

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
2RF Annual Assessments	22,000	0	22,000	0	26,000	0	26,000	0	26,000	0	26,000	0	26,000	0	26,000	0	26,000	0
2SC Excess Unemploy Benefits/Expenses	3,059,777	0	10,878,535	0	11,304,389	0	11,304,389	0	11,304,389	0	11,304,389	0	11,304,389	0	11,304,389	0	11,304,389	0
2SD Operations	60,789,167	937	52,658,062	960	86,702,884	979	80,738,207	978	81,585,768	978	81,585,768	978	80,757,719	978	81,605,322	978	81,605,322	978
2SE Workforce Investment Act	22,702,876	0	13,635,929	0	62,500,000	0	60,200,000	0	60,200,000	0	60,200,000	0	60,000,000	0	60,000,000	0	60,000,000	0
25F UI Trust Fund Loan Interest	10,113,454	0	20,000,000	0	28,000,000	0	24,000,000	0	24,000,000	0	24,000,000	0	24,000,000	0	24,000,000	0	24,000,000	0
35Q DWS Training Trust Fund	1,324,729	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	1,655,112	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	732,485	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	10,333,722	0	29,983,624	0	64,501,053	0	40,000,000	0	40,000,000	0	40,000,000	0	40,000,000	0	40,000,000	0	40,000,000	0
C27 Unemployment Benefits & Expenses - Cash	13,950,301	0	57,450,000	0	131,250,000	0	62,000,000	0	62,000,000	0	62,000,000	0	62,000,000	0	62,000,000	0	62,000,000	0
C28 Federal Employees Benefit-Cash	80,294,002	0	90,000,000	0	225,000,000	0	225,000,000	0	175,000,000	0	175,000,000	0	225,000,000	0	175,000,000	0	175,000,000	0
C29 U I Benefits - Taxable Employers - Cash	336,974,381	0	400,000,000	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	17,113,432	0	25,000,000	0	25,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0
C31 Bldg Improvmt/Land-Reed Act	0	0	6,600	0	38,500,000	0	38,500,000	0	38,500,000	0	38,500,000	0	38,500,000	0	38,500,000	0	38,500,000	0
C56 Loans to Local WIBs	53,643	0	500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
NOT REQUESTED FOR THE BIENNIUM																		
C48 Federal Employee Benefits-ARRA	178,597,197	0	100,000,000	0	300,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
C49 UI Modernization - ARRA	155,184	1	8,900,000	0	9,595,093	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	737,871,462	938	820,734,750	960	1,595,579,419	979	1,184,968,596	978	1,135,816,157	978	1,135,816,157	978	1,184,788,108	978	1,135,635,711	978	1,135,635,711	978

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	32,417,942	4.1	48,251,450	5.6	34,364,429	3.1	34,364,429	3.3	34,364,429	3.3	21,369,094	2.0	21,369,094	2.1	21,369,094	2.1	
General Revenue	4000010	3,831,624	0.5	3,775,642	0.4	3,775,642	0.3	3,901,924	0.4	3,901,924	0.4	3,775,642	0.3	3,902,163	0.4	3,902,163	0.4	
Federal Revenue	4000020	718,664,766	91.4	777,058,573	90.9	1,027,412,227	93.9	977,412,227	93.6	977,412,227	93.6	1,025,669,889	95.1	975,669,889	94.8	975,669,889	94.8	
Stabilization Tax	4000033	5,004,939	0.6	5,000,000	0.6	5,000,000	0.5	5,000,000	0.5	5,000,000	0.5	5,000,000	0.5	5,000,000	0.5	5,000,000	0.5	
Advance Interest Funds	4000070	24,314,947	3.1	18,326,977	2.1	21,000,000	1.9	21,000,000	2.0	21,000,000	2.0	21,000,000	1.9	21,000,000	2.0	21,000,000	2.0	
Employer Penalties & Interest	4000225	2,688,694	0.3	3,686,537	0.4	3,226,000	0.3	3,226,000	0.3	3,226,000	0.3	3,226,000	0.3	3,226,000	0.3	3,226,000	0.3	
Transfer to DHS-DCO	4000612	(800,000)	(0.1)	(1,000,000)	(0.1)	(1,000,000)	(0.1)	(1,000,000)	(0.1)	(1,000,000)	(0.1)	(1,000,000)	(0.1)	(1,000,000)	(0.1)	(1,000,000)	(0.1)	
Total Funds		786,122,912	100.0	855,099,179	100.0	1,093,778,298	100.0	1,043,904,580	100.0	1,043,904,580	100.0	1,079,040,625	100.0	1,029,167,146	100.0	1,029,167,146	100.0	
Excess Appropriation/(Funding)		(48,251,450)		(34,364,429)		91,190,298		91,911,577		91,911,577		105,747,483		106,468,565		106,468,565		
Grand Total		737,871,462		820,734,750		1,184,968,596		1,135,816,157		1,135,816,157		1,184,788,108		1,135,635,711		1,135,635,711		

Variance in Fund Balance due to unfunded appropriation in Fund Center 2SC, 2SD, 2SE, and 4KQ.

