennium remains at similar levels to ensure sufficient authority in the event the economic downturn continues through the 2011-2013 biennium.
- K. The Federal Workforce Investment Act (WIA) (P.L. 105-220) does not require separate appropriation for the operations of the Workforce Investment Board. DWS requests the appropriation in Fund FCG0100 and Fund Center 56Z (WIA Operations) move to Fund TES0100 and Fund Center 2SD (DWS Operations). DWS will meet federal operations requirements with this move.

- L. The Agency's position request is for one thousand two (1,002) Regular Salary positions. This includes eight hundred forty-six (846) currently budgeted positions with restoration of eighty three (83) authorized positions; a request to restore seventy-three (73) Miscellaneous Federal Grant and special language positions to the previously authorized level; as well as four hundred (400) Base Level Extra Help positions. These positions are requested based on the need to be able to provide prompt, quality service to Arkansans in a difficult labor market where both the need for unemployment and employment services is great. Should federal funding end, so will the additional requested positions.
- M. Requested appropriation for Operations (Appropriation 2SD) remains at similar levels as the last biennium to ensure sufficient authority in the event the economy does not improve through the 2011-2013 biennium, with changes only to reallocated Workforce Investment (Appropriation 56Z) to this appropriation and to reallocate the data processing commitment item due to its discontinued use.
- N. Requested appropriation for TANF/New Hire Registry (Appropriation 4KQ) remains at similar levels as the last biennium. The TANF ARRA appropriation has been discontinued.

Current Status

The Agency operates 30 local offices, 7 satellite offices, 2 mobile offices, and the Hope Migrant Farm Labor Center located in Hope, Arkansas which provides services to legal immigrants.

Future Outlook

The Agency is mostly federally funded, thus 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.

At this time DWS does not know what Congress is going to do about repayments of Title XII Advances and/or interest on Title XII Advances, but we anticipate that some payments will be required beginning in calendar year 2011. DWS is projecting advances will total \$400M by the end of 2010 and upwards of \$500M by the end of 2011. Note that some legislation will be proposed to increase collections and/or reduce benefits, but we don't know what affect that legislation will have because no one has decided on the legislation, yet.

AGENCY PROGRAM AREAS

A. Public Labor Exchange System

The Department of Workforce Services offers services to employers and to jobseekers at 30 local offices, 2 mobile offices, 7 satellite 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: Assessment, screening, selection of qualified applicants for job referrals, labor surveys, recruitment of applicants in shortage occupations locally and nationwide, Career Readiness Certification, 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) is active in 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.), intensive (e.g., comprehensive assessments, employment planning, and counseling, 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, fiscal, and governance 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 community and the individuals cope with the loss of employment.

DWS also serves as the staff of the State Workforce Investment Board. 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.

C. 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 \$12,000 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 former 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 covered employment during the preceding calendar year. All tax rates are re-calculated each year.

As of July 1, 2010, an individual may qualify for a maximum weekly benefit of \$451, with the minimum weekly benefit being \$81 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 March 2010, an individual's weekly benefit amount represents on average, approximately 42% 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.

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.

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. HMFLC, provides 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.

F. Labor Market Information

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, 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 access to the Career Resource Network of Information. The Arkansas Occupation and Skill Computer-Assisted Researcher (ARKOSCAR) is available online and the system is updated as needed.
3. A computerized delivery of educational training provider 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. A computerized Lifestyle Budget Calculator program that serves as a learning tool for students and jobseekers. It shows how education impacts earnings, how living expenses add up, and which careers can support a preferred type of lifestyle. The site uses Labor Market Information data from the Occupational Employment Statistics (OES) Wage survey and the Short and Long Term Projections Programs. It also uses information from the American Chamber of Commerce Researchers Association Cost of Living Index, and Department of Labor's America's Career InfoNet.

5. 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.
6. 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 LMI training seminars conducted by DWS LMI professionals.
7. 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 to continue the appropriation section named "Operations" requesting \$2,419,001 for Capital Outlay. This has previously been authorized in the previous biennium. This appropriation request for each year of the biennium is for various IT projects that include working on the mainframe and updating the reporting system 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.

I. Arkansas Workforce Centers

Arkansas Workforce Centers provide locally developed and operated services linking employers and jobseekers through a statewide delivery system. Convenient "one-stop" centers are designed to eliminate the need to visit different locations.

The Centers integrate multiple workforce development programs into a single system, making the resources much more accessible and user friendly to jobseekers as well as expanding services to employers.

Arkansas Workforce Centers are designed "by employers for employers" to find and train qualified workers and help jobseekers find new opportunities.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF WORKFORCE SERVICES
SINGLE AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

FINDINGS COVERING PROGRAMS AUDITED BY OTHER EXTERNAL AUDITORS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Finding Number: 09-810-01
State/Educational Agency: Arkansas Department of Workforce Services
CFDA Number(s) and Program Title(s): 93.558 - Temporary Assistance for Needy Families

(TANF Cluster)

Federal Award Number(s):
Federal Award Year(s): Y/E June 30, 2009
Compliance Requirement(s) Affected: Administrative Cost Limits
Type of Finding: Noncompliance and Significant Deficiency

Criteria:

Management is responsible for establishing and maintaining effective internal control over administrative amounts charged to grants in order to not exceed administrative cost limits.

Management should amend the ACF quarterly financial status report to appropriately classify costs. If administrative costs still exceed the allowable limit, management should reimburse the United States Department of Health and Human Services.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS DEPARTMENT OF WORKFORCE SERVICES
 SINGLE AUDIT FINDINGS
 FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

Condition:

In order to test compliance with respect to administrative cost limits, a sample of three ACF-196 quarterly reports was chosen. One of the ACF-196 quarterly reports reported administrative costs in excess of administrative cost limits.

Questioned Cost:

Noted \$1,014,047 in excess of allowable limit charged to administrative costs on the ACF-196 quarterly financial status report.

Cause:

Potential program expenses were charged as administrative costs and sufficient controls were not in place to ensure administrative cost limits were not exceeded.

Effect:

Federal regulations were not followed and administrative costs of \$1,014,047 were questioned.

Employment Summary

	Male	Female	Total	%
White Employees	158	309	467	52 %
Black Employees	80	338	418	46 %
Other Racial Minorities	5	9	14	2 %
Total Minorities			432	48 %
Total Employees			899	100 %

Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
1770300	\$0	Emergency Cash Fund for Local Workforce Investment Boards	Bank of America

Statutory/Other Restrictions on use:

Act 212 does not contain this appropriation. Legislative Council approved the fund for State Fiscal Years 2010 and 2011.

Statutory Provisions for Fees, Fines, Penalties:

Approved by Legislative Council for State Fiscal Years 2010 and 2011. ADWS is requesting this as new appropriation for 2011-2013.

Revenue Receipts Cycle:

Federal Revenue deposited as needed.

Fund Balance Utilization:

A fund balance will not be maintained.

