

ARKANSAS ECONOMIC DEVELOPMENT COMMISSION (790)
FISCAL YEARS 2014 & 2015

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

AEDC is composed of four functional areas: BUSINESS and COMMUNITY DEVELOPMENT, RESEARCH AND PLANNING, MARKETING AND INFORMATION SERVICES, AND FINANCE.

TOTAL AUTHORIZED

The total budget of the Arkansas Economic Development Commission is \$355,352,994 in FY2014 and \$355,357,215 in FY2015.

FUNDING SOURCE

The budget is funded with 56% Bond Proceeds, 39% Federal Revenues, 3% General Revenues, and >1% Federal ARRA Funds, Fund Balances, and Cash Funds.

II) CHANGES/APPROPRIATIONS

State Operations - This appropriation is funded by General Revenues. Total budget of \$11,838,124 in FY14 and \$11,841,502 in FY15 for the following:

- **Reclassification:** one Energy Office Deputy Director position to Energy Office Director.
- **Professional Fees:** Increase of \$185,000 in funding and appropriation each year to maintain a China Trade Office.
- **Capital Outlay:** \$100,000 in appropriation each year for the replacement of IT hardware.
- **Grants and Aid:** \$1,000,000 in appropriation each year to provide grants to cities and counties

Community Assistance Federal - This appropriation is funded by a grant from HUD. The total budget of \$109,434,678 in FY14 and \$109,435,531 in FY15 provides for the following increases over base:

- **Reclassification** of one AEDC Project Regional Manager (Grade C125) to AEDC Director Grants Management (Grade C128)
- **Regular Salaries:** Increase of \$1,763 per year for Reclassification
- **Personal Services Matching:** Increase of \$585 per year for Reclassification
- **ARRA of 2009:** Continuation of \$1,129,128 per year for funding recovery grants associated with the CDBG program.

State Energy Plan - Federal - Total Budget is \$869,581 each year and provides for the following increases:

- **Reclassification** of AEDC Director Arkansas Energy Office to AEDC State Manager of Strategic Energy Development.
- **Professional Fees:** Increase of \$110,000 per year for various energy conservation grants.

Energy Efficiency Arkansas - Cash - The total budget is \$2,580,566 each year and provides for the following increases to expand the program due to an increase in funding to the program:

- **Regular Salaries:** Increase of \$36,233 per year to expand the program
- **Personal Services Matching:** Increase of \$12,611 per year
- **Operating Expenses:** Increase of \$50,000 per year
- **Professional Fees:** Decrease of \$50,000 per year
- **Energy Efficiency Arkansas Grants:** Increase of \$350,000 per year

Clean Cities - This appropriation is funded by a grant received from the U.S. Department of Energy and administered by Leonardo Technologies. This is a new appropriation budgeting \$189,005 per year to engage community activities associated with promoting alternative fuel and alternative fuel vehicle use.

- **Operating Expenses:** \$20,000 per year
- **Conference and Travel:** \$8,750 per year
- **Professional Fees:** \$105,255 per year
- **Grants and Aid:** \$55,000 per year

III) POSITIONS

Total positions for 2015: 100

Total positions for 2014: 100

Total positions for 2013: 103

Increase/ (Decrease): (3)

IV) SPECIAL LANGUAGE

1. Limits the expenditure of funds for Industry Training Program; states that funds shall be used for expenses necessary to assist in carrying on the Existing Worker Training Program and the equipment shall be stored at a location determined by the ADED Director when not in use.

2. Authorizes Contractual arrangements for operation of foreign offices. Does not permit Arkansas Code 15-4-211 to preclude use of standard professional services contracts for such contractual arrangements with private and/or public companies, corporations, individuals or organizations for operation of foreign offices.

3. Priority placed on use of CDBG funds for multi-use facilities with report to Legislative Council.

4. Expansion of ADED notification methods to increase participation in CDBG program

5. Allocation of \$500,000 per fiscal year to the CDBG Rural Development Set-Aside for grants to rural communities.

6. Grant Review. Arkansas Economic Development Commission (AEDC) shall review all applications for grant funds from the Rural Development Set-Aside, Department of Rural Services (DRS) shall decide which grant applications will be funded, and AEDC shall disburse funds. Both AEDC and DRS shall promulgate rules and regulations governing application for, ensure disbursement of grant funds and make an annual report of the disposition of funds to the Legislative Joint Audit Committee.

7. Transfer Provision for foreign offices allows transfer of appropriation between foreign offices to respond to changes in the

world markets. Non-severability language included.

8. Transfer provision allows appropriation transfers between line items in state operations appropriation. Non-severability language included.

9. Transfer provision allows appropriation transfers between line items in Community Assistance (CDBG) federal appropriation. Non-severability language included.

10. Restriction states flexibility provided to Arkansas Economic Development Commission can only be used to carry out federal CDBG program. Approval by ALC/JBC required. Non-severability language included.

11. Transfer - Industry training. Allow any savings to be used for Maintenance and Operations and Industry Training line items. Non-severability language included.

12. Funding Transfer - Allows for the transfer of up to \$30,000,000 from Federal Funds to the Technology Acceleration Fund.

Updated May 2013