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's Change Level request totaling \$4,000 reflect an increase in appropriation to restore the previously authorized appropriation for 2RF to \$26,000 in order to ensure that there is sufficient authority to spend in the event that the economy does not improve and additional appropriation becomes necessary.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2RF - Annual Assessments

Funding Sources: TZS - DWS Special Fund

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Agency	Executive	Legislative	Agency	Executive	Legislative
Annual Assessment 5900046	22,000	22,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	22,000	22,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000

Funding Sources		2011-2012	2012-2013	2012-2013	2013-2014	2013-2014	2013-2014	2014-2015	2014-2015	2014-2015
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Employer Penalties & Interest 4000225		22,000	22,000		26,000	26,000	26,000	26,000	26,000	26,000
Total Funding		22,000	22,000		26,000	26,000	26,000	26,000	26,000	26,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		22,000	22,000		26,000	26,000	26,000	26,000	26,000	26,000

Analysis of Budget Request

Appropriation: 2SC - Excess Unemploy Benefits/Expenses

Funding Sources: TZS - DWS Special Fund

The Excess Unemployment Benefits and Expenses appropriation is utilized by the Department of Workforce Services for 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 totaling \$425,854 for each of the biennium reflects a \$425,854 increase in Payment/Expenses to restore previously authorized appropriation for 2SC to \$11,304,389 in order to ensure that there is sufficient authority to spend in the event that the economy does not improve and additional appropriation becomes necessary.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2SC - Excess Unemploy Benefits/Expenses

Funding Sources: TZS - DWS Special Fund

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Construction	5090005	0	0	377,500	0	0	0	0	0	0
Rent of Buildings	5900022	0	0	48,354	0	0	0	0	0	0
Payment/Expenses	5900046	3,059,777	10,878,535	10,878,535	11,304,389	11,304,389	11,304,389	11,304,389	11,304,389	11,304,389
Total		3,059,777	10,878,535	11,304,389	11,304,389	11,304,389	11,304,389	11,304,389	11,304,389	11,304,389
Funding Sources										
Fund Balance	4000005	12,602,416	12,209,333		4,995,335	4,995,335	4,995,335	0	0	0
Employer Penalties & Interest	4000225	2,666,694	3,664,537		3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Total Funding		15,269,110	15,873,870		8,195,335	8,195,335	8,195,335	3,200,000	3,200,000	3,200,000
Excess Appropriation/(Funding)		(12,209,333)	(4,995,335)		3,109,054	3,109,054	3,109,054	8,104,389	8,104,389	8,104,389
Grand Total		3,059,777	10,878,535		11,304,389	11,304,389	11,304,389	11,304,389	11,304,389	11,304,389

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.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level:

The Agency Base Level request is \$57,606,867 for FY14 and \$57,626,379 for FY15 with 960 budgeted positions each year.

Change Level:

The Agency's Change Level Requests totaling \$23,131,340 each year of the biennium reflect the following:

- Regular Salaries and Personal Services Matching total increase of \$646,145 resulting from
 1. 14 restored positions (\$461,633) - an Administrative Specialist II (C109); DWS Claims Adjudicator (C110); Apprentice Tradesman (C105); DWS Unit Supervisor (C113); Printer (C111); Two (2) Fiscal Support Specialist (C112); Three (3) Administrative Specialist III (C112); and Four (4) Administrative Specialist I (C106);
 2. 3 TANF positions - a Software Support Analyst (C121), DWS Program Manager (C121), and a Research Project Analyst (C117) that were approved in FY13 (\$163,696);
 3. 11 reclassified position (\$20,816) - Administrative Analyst (C115) to Legal Services Specialist (C117); Legal Services Specialist (C117) to Hearing Reporter (C118); Agency Human Resources Manager (C123) to Human Resources Administrator (C126); Three (3) DWS Field Manger I (C119) to DWS Field Manger II (C120); DWS Field Manger II (C120) to Field Manger III (C121); DWS Division Chief (C123) to Fiscal Division Manger (C127); DWS DIR Internal Audit & Security (C127) to Audit Manger (C129); DWS Program Operations Manger (C120) to DWS Field Manager III (C121) and Agency Controller I (C126) to Agency Controller II (C128).
 4. One (1) Grants Manager (C121) MFG position that was approved for continuation in FY13.