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

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
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	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2RD Administration Building Upkeep	0	0	227,500	0	227,500	0	227,500	0	0	0	0	0	227,500	0	0	0	0	0
2RE Building and Land Acquisition	0	0	150,000	0	150,000	0	150,000	0	0	0	0	0	150,000	0	0	0	0	0
2RF Annual Assessments	0	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
2SA Rent of Buildings	0	0	48,354	0	48,354	0	48,354	0	0	0	0	0	48,354	0	0	0	0	0
2SB Special Improvement District Taxes	0	0	500	0	500	0	500	0	0	0	0	0	500	0	0	0	0	0
2SC Excess Unemploy Benefits/Expenses	2,198,833	0	10,878,035	0	10,878,035	0	10,878,035	0	11,304,389	0	11,304,389	0	10,878,035	0	11,304,389	0	11,304,389	0
2SD Operations	62,953,721	924	65,395,413	955	89,911,140	927	57,941,170	846	92,244,986	1,002	84,244,986	1,002	57,941,170	846	92,244,986	1,002	84,244,986	1,002
2SE Workforce Investment Act	42,658,259	0	35,595,894	0	82,459,948	0	27,895,894	0	73,500,000	0	63,500,000	0	27,895,894	0	72,500,000	0	62,500,000	0
2SF UI Trust Fund Loan Interest	81,354	0	3,000,001	0	3,000,001	0	3,000,001	0	28,000,000	0	28,000,000	0	3,000,001	0	28,000,000	0	28,000,000	0
35Q DWS Training Trust Fund	1,054,311	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
35R DWS Unemployment Insurance Fund	0	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
4KP TANF-IDA	868,379	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
4KQ TANF Block Grant Paying/New Hire Registry	13,884,450	49	39,501,053	51	106,200,000	0	39,501,053	0	100,000,000	0	64,501,053	0	39,501,053	0	100,000,000	0	64,501,053	0
56Z Workforce Investment	7,644	0	328,526	1	1,099,152	2	276,486	0	0	0	0	0	276,486	0	0	0	0	0
C27 Unemployment Benefits & Expenses - Cash	8,270,238	0	20,000,001	0	20,000,001	0	20,000,001	0	131,250,000	0	131,250,000	0	20,000,001	0	131,250,000	0	131,250,000	0
C28 Federal Employees Benefit-Cash	128,470,620	0	225,000,000	0	225,000,000	0	225,000,000	0	225,000,000	0	225,000,000	0	225,000,000	0	225,000,000	0	225,000,000	0
C29 U I Benefits - Taxable Employers - Cash	495,900,085	0	600,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0
C30 U I Benefits-Reimb Employers - Cash	19,116,167	0	25,000,000	0	25,000,000	0	25,000,000	0	25,000,000	0	25,000,000	0	25,000,000	0	25,000,000	0	25,000,000	0
C31 Bldg Improvmt/Land-Reed Act	0	0	0	0	38,500,000	0	0	0	38,500,000	0	38,500,000	0	0	0	38,500,000	0	38,500,000	0
C48 Federal Employee Benefits-ARRA	425,286,074	0	363,880,000	0	363,880,000	0	0	0	200,000,000	0	200,000,000	0	0	0	100,000,000	0	100,000,000	0
C49 UI Modernization - ARRA*	50,374,239	0	9,595,103	0	59,969,332	0	0	0	9,595,093	0	9,595,093	0	0	0	9,595,093	0	9,595,093	0
C56 Loans to Local WIBs	0	0	0	0	0	0	0	0	1,500,000	0	1,500,000	0	0	0	1,500,000	0	1,500,000	0
NOT REQUESTED FOR THE BIENNIIUM																		
C45 Training Allow-ARRA	0	0	0	0	7,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
C46 Payment to Participating Contractors-ARRA	0	0	0	0	3,750,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,251,124,374	973	1,410,326,380	1,007	1,649,299,963	929	1,021,644,994	846	1,547,620,468	1,002	1,494,121,521	1,002	1,021,644,994	846	1,446,620,468	1,002	1,393,121,521	1,002

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	22,283,968	1.7	30,039,906	2.1	22,949,700	2.2	22,949,700	1.5	22,949,700	1.5	43,154,650	4.0	17,728,297	1.2	17,728,297	1.3	
General Revenue	4000010	3,594,319	0.3	3,775,642	0.3	3,775,642	0.4	3,775,642	0.2	3,775,642	0.2	3,775,642	0.3	3,775,642	0.3	3,775,642	0.3	
Federal Revenue	4000020	1,245,151,994	97.2	1,383,277,689	96.5	994,596,303	93.4	1,495,571,778	95.5	1,442,072,831	95.4	994,596,303	91.7	1,394,571,778	95.6	1,341,072,831	95.4	
Stabilization Tax	4000033	6,836,732	0.5	10,000,000	0.7	10,000,000	0.9	10,000,000	0.6	10,000,000	0.7	10,000,000	0.9	10,000,000	0.7	10,000,000	0.7	
Advance Interest Funds	4000070	75,121	0.0	75,000	0.0	26,943,802	2.5	26,943,802	1.7	26,943,802	1.8	26,943,802	2.5	26,943,802	1.8	26,943,802	1.9	

Funding Sources			%		%		%		%		%		%		%				
Employer Penalties & Interest	4000225	4,117,362	0.3	7,165,184	0.5			7,591,538	0.7	7,165,184	0.5	7,165,184	0.5	7,591,538	0.7	7,165,184	0.5	7,165,184	0.5
Other	4000370	61,221	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to DHS-DCO	4000612	(956,437)	(0.1)	(1,057,341)	(0.1)			(1,057,341)	(0.1)	(1,057,341)	(0.1)	(1,057,341)	(0.1)	(1,057,341)	(0.1)	(1,057,341)	(0.1)	(1,057,341)	(0.1)
Total Funds		1,281,164,280	100.0	1,433,276,080	100.0			1,064,799,644	100.0	1,565,348,765	100.0	1,511,849,818	100.0	1,085,004,594	100.0	1,459,127,362	100.0	1,405,628,415	100.0
Excess Appropriation/(Funding)		(30,039,906)		(22,949,700)				(43,154,650)		(17,728,297)		(17,728,297)		(63,359,600)		(12,506,894)		(12,506,894)	
Grand Total		1,251,124,374		1,410,326,380				1,021,644,994		1,547,620,468		1,494,121,521		1,021,644,994		1,446,620,468		1,393,121,521	

Budget Number of Positions may exceed Authorized Number in Operations (Appropriation 2SD) and TANF Block Grant Paying & New Hire Registry (Appropriation 4KQ) due to a transfer from the Miscellaneous Federal Grant Holding Account and a single salary section in appropriation act.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
797	785	5	790	7	1.51 %	929	930	0	930	-1	-0.11 %	929	962	45	1007	-78	-3.55 %

FY10 & FY11 Budget Number of Positions exceed the Authorized Number due to transfers from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 2RD - Administration Building Upkeep

Funding Sources: TZS - DWS Special Fund

The Administration Building Upkeep 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 Agency's Request provides to reallocate this appropriation to Excess Unemployment Benefits and Expenses (Appropriation 2SC) and to discontinue this appropriation.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2RD - Administration Building Upkeep

Funding Sources: TZS - DWS Special Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Construction 5090005	0	227,500	227,500	227,500	0	0	227,500	0	0
Total	0	227,500	227,500	227,500	0	0	227,500	0	0
Funding Sources									
Employer Penalties & Interest 4000225	0	227,500		227,500	0	0	227,500	0	0
Total Funding	0	227,500		227,500	0	0	227,500	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	227,500		227,500	0	0	227,500	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

Agency Request provides to reallocate this appropriation to Excess Unemployment Benefits & Expenses (Appropriation 2SC).

Change Level by Appropriation

Appropriation: 2RD - Administration Building Upkeep
Funding Sources: TZS - DWS Special Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	227,500	0	227,500	100.0	227,500	0	227,500	100.0
C04	Reallocation	(227,500)	0	0	0.0	(227,500)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	227,500	0	227,500	100.0	227,500	0	227,500	100.0
C04	Reallocation	(227,500)	0	0	0.0	(227,500)	0	0	0.0

Justification

C04	The Agency requests to consolidate this appropriation with Excess Unemployment Benefits/Expenses (Appropriation 2SC).
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Analysis of Budget Request

Appropriation: 2RE - Building and Land Acquisition

Funding Sources: TZS - DWS Special Fund

The Building and Land Acquisition 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 Agency's Request provides to reallocate this appropriation to Excess Unemployment Benefits and Expenses (Appropriation 2SC) and to discontinue this appropriation.

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	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Construction 5090005	0	150,000	150,000	150,000	0	0	150,000	0	0
Total	0	150,000	150,000	150,000	0	0	150,000	0	0
Funding Sources									
Employer Penalties & Interest 4000225	0	150,000		150,000	0	0	150,000	0	0
Total Funding	0	150,000		150,000	0	0	150,000	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	150,000		150,000	0	0	150,000	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

Agency Request provides to reallocate this appropriation to Excess Unemployment Benefits & Expenses (Appropriation 2SC).

Change Level by Appropriation

Appropriation: 2RE - Building and Land Acquisition
Funding Sources: TZS - DWS Special Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	150,000	0	150,000	100.0	150,000	0	150,000	100.0
C04	Reallocation	(150,000)	0	0	0.0	(150,000)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	150,000	0	150,000	100.0	150,000	0	150,000	100.0
C04	Reallocation	(150,000)	0	0	0.0	(150,000)	0	0	0.0

Justification

C04	The Agency requests to consolidate this appropriation with Excess Unemployment Benefits/Expenses (Appropriation 2SC).
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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 Agency Request provides for Base Level for the 2011-2013 biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2RF - Annual Assessments

Funding Sources: TZS - DWS Special Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Annual Assessment 5900046	0	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	0	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Funding Sources									
Employer Penalties & Interest 4000225	0	26,000		26,000	26,000	26,000	26,000	26,000	26,000
Total Funding	0	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	0	26,000		26,000	26,000	26,000	26,000	26,000	26,000

Analysis of Budget Request

Appropriation: 2SA - Rent of Buildings

Funding Sources: TZS - DWS Special Fund

The Rent of Buildings 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 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 Agency's Request provides to reallocate this appropriation to Excess Unemployment Benefits and Expenses (Appropriation 2SC) and to discontinue this appropriation.

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	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Rent of Buildings 5900022	0	48,354	48,354	48,354	0	0	48,354	0	0
Total	0	48,354	48,354	48,354	0	0	48,354	0	0
Funding Sources									
Employer Penalties & Interest 4000225	0	48,354		48,354	0	0	48,354	0	0
Total Funding	0	48,354		48,354	0	0	48,354	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	48,354		48,354	0	0	48,354	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

Agency Request provides to reallocate this appropriation to Excess Unemployment Benefits & Expenses (Appropriation 2SC).

Change Level by Appropriation

Appropriation: 2SA - Rent of Buildings
Funding Sources: TZS - DWS Special Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	48,354	0	48,354	100.0	48,354	0	48,354	100.0
C04	Reallocation	(48,354)	0	0	0.0	(48,354)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	48,354	0	48,354	100.0	48,354	0	48,354	100.0
C04	Reallocation	(48,354)	0	0	0.0	(48,354)	0	0	0.0

Justification

C04	The Agency requests to consolidate this appropriation with Excess Unemployment Benefits/Expenses (Appropriation 2SC).
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Analysis of Budget Request

Appropriation: 2SB - Special Improvement District Taxes

Funding Sources: TZS - DWS Special Fund

The Special Improvement District Taxes 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 Agency's Request provides to reallocate this appropriation to Excess Unemployment Benefits and Expenses (Appropriation 2SC) and to discontinue this appropriation.

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			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Special Improvement District Tax 5900046	0	500	500	500	0	0	500	0	0
Total	0	500	500	500	0	0	500	0	0
Funding Sources									
Employer Penalties & Interest 4000225	0	500		500	0	0	500	0	0
Total Funding	0	500		500	0	0	500	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	500		500	0	0	500	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

Agency Request provides to reallocate this appropriation to Excess Unemployment Benefits & Expenses (Appropriation 2SC).

Change Level by Appropriation

Appropriation: 2SB - Special Improvement District Taxes
Funding Sources: TZS - DWS Special Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	500	0	500	100.0	500	0	500	100.0
C04	Reallocation	(500)	0	0	0.0	(500)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	500	0	500	100.0	500	0	500	100.0
C04	Reallocation	(500)	0	0	0.0	(500)	0	0	0.0

Justification

C04	The Agency requests to consolidate this appropriation with Excess Unemployment Benefits/Expenses (Appropriation 2SC).
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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 due to 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 Agency's Change Level Request provides to reallocate Administration Building Upkeep (Appropriation 2RD), Building & Land Acquisition (Appropriation 2RE), Rent of Buildings (Appropriation 2SA), and Special Improvement District Taxes (Appropriation 2SB) to this appropriation. Each of these appropriations are funded from the Department of Workforce Services Special Fund. Combining them would merge these functions into a single program with no net increase in appropriation.

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			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Construction	5090005	0	0	0	0	377,500	377,500	0	377,500	377,500
Rent of Buildings	5900022	0	0	0	0	48,354	48,354	0	48,354	48,354
Payment/Expenses	5900046	2,198,833	10,878,035	10,878,035	10,878,035	10,878,535	10,878,535	10,878,035	10,878,535	10,878,535
Total		2,198,833	10,878,035	10,878,035	10,878,035	11,304,389	11,304,389	10,878,035	11,304,389	11,304,389
Funding Sources										
Fund Balance	4000005	10,577,086	12,495,615		8,330,410	8,330,410	8,330,410	4,591,559	4,165,205	4,165,205
Employer Penalties & Interest	4000225	4,117,362	6,712,830		7,139,184	7,139,184	7,139,184	7,139,184	7,139,184	7,139,184
Total Funding		14,694,448	19,208,445		15,469,594	15,469,594	15,469,594	11,730,743	11,304,389	11,304,389
Excess Appropriation/(Funding)		(12,495,615)	(8,330,410)		(4,591,559)	(4,165,205)	(4,165,205)	(852,708)	0	0
Grand Total		2,198,833	10,878,035		10,878,035	11,304,389	11,304,389	10,878,035	11,304,389	11,304,389

Change Level by Appropriation

Appropriation: 2SC - Excess Unemploy Benefits/Expenses
Funding Sources: TZS - DWS Special Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	10,878,035	0	10,878,035	100.0	10,878,035	0	10,878,035	100.0
C04	Reallocation	426,354	0	11,304,389	103.9	426,354	0	11,304,389	103.9

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	10,878,035	0	10,878,035	100.0	10,878,035	0	10,878,035	100.0
C04	Reallocation	426,354	0	11,304,389	103.9	426,354	0	11,304,389	103.9

Justification

C04	The Agency requests to consolidate Administration Building Upkeep (Appropriation 2RD), Building & Land Acquisition (Appropriation 2RE), Rent of Buildings (Appropriation 2SA), and Special Improvement District Taxes (Appropriation 2SB) with this appropriation.
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Analysis of Budget Request

Appropriation: 2SD - Operations

Funding Sources: TES - DWS Trust Fund

The Department of Workforce Services Trust Fund (A.C.A. §19-5-912) provides operational support for the various programs of the Department. Funding for this appropriation is derived from revenues authorized by the federal government for support of various programs, any interest earned on these revenues, and any other funds made available by the Arkansas General Assembly. This program also receives federal funding from the American Recovery & Reinvestment Act of 2009 (ARRA).