These positions are requested based on the need to be able to provide prompt, and quality service to Arkansans in a difficult labor market.

- Overtime increase of \$26,000; Operating Expenses increase of \$18,411,243; Conferences and Travel increase of \$664,588; Professional Fees increase of \$964,363; and Capital Outlay increase of \$2,419,001 to restore the previously authorized levels in order to ensure that

there is sufficient authority to spend in the event that the economy does not improve and additional emergency Federal funding becomes necessary. When the economy is sluggish the Agency receives more Federal funding than during robust times to cover the additional administrative cost and increased workload. Expenditure of this appropriation is contingent upon available funds.

The Executive Recommendation provides for the Agency Request except that the DWS Dir Internal Audit & Security (C127), DWS Division Chief (C123), and Agency Controller I (C126) positions were not recommended for reclassification.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2SD - Operations

Funding Sources: TES - DWS Trust Fund

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	31,457,496	30,249,095	37,706,317	35,666,507	36,235,990	36,235,990	35,682,007	36,251,490	36,251,490
#Positions		937	960	979	978	978	978	978	978	978
Extra Help	5010001	3,196,381	3,300,000	4,093,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
#Extra Help		251	384	400	384	384	384	384	384	384
Personal Services Matching	5010003	11,486,133	10,987,250	12,778,334	13,081,048	13,359,126	13,359,126	13,085,060	13,363,180	13,363,180
Overtime	5010006	30,443	34,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Operating Expenses	5020002	10,419,844	5,310,662	23,721,905	23,721,905	23,721,905	23,721,905	23,721,905	23,721,905	23,721,905
Conference & Travel Expenses	5050009	91,706	40,852	705,585	705,440	705,440	705,440	705,440	705,440	705,440
Professional Fees	5060010	1,431,339	819,943	1,784,653	1,784,306	1,784,306	1,784,306	1,784,306	1,784,306	1,784,306
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	464,088	303,467	2,419,001	2,419,001	2,419,001	2,419,001	2,419,001	2,419,001	2,419,001
ARRA 2009	5900052	2,211,737	1,612,793	3,434,089	0	0	0	0	0	0
Total		60,789,167	52,658,062	86,702,884	80,738,207	81,585,768	81,585,768	80,757,719	81,605,322	81,605,322

Funding Sources										
Federal Revenue	4000020	60,789,167	52,658,062		46,291,424	46,291,424	46,291,424	48,524,149	48,524,149	48,524,149
Total Funding		60,789,167	52,658,062		46,291,424	46,291,424	46,291,424	48,524,149	48,524,149	48,524,149
Excess Appropriation/(Funding)		0	0		34,446,783	35,294,344	35,294,344	32,233,570	33,081,173	33,081,173
Grand Total		60,789,167	52,658,062		80,738,207	81,585,768	81,585,768	80,757,719	81,605,322	81,605,322

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.

The Agency's Change Level Request totaling \$48,715,322 in FY14 and \$48,515,322 in FY15 provides for the following:

- \$48,515,322 increase in Grants and Aid appropriation in anticipation of newly added discretionary grants for FY14 and FY15.
- \$200,000 of unfunded appropriation in ARRA in anticipation of end of the quarter reporting to DOL for FY14.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2SE - Workforce Investment Act

Funding Sources: FCG - Federal Funds

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	20,920,159	11,484,678	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
ARRA 2009	5900052	1,782,717	2,151,251	2,500,000	200,000	200,000	200,000	0	0	0
Total		22,702,876	13,635,929	62,500,000	60,200,000	60,200,000	60,200,000	60,000,000	60,000,000	60,000,000
Funding Sources										
Federal Revenue	4000020	22,702,876	13,635,929		18,185,843	18,185,843	18,185,843	18,185,843	18,185,843	18,185,843
Total Funding		22,702,876	13,635,929		18,185,843	18,185,843	18,185,843	18,185,843	18,185,843	18,185,843
Excess Appropriation/(Funding)		0	0		42,014,157	42,014,157	42,014,157	41,814,157	41,814,157	41,814,157
Grand Total		22,702,876	13,635,929		60,200,000	60,200,000	60,200,000	60,000,000	60,000,000	60,000,000

Agency Change Level request includes ARRA appropriation due to a temporary extension of ARRA funding from the federal granting agency.