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of unclassified positions reflects the FY11 line item maximum.

The Agency's Change Level Requests totaling \$34,303,816 each year reflect the following:

- Regular Salaries increases of \$4,254,850 and Personal Services Matching of \$1,573,824 each year to support the restoration of eighty-three (83) previously authorized positions that were not budgeted in FY2011, fifty-six (56) positions authorized by the Miscellaneous Federal Programs Act (including nine established under ARRA), and seventeen (17) positions authorized by Special Language in the Agency's appropriation act. Use of these positions is contingent on available funding.
- Reclassifications of seven (7) positions, including one (1) DWS Program Operations Manager (G127C/C120) to Agency Administrative Review Officer (G138C/C120); two (2) Agency Administrative Review Officers (G138C/C120) to DWS Program Operations Managers (G127C/C120); one (1) Database Analyst (D062C/C119) to Information Systems Coordination Specialist (D061C/C119); one (1) Grants Analyst (G180C/C117) to Legal Services Specialist (G179C/C117); one (1) Budget Specialist (R027C/C117) to Human Resources Specialist (R025C/C117); and one (1) Administrative Analyst (C037C/C115) to DWS UI Claim Technician (C032C/C115). These are title changes only, and will not result in any increase in salaries.
- Operating Expenses increases of \$21,943,353 each year to restore appropriation to the previously authorized level, including \$8,400,967 from previously authorized Data Processing due to the discontinued use of this commitment item, and a reallocation of \$222,394 from Workforce Investment (Appropriation 56Z) that the Agency proposes to merge with this appropriation. Depending on the state of the economy at any given time, the Agency can have significant shifts in needs over the course of a biennium. The Agency's request to restore previously authorized appropriation levels represents a "worst case" scenario.
- Conference and Travel Expenses increases of \$656,025 each year reflects the previously authorized appropriation level, plus a reallocation of \$24,092 from Workforce Investment (Appropriation 56Z).

- Professional Fees increases of \$159,549 each year represents a reallocation from Base Level Data Processing of \$129,549 due to the discontinuance of this commitment item and a \$30,000 from Workforce Investment (Appropriation 56Z).
- Data Processing reduction of (\$129,549) each year due to discontinued use of this commitment item.
- Capital Outlay of \$2,419,001 each year to restore the previously authorized appropriation level.
- ARRA 2009 of \$3,426,763 to provide for restoration of nine (9) positions established under authority of the Miscellaneous Federal Programs Act and \$3 million each year for grant funding from the American Recovery and Reinvestment Act of 2009 that may continue into FY2012 and FY2013. Expenditure of appropriation is contingent upon available funding.

The Executive Recommendation provides for the Agency Request with the exception of \$8 million in Operating Expenses each year.

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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	28,327,870	33,285,572	33,796,581	31,363,781	35,618,631	35,618,631	31,363,781	35,618,631	35,618,631
#Positions		924	955	927	846	1,002	1,002	846	1,002	1,002
Extra Help	5010001	4,465,942	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		336	400	400	400	400	400	400	400	400
Personal Services Matching	5010003	9,160,409	10,654,683	11,323,377	10,841,624	12,415,448	12,415,448	10,841,624	12,415,448	12,415,448
Overtime	5010006	32,689	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Operating Expenses	5020002	11,875,728	9,778,552	23,098,544	9,778,552	31,721,905	23,721,905	9,778,552	31,721,905	23,721,905
Conference & Travel Expenses	5050009	123,769	49,560	681,493	49,560	705,585	705,585	49,560	705,585	705,585
Professional Fees	5060010	497,765	1,625,104	1,625,104	1,625,104	1,784,653	1,784,653	1,625,104	1,784,653	1,784,653
Data Processing	5090012	3,264,007	129,549	8,530,516	129,549	0	0	129,549	0	0
Capital Outlay	5120011	1,327,099	1,947,293	2,419,001	0	2,419,001	2,419,001	0	2,419,001	2,419,001
ARRA 2009	5900052	3,878,443	3,772,100	4,283,524	0	3,426,763	3,426,763	0	3,426,763	3,426,763
Total		62,953,721	65,395,413	89,911,140	57,941,170	92,244,986	84,244,986	57,941,170	92,244,986	84,244,986
Funding Sources										
Federal Revenue	4000020	62,953,721	65,395,413		57,941,170	92,244,986	84,244,986	57,941,170	92,244,986	84,244,986
Total Funding		62,953,721	65,395,413		57,941,170	92,244,986	84,244,986	57,941,170	92,244,986	84,244,986
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		62,953,721	65,395,413		57,941,170	92,244,986	84,244,986	57,941,170	92,244,986	84,244,986

The FY11 Budget Number of Positions exceeds Authorized due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	57,941,170	846	57,941,170	100.0	57,941,170	846	57,941,170	100.0
C01	Existing Program	27,710,734	83	85,651,904	147.8	27,710,734	83	85,651,904	147.8
C03	Discontinue Program	(2,905,962)	(72)	82,745,942	142.8	(2,905,962)	(72)	82,745,942	142.8
C04	Reallocation	276,486	0	83,022,428	143.3	276,486	0	83,022,428	143.3
C06	Restore Position/Approp	2,889,833	64	85,912,261	148.3	2,889,833	64	85,912,261	148.3
C10	Reclass	0	0	85,912,261	148.3	0	0	85,912,261	148.3
C16	ARRA	6,332,725	81	92,244,986	159.2	6,332,725	81	92,244,986	159.2

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	57,941,170	846	57,941,170	100.0	57,941,170	846	57,941,170	100.0
C01	Existing Program	19,710,734	83	77,651,904	134.0	19,710,734	83	77,651,904	134.0
C03	Discontinue Program	(2,905,962)	(72)	74,745,942	129.0	(2,905,962)	(72)	74,745,942	129.0
C04	Reallocation	276,486	0	75,022,428	129.5	276,486	0	75,022,428	129.5
C06	Restore Position/Approp	2,889,833	64	77,912,261	134.5	2,889,833	64	77,912,261	134.5
C10	Reclass	0	0	77,912,261	134.5	0	0	77,912,261	134.5
C16	ARRA	6,332,725	81	84,244,986	145.4	6,332,725	81	84,244,986	145.4

Justification

C01	Positions: Eighty-three (83) positions were not initially included in the budget but have been identified as necessary to continue to serve the citizens of Arkansas. We are requesting that these positions be restored to the previously authorized level (Regular Salaries - \$2,110,909, Personal Services Matching \$827,932); Operating Expenses: includes request to restore appropriation to previously authorized level (\$13,319,992), as well as to restore Data Processing to Operating Expenses due to the discontinued use of the DP commitment item (\$8,400,967); Conference & Travel Fees - Restore the previously authorized level (\$631,933); Capital Outlay - Restore to the previously authorized level (\$2,419,001).
C03	Seventy-two (72) ARRA positions are being discontinued because the funding will no longer be available (Regular Salaries: -\$2,126,303; Personal Services Matching: -\$779,659).
C04	Reallocation reflects consolidation of Workforce Investment (Appropriation 56Z) with this appropriation (Operating Expenses: \$222,394; Conference & Travel Fees \$24,092; Professional Fees \$30,000). Workforce Investment Board positions were merged with this appropriation as Base Level/Change Level 01 due to single salary section in appropriation act.
C06	Restoring forty-seven (47) MFG and seventeen (17) Special Language positions. Due to the current, ongoing economic crisis, it is necessary to have these positions in order to be able to assist Arkansas citizens with both unemployment and employment services. ADWS will have the funding to support these positions (Regular Salaries: \$2,143,941; Personal Services Matching \$745,892).
C10	We request the following position title changes: one (1) DWS Program Operations Manager (G127C/C120) to Agency Administrative Review Officer (G138C/C120); two (2) Agency Administrative Review Officers (G138C/C120) to DWS Program Operations Managers (G127C/C120); one (1) Database Analyst (D062C/C119) to Information Systems Coordination Specialist (D061C/C119); one (1) Grants Analyst (G180C/C117) to Legal Services Specialist (G179C/C117); one (1) Budget Specialist (R027C/C117) to Human Resources Specialist (R025C/C117); and one (1) Administrative Analyst (C037C/C115) to DWS UI Claim Technician (C032C/C115). These changes will not result in any increase in salaries.
C16	Of eighty-one (81) ARRA positions, seventy-two (72) are being discontinued as funding is ending (see Change Level 03). Nine (9) positions are needed to continue to service our customers and the funding will be available to do so (Regular Salaries: \$318,359; Personal Services Matching: \$108,404). In addition, the Agency requests to continue \$3 million in ARRA 2009 appropriation for programs that extend beyond the original two year timeline of the ARRA.

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 provided by federal funds derived from the Workforce Investment Act of 1998, Public Law 105-220 and the American Recovery & Reinvestment Act of 2009.

The Agency's Change Level Request totaling \$45,604,106 each year provides for the following:

- Grants & Aid increases of \$42,104,106 to restore the previously authorized level. Expenditure of appropriation is contingent upon available federal funding.
- Restoration of ARRA 2009 of \$3,500,000 in FY2012 and \$2,500,000 in FY2013. While the formula grant funding will be expensed prior to June 30, 2011, there are still discretionary grants that the Agency can apply for. Funding for these awards will extend into the 2011-2013 Biennium.

The Executive Recommendation provides for the Agency Request with the exception of \$10 million each year in Grants & Aid.

Appropriation Summary

Appropriation: 2SE - Workforce Investment Act

Funding Sources: FCG - Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	29,330,516	27,895,894	70,000,000	27,895,894	70,000,000	60,000,000	27,895,894	70,000,000	60,000,000
ARRA 2009	5900052	13,327,743	7,700,000	12,459,948	0	3,500,000	3,500,000	0	2,500,000	2,500,000
Total		42,658,259	35,595,894	82,459,948	27,895,894	73,500,000	63,500,000	27,895,894	72,500,000	62,500,000
Funding Sources										
Federal Revenue	4000020	42,658,259	35,595,894		27,895,894	73,500,000	63,500,000	27,895,894	72,500,000	62,500,000
Total Funding		42,658,259	35,595,894		27,895,894	73,500,000	63,500,000	27,895,894	72,500,000	62,500,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		42,658,259	35,595,894		27,895,894	73,500,000	63,500,000	27,895,894	72,500,000	62,500,000

Change Level by Appropriation

Appropriation: 2SE - Workforce Investment Act
Funding Sources: FCG - Federal Funds

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	27,895,894	0	27,895,894	100.0	27,895,894	0	27,895,894	100.0
C01	Existing Program	42,104,106	0	70,000,000	250.9	42,104,106	0	70,000,000	250.9
C03	Discontinue Program	(4,200,000)	0	65,800,000	235.9	(5,200,000)	0	64,800,000	232.3
C16	ARRA	7,700,000	0	73,500,000	263.5	7,700,000	0	72,500,000	259.9

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	27,895,894	0	27,895,894	100.0	27,895,894	0	27,895,894	100.0
C01	Existing Program	32,104,106	0	60,000,000	215.1	32,104,106	0	60,000,000	215.1
C03	Discontinue Program	(4,200,000)	0	55,800,000	200.0	(5,200,000)	0	54,800,000	196.4
C16	ARRA	7,700,000	0	63,500,000	227.6	7,700,000	0	62,500,000	224.0

Justification

C01	We are requesting to restore previously authorized appropriation for grants. Expenditure of appropriation will be contingent upon available funding.
C03	We are discontinuing the ARRA appropriation for Workforce Investment Act formula grants since the funding will be expensed prior to June 30, 2011.
C16	Discretionary grant funding provided by ARRA will still be available after our formula grant funding has expired. We are requesting to continue a portion of this appropriation in the hope that we will be awarded some of that grant funding.

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 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.

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 FY2010 totaled \$81,354 and were transferred to the Unemployment Insurance Trust Fund as required.

The Agency's Change Level Request provides for an increase of \$24,999,999 each year in Loan Interest. The American Recovery and Reinvestment Act of 2009 provided interest free advances to the states from the federal Unemployment Insurance Trust Fund until December 31, 2010. The state has currently taken \$330.8 million in advances since March 2009. Without subsequent federal legislation, these advances will begin bearing interest on January 1, 2011. The Department does not know whether the state will be required to begin repaying the advances during the 2011-2013 biennium, or whether the federal government will intervene. If these advances are required to be repaid on January 1, 2011, this will trigger the Advance Interest Tax until the balance these advances are repaid.

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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Investments/Transfers 5110020	81,354	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	25,000,000	25,000,000	1	25,000,000	25,000,000
Total	81,354	3,000,001	3,000,001	3,000,001	28,000,000	28,000,000	3,000,001	28,000,000	28,000,000
Funding Sources									
Fund Balance 4000005	5,043,630	5,037,397		2,112,396	2,112,396	2,112,396	26,056,197	1,056,198	1,056,198
Advance Interest Funds 4000070	75,121	75,000		26,943,802	26,943,802	26,943,802	26,943,802	26,943,802	26,943,802
Total Funding	5,118,751	5,112,397		29,056,198	29,056,198	29,056,198	52,999,999	28,000,000	28,000,000
Excess Appropriation/(Funding)	(5,037,397)	(2,112,396)		(26,056,197)	(1,056,198)	(1,056,198)	(49,999,998)	0	0
Grand Total	81,354	3,000,001		3,000,001	28,000,000	28,000,000	3,000,001	28,000,000	28,000,000

Change Level by Appropriation

Appropriation: 2SF - UI Trust Fund Loan Interest
Funding Sources: TZR - Employment Security Advance Interest Trust Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,000,001	0	3,000,001	100.0	3,000,001	0	3,000,001	100.0
C01	Existing Program	24,999,999	0	28,000,000	933.3	24,999,999	0	28,000,000	933.3

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,000,001	0	3,000,001	100.0	3,000,001	0	3,000,001	100.0
C01	Existing Program	24,999,999	0	28,000,000	933.3	24,999,999	0	28,000,000	933.3

Justification

C01	Title XII Advances become interest bearing on January 1, 2011. Interest payments are currently scheduled to begin in September 2011.
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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.

A.C.A. 11-10-106 (f)(1)(A) provides 0.025% of taxable wages from the Stabilization Tax to support this program, which includes a sunset clause of June 30, 2011. The Agency will request to continue this funding during the 88th Legislative Session. If the funding is not continued, the Agency will still require this appropriation in order to spend the balance remaining in the fund.

The Agency's Request provides for Base Level for the 2011-2013 biennium.

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	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Personal Services, Operating Exp: 5900046	1,054,311	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total	1,054,311	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Funding Sources									
Fund Balance 4000005	2,688,563	5,113,839		5,113,839	5,113,839	5,113,839	5,113,839	5,113,839	5,113,839
Stabilization Tax 4000033	3,418,366	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Other 4000370	61,221	0		0	0	0	0	0	0
Total Funding	6,168,150	10,113,839		10,113,839	10,113,839	10,113,839	10,113,839	10,113,839	10,113,839
Excess Appropriation/(Funding)	(5,113,839)	(5,113,839)		(5,113,839)	(5,113,839)	(5,113,839)	(5,113,839)	(5,113,839)	(5,113,839)
Grand Total	1,054,311	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

Analysis of Budget Request

Appropriation: 35R - DWS Unemployment Insurance Fund

Funding Sources: MUI - DWS Unemployment Insurance Administration Fund

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

A.C.A. 11-10-106 (f)(2)(A) provides 0.025% of taxable wages from the Stabilization Tax to support this program, which includes a sunset clause of June 30, 2011. The Agency will request to continue this funding during the 88th Legislative Session. If the funding is not continued, the Agency will still require this appropriation in order to spend the balance remaining in the fund.

The Agency's Request provides for Base Level for the 2011-2013 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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5900046	0	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total	0	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Funding Sources									
Fund Balance 4000005	3,974,689	7,393,055		7,393,055	7,393,055	7,393,055	7,393,055	7,393,055	7,393,055
Stabilization Tax 4000033	3,418,366	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Funding	7,393,055	12,393,055		12,393,055	12,393,055	12,393,055	12,393,055	12,393,055	12,393,055
Excess Appropriation/(Funding)	(7,393,055)	(7,393,055)		(7,393,055)	(7,393,055)	(7,393,055)	(7,393,055)	(7,393,055)	(7,393,055)
Grand Total	0	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

Analysis of Budget Request

Appropriation: 4KP - TANF-IDA

Funding Sources: TID - Individual Development Account

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

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

The Agency's Request provides for Base Level for the 2011-2013 biennium.

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		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				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	868,379	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	868,379	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	868,379	1,700,000		1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Total Funding	868,379	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	868,379	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/New Hire Registry

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 revenues.

The Agency's Change Level Request provides for an increase in TANF/New Hire Registry of \$60,498,947 each year to restore this appropriation to the previously authorized level. Expenditure of appropriation is contingent upon available funding.

The Executive Recommendation provides for Base Level, with an increase of \$25 million each year in appropriation only for TANF/New Hire Registry.

Appropriation Summary

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

Funding Sources: PWS - TANF Block Grant Paying

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
TANF/New Hire Registry	5900046	13,884,450	39,501,053	100,000,000	39,501,053	100,000,000	64,501,053	39,501,053	100,000,000	64,501,053
ARRA 2009	5900052	0	0	6,200,000	0	0	0	0	0	0
Total		13,884,450	39,501,053	106,200,000	39,501,053	100,000,000	64,501,053	39,501,053	100,000,000	64,501,053
Funding Sources										
General Revenue	4000010	3,594,319	3,775,642		3,775,642	3,775,642	3,775,642	3,775,642	3,775,642	3,775,642
Federal Revenue	4000020	11,246,568	36,782,752		36,782,752	97,281,699	61,782,752	36,782,752	97,281,699	61,782,752
Transfer to DHS-DCO	4000612	(956,437)	(1,057,341)		(1,057,341)	(1,057,341)	(1,057,341)	(1,057,341)	(1,057,341)	(1,057,341)
Total Funding		13,884,450	39,501,053		39,501,053	100,000,000	64,501,053	39,501,053	100,000,000	64,501,053
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		13,884,450	39,501,053		39,501,053	100,000,000	64,501,053	39,501,053	100,000,000	64,501,053

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	39,501,053	0	39,501,053	100.0	39,501,053	0	39,501,053	100.0
C01	Existing Program	60,498,947	0	100,000,000	253.2	60,498,947	0	100,000,000	253.2

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	39,501,053	0	39,501,053	100.0	39,501,053	0	39,501,053	100.0
C01	Existing Program	25,000,000	0	64,501,053	163.3	25,000,000	0	64,501,053	163.3

Justification

C01	Due to the current, ongoing economic crisis, we request that our previously authorized appropriation for TANF/New Hire Registry be restored in order to be able to assist Arkansans with both unemployment and employment services.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Workforce Services Department

Program: TANF Block Grant Paying/New Hire Registry

Act #: 212 Section(s) #: 15 & 22

Estimated Carry Forward Amount \$ 50,000.00 Funding Source: General

Accounting Information:

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

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

Justification for carry forward of fund balance:

The carry forward is necessary to continue the normal operations of the agency New Hire Registry Program.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

All available general revenue for the New Hire Registry Program was used in FY2010.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Artee Williams

Director

08-26-2010

Date

Analysis of Budget Request

Appropriation: 56Z - Workforce Investment

Funding Sources: FCG - DWS Workforce Investment Act

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 Workforce Investment Board was merged with the Department of Workforce Services by Act 1487 of 2009.

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 incentive 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.

The Agency's Change Level Request provides to reallocate this appropriation to Operations (Appropriation 2SD). P.L. 105-220 does not require a separate appropriation for the operations of the Board. The Department will continue to be compliant with all federal operations requirements as a result of this reallocation.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 56Z - Workforce Investment

Funding Sources: FCG - DWS Workforce Investment Act

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	39,199	611,551	0	0	0	0	0	0
#Positions	0	1	2	0	0	0	0	0	0
Personal Services Matching 5010003	2,099	12,841	211,115	0	0	0	0	0	0
Operating Expenses 5020002	4,822	222,394	222,394	222,394	0	0	222,394	0	0
Conference & Travel Expenses 5050009	723	24,092	24,092	24,092	0	0	24,092	0	0
Professional Fees 5060010	0	30,000	30,000	30,000	0	0	30,000	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	7,644	328,526	1,099,152	276,486	0	0	276,486	0	0
Funding Sources									
Federal Revenue 4000020	7,644	328,526		276,486	0	0	276,486	0	0
Total Funding	7,644	328,526		276,486	0	0	276,486	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	7,644	328,526		276,486	0	0	276,486	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

Agency Request provides to reallocate this appropriation to Operations (Appropriation 2SD).

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	276,486	0	276,486	100.0	276,486	0	276,486	100.0
C04	Reallocation	(276,486)	0	0	0.0	(276,486)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	276,486	0	276,486	100.0	276,486	0	276,486	100.0
C04	Reallocation	(276,486)	0	0	0.0	(276,486)	0	0	0.0

Justification

C04	The Workforce Investment Act (Public Law 105-220) does not require a separate appropriation for the operations of the Board. The Agency requests to consolidate this appropriation with Operations (Appropriation 2SD).
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Analysis of Budget Request

Appropriation: C27 - Unemployment Benefits & Expenses - Cash

Funding Sources: 177 - DWS Cash

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

- Training Allowances - federal funding is provided to pay allowances to economically disadvantaged, unemployed, and underemployed individuals so that they can attend training to maximize their employment opportunities and enhance self-sufficiency.
- Payments to Participant Contractors - federal funding is provided to reimburse private and nonprofit employers for costs incurred to train individuals who are economically disadvantaged, unemployed, and underemployed.
- UI Loan Repayments - to repay loans taken by the State from the federal Unemployment Insurance Trust Fund during times of high unemployment.
- Department of Workforce Services Special Fund - for repayment to the Special Fund for building construction costs from the federally funded operating budget.

The Department has been notified by the U.S. Department of Labor that expansion of the Trade Adjustment Assistance program under the American Recovery and Reinvestment Act (ARRA) of 2009 will not revert at the conclusion of ARRA. Therefore, the Agency's Change Level Request totaling \$111,249,999 each year of the biennium provides for the following program increases:

- Training Allowances of \$7,500,000 each year. Training Allowances - ARRA (Appropriation C45) has been requested to be discontinued.
- Payments to Participating Contractors of \$3,750,000 each year. Payments to Participating Contractors - ARRA (Appropriation C46) has been requested to be discontinued.

Unemployment Insurance Advance Repayment of \$100 million each year. The American Recovery and Reinvestment Act of 2009 provided interest free advances to the states from the federal Unemployment Insurance Trust Fund until December 31, 2010. Arkansas has currently taken \$330.8 million in advances since March 2009. Without subsequent federal legislation, these advances will begin bearing interest on January 1, 2011. The Department does not know whether the state will be required to begin repaying the advances during the 2011-2013 biennium, or whether the federal government will intervene. Therefore, the Department requires this appropriation in the event the state is required to begin repayment.

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			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,306	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Training Allowances	5900046	209,379	5,000,000	5,000,000	5,000,000	12,500,000	12,500,000	5,000,000	12,500,000	12,500,000
Payments to Part Contractors	5900047	8,059,553	10,000,000	10,000,000	10,000,000	13,750,000	13,750,000	10,000,000	13,750,000	13,750,000
UI Advance Repayment	5900048	0	1	1	1	100,000,000	100,000,000	1	100,000,000	100,000,000
Total		8,270,238	20,000,001	20,000,001	20,000,001	131,250,000	131,250,000	20,000,001	131,250,000	131,250,000
Funding Sources										
Federal Revenue	4000020	8,270,238	20,000,001		20,000,001	131,250,000	131,250,000	20,000,001	131,250,000	131,250,000
Total Funding		8,270,238	20,000,001		20,000,001	131,250,000	131,250,000	20,000,001	131,250,000	131,250,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		8,270,238	20,000,001		20,000,001	131,250,000	131,250,000	20,000,001	131,250,000	131,250,000

Change Level by Appropriation

Appropriation: C27 - Unemployment Benefits & Expenses - Cash
Funding Sources: 177 - DWS Cash

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	20,000,001	0	20,000,001	100.0	20,000,001	0	20,000,001	100.0
C01	Existing Program	111,249,999	0	131,250,000	656.2	111,249,999	0	131,250,000	656.2

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	20,000,001	0	20,000,001	100.0	20,000,001	0	20,000,001	100.0
C01	Existing Program	111,249,999	0	131,250,000	656.2	111,249,999	0	131,250,000	656.2

Justification

C01	The Department has been notified by the U.S. Department of Labor that expansion of the Trade Adjustment Assistance program will not cease with the expiration of ARRA funding. The Department request to increase Training Allowances by \$7,500,000 and to discontinue Training Allowances - ARRA (Appropriation C45), and Payments to Participating Contractors by \$3,750,000 and to discontinue Payments to Participating Contractors - ARRA (Appropriation C46). The Department does not know what the federal government intends to do about loans from the federal Unemployment Trust Fund. The Department requests \$99,999,999 in appropriation each year in the event of possible repayment.
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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 Agency's Request provides for Base Level for the 2011-2013 biennium.

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			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	128,470,620	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000
Total	128,470,620	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000
Funding Sources									
Federal Revenue 4000020	128,470,620	225,000,000		225,000,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000
Total Funding	128,470,620	225,000,000		225,000,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	128,470,620	225,000,000		225,000,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000

Analysis of Budget Request

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

Funding Sources: 177 - DWS Cash

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

The Agency's Request provides for Base Level for the 2011-2013 biennium.

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	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	495,900,085	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000
Total	495,900,085	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000
Funding Sources									
Federal Revenue 4000020	495,900,085	600,000,000		600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000
Total Funding	495,900,085	600,000,000		600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	495,900,085	600,000,000		600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000

Analysis of Budget Request

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

Funding Sources: 177 - DWS Cash

The Unemployment Insurance (UI) Benefits - Reimbursable Employers appropriation allows for payments for Unemployment Insurance benefits to unemployed individuals. The individuals receive payments based on wages paid by any Arkansas non-profit organization or government employing unit which elects to reimburse the Unemployment Compensation Fund rather than pay contributions.

The Agency Request provides for Base Level for the 2011-2013 biennium.

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	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	19,116,167	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Total	19,116,167	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Funding Sources									
Federal Revenue 4000020	19,116,167	25,000,000		25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Total Funding	19,116,167	25,000,000		25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	19,116,167	25,000,000		25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000

Analysis of Budget Request

Appropriation: C31 - Bldg Improvmnt/Land–Reed Act

Funding Sources: 167 - DWS Cash - Reed Act

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

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 Agency's Change Level Request provides to restore the previously authorized level of \$38,500,000 each year in Reed Act Funds. The Agency does not anticipate any funding during the 2011-2013 biennium, but requests to maintain this appropriation in the event that funding becomes available.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C31 - Bldg Improvmnt/Land-Reed Act

Funding Sources: 167 - 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		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Reed Act Funds 5900046	0	0	38,500,000	0	38,500,000	38,500,000	0	38,500,000	38,500,000
Total	0	0	38,500,000	0	38,500,000	38,500,000	0	38,500,000	38,500,000
Funding Sources									
Federal Revenue 4000020	0	0		0	38,500,000	38,500,000	0	38,500,000	38,500,000
Total Funding	0	0		0	38,500,000	38,500,000	0	38,500,000	38,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	38,500,000	38,500,000	0	38,500,000	38,500,000

Change Level by Appropriation

Appropriation: C31 - Bldg Improvmt/Land-Reed Act
Funding Sources: 167 - DWS Cash - Reed Act

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C01	Existing Program	38,500,000	0	38,500,000	100.0	38,500,000	0	38,500,000	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C01	Existing Program	38,500,000	0	38,500,000	100.0	38,500,000	0	38,500,000	100.0

Justification

C01	The Agency does not anticipate any funding for this program during the 2011-2013 biennium, but request appropriation be restored in the event funding becomes available.								
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Analysis of Budget Request

Appropriation: C48 - Federal Employee Benefits-ARRA

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. Funding for this appropriation is provided by the American Recovery & Reinvestment Act of 2009.

The Agency's Change Level Request for increases of \$200,000,000 in FY12 and \$100,000,000 in FY13 in ARRA 2009 provides to restore some previously authorized appropriation in the event they continue to receive additional funding from the American Recovery and Reinvestment Act of 2009 into the 2011-2013 biennium for unemployment benefits.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C48 - Federal Employee Benefits-ARRA

Funding Sources: 177 - DWS Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
ARRA 2009 5900052	425,286,074	363,880,000	363,880,000	0	200,000,000	200,000,000	0	100,000,000	100,000,000
Total	425,286,074	363,880,000	363,880,000	0	200,000,000	200,000,000	0	100,000,000	100,000,000
Funding Sources									
Federal Revenue 4000020	425,286,074	363,880,000		0	200,000,000	200,000,000	0	100,000,000	100,000,000
Total Funding	425,286,074	363,880,000		0	200,000,000	200,000,000	0	100,000,000	100,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	425,286,074	363,880,000		0	200,000,000	200,000,000	0	100,000,000	100,000,000

Change Level by Appropriation

Appropriation: C48 - Federal Employee Benefits-ARRA
Funding Sources: 177 - DWS Cash

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C03	Discontinue Program	(163,880,000)	0	(163,880,000)	100.0	(263,880,000)	0	(263,880,000)	100.0
C16	ARRA	363,880,000	0	200,000,000	-122.0	363,880,000	0	100,000,000	-37.9

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C03	Discontinue Program	(163,880,000)	0	(163,880,000)	100.0	(263,880,000)	0	(263,880,000)	100.0
C16	ARRA	363,880,000	0	200,000,000	-122.0	363,880,000	0	100,000,000	-37.9

Justification

C03	Reducing ARRA Appropriation to match projected funding.
C16	The Agency believes we still may receive funding ARRA funding for this program during the 2011-2013 biennium. Therefore, we are requesting to continue this appropriation.

Analysis of Budget Request

Appropriation: C49 - UI Modernization - ARRA*

Funding Sources: 177 - DWS Cash*

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 appropriation was established last biennium for Reed Act Funds provided by the American Recovery and Reinvestment Act of 2009 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. However, the Unemployment Insurance (UI) Modernization program was incorrectly identified as "Reed Act Funds - ARRA" because the federal formula to disburse the funds was based on the Reed Act formula. The unemployment insurance benefits have already been expensed, but the administrative component of these grant funds remains available to the Agency to be expensed.

The Agency has spent the initial grant award of \$50,374,239 for unemployment benefits. The remaining \$9,595,083 provides for the payment of salaries and related benefits and maintenance and general operation in support of administration of the Unemployment Insurance (UI) Modernization provisions adopted pursuant to ARRA. Expenditure of these funds are not subject to the two year requirements of ARRA.

The Agency's Change Level Request provides for the following:

- Title change and fund change for this appropriation from "Reed Act Funds - ARRA" to "UI Modernization - ARRA" to properly classify the purpose of this appropriation.
- Restore \$9,595,093 each year in ARRA 2009 to match remaining funding.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C49 - UI Modernization - ARRA*

Funding Sources: 177 - DWS Cash*

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
ARRA 2009 5900052	50,374,239	9,595,103	59,969,332	0	9,595,093	9,595,093	0	9,595,093	9,595,093
Total	50,374,239	9,595,103	59,969,332	0	9,595,093	9,595,093	0	9,595,093	9,595,093
Funding Sources									
Federal Revenue 4000020	50,374,239	9,595,103		0	9,595,093	9,595,093	0	9,595,093	9,595,093
Total Funding	50,374,239	9,595,103		0	9,595,093	9,595,093	0	9,595,093	9,595,093
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	50,374,239	9,595,103		0	9,595,093	9,595,093	0	9,595,093	9,595,093

*The Agency requests an appropriation title and fund change from "Reed Act Funds - ARRA" to "UI Modernization - ARRA" to properly describe the purpose of this appropriation.

Change Level by Appropriation

Appropriation: C49 - UI Modernization - ARRA*
Funding Sources: 177 - DWS Cash*

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C03	Discontinue Program	(10)	0	(10)	100.0	(10)	0	(10)	100.0
C16	ARRA	9,595,103	0	9,595,093	-95,950,930.0	9,595,103	0	9,595,093	-95,950,930.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C03	Discontinue Program	(10)	0	(10)	100.0	(10)	0	(10)	100.0
C16	ARRA	9,595,103	0	9,595,093	-95,950,930.0	9,595,103	0	9,595,093	-95,950,930.0

Justification

C03	Lower appropriation to match available funding.
C16	The Unemployment Insurance (UI) Modernization program was incorrectly identified as "Reed Act Funds - ARRA" because the federal formula to disburse the funds was based on the Reed Act formula. The initial \$50,374,239 in appropriation for benefits has already been expensed. The remaining amount available for distribution provides for salaries, benefits, maintenance and general operations of the Department, and is not subject to the two year ARRA timeline.

Analysis of Budget Request

Appropriation: C56 - Loans to Local WIBs

Funding Sources: 177 - DWS - Cash

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

The Agency's Change Level Request provides to establish an appropriation for Loans of \$1,500,000 each year for local WIB transfers. The State Treasury currently does not allow agencies to either send or receive same-day wire transfers. This new appropriation will allow the Agency to request a deposit from DOL for wire transfer to the local WIB office. Funds will be transferred through this appropriation only in the event that delays occur, such as due to inclement weather.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C56 - Loans to Local WIBs

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		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Loans 5120029	0	0	0	0	1,500,000	1,500,000	0	1,500,000	1,500,000
Total	0	0	0	0	1,500,000	1,500,000	0	1,500,000	1,500,000
Funding Sources									
Federal Revenue 4000020	0	0		0	1,500,000	1,500,000	0	1,500,000	1,500,000
Total Funding	0	0		0	1,500,000	1,500,000	0	1,500,000	1,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	1,500,000	1,500,000	0	1,500,000	1,500,000

Change Level by Appropriation

Appropriation: C56 - Loans to Local WIBs
Funding Sources: 177 - DWS - Cash

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C01	Existing Program	1,500,000	0	1,500,000	100.0	1,500,000	0	1,500,000	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C01	Existing Program	1,500,000	0	1,500,000	100.0	1,500,000	0	1,500,000	100.0

Justification

C01	The State Treasury currently does not allow agencies to either send or receive same-day wire transfers. This new appropriation of \$1,500,000 each year will allow us to request a deposit from the Department of Labor for wire transfer to the local WIB office.								
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Appropriation Summary

Appropriation: C45 - Training Allow-ARRA

Funding Sources: 177 - DWS Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
ARRA 2009 5900052	0	0	7,500,000	0	0	0	0	0	0
Total	0	0	7,500,000	0	0	0	0	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

Appropriation Summary

Appropriation: C46 - Payment to Participating Contractors-ARRA

Funding Sources: 177 - DWS Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
ARRA 2009 5900052	0	0	3,750,000	0	0	0	0	0	0
Total	0	0	3,750,000	0	0	0	0	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.