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 \$5 million 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 totaling \$4,000,000 for each of the biennium reflects a \$4,000,000 increase in order to ensure that there is sufficient authority to spend in the event that the economy does not improve and additional appropriation becomes necessary.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2SF - UI Trust Fund Loan Interest

Funding Sources: TZR - Employment Security Advance Interest Trust Fund

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Investments/Transfers 5110020	0	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	10,113,454	17,000,000	25,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Total	10,113,454	20,000,000	28,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000
Funding Sources									
Fund Balance 4000005	5,025,141	19,226,634		17,553,611	17,553,611	17,553,611	14,553,611	14,553,611	14,553,611
Advance Interest Funds 4000070	24,314,947	18,326,977		21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Total Funding	29,340,088	37,553,611		38,553,611	38,553,611	38,553,611	35,553,611	35,553,611	35,553,611
Excess Appropriation/(Funding)	(19,226,634)	(17,553,611)		(14,553,611)	(14,553,611)	(14,553,611)	(11,553,611)	(11,553,611)	(11,553,611)
Grand Total	10,113,454	20,000,000		24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000

Analysis of Budget Request

Appropriation: 35Q - DWS Training Trust Fund

Funding Sources: TWT - DWS Training Trust Fund

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

The Agency is requesting Base Level for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 35Q - DWS Training Trust Fund

Funding Sources: TWT - DWS Training Trust Fund

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Personal Services, Operating Expen:5900046	1,324,729	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	1,324,729	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	6,328,527	7,508,737		5,008,737	5,008,737	5,008,737	2,508,737	2,508,737	2,508,737
Stabilization Tax	4000033	2,504,939	2,500,000		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Funding		8,833,466	10,008,737		7,508,737	7,508,737	7,508,737	5,008,737	5,008,737	5,008,737
Excess Appropriation/(Funding)		(7,508,737)	(5,008,737)		(2,508,737)	(2,508,737)	(2,508,737)	(8,737)	(8,737)	(8,737)
Grand Total		1,324,729	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 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 35R - DWS Unemployment Insurance Fund
Funding Sources: MUI - DWS Unemployment Insurance Administration Fund

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses 5900046	1,655,112	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	1,655,112	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	8,461,858	9,306,746		6,806,746	6,806,746	6,806,746	4,306,746	4,306,746	4,306,746
Stabilization Tax 4000033	2,500,000	2,500,000		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Funding	10,961,858	11,806,746		9,306,746	9,306,746	9,306,746	6,806,746	6,806,746	6,806,746
Excess Appropriation/(Funding)	(9,306,746)	(6,806,746)		(4,306,746)	(4,306,746)	(4,306,746)	(1,806,746)	(1,806,746)	(1,806,746)
Grand Total	1,655,112	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 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 4KP - TANF-IDA

Funding Sources: TID - Individual Development Account

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
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	732,485	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		732,485	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	732,485	1,700,000		1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Total Funding		732,485	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		732,485	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 \$16,280,019 each year of the biennium to restore the previously authorized level to \$40,000,000 and in order to ensure that there is sufficient authority to spend in the event that the economy does not improve and additional appropriation becomes necessary. Expenditure of appropriation is contingent upon available funding.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

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

Funding Sources: PWS - TANF Block Grant Paying

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
TANF/New Hire Registry	5900046	10,333,722	29,983,624	64,501,053	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Total		10,333,722	29,983,624	64,501,053	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000

Funding Sources										
General Revenue	4000010	3,831,624	3,775,642		3,775,642	3,901,924	3,901,924	3,775,642	3,902,163	3,902,163
Federal Revenue	4000020	7,302,098	27,207,982		4,234,960	4,234,960	4,234,960	259,897	259,897	259,897
Transfer to DHS-DCO	4000612	(800,000)	(1,000,000)		(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Total Funding		10,333,722	29,983,624		7,010,602	7,136,884	7,136,884	3,035,539	3,162,060	3,162,060
Excess Appropriation/(Funding)		0	0		32,989,398	32,863,116	32,863,116	36,964,461	36,837,940	36,837,940
Grand Total		10,333,722	29,983,624		40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000

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.

The Agency's Change Level request totaling \$4,550,000 for each year of the biennium reflects the following:

- \$1,100,000 increase for Training Allowances
- \$1,500,000 reduction in appropriation for Third Party Training Contractors.
- \$4,950,000 increase in Grants and Aid to restore previously authorized appropriation levels.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C27 - Unemployment Benefits & Expenses - Cash

Funding Sources: 177 - DWS Cash

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	34,137	50,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Training Allowances	5900046	431,575	900,000	12,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Payments to Part Contractors	5900047	3,371,135	6,500,000	13,750,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
UI Advance Repayment	5900048	10,113,454	50,000,000	100,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Total		13,950,301	57,450,000	131,250,000	62,000,000	62,000,000	62,000,000	62,000,000	62,000,000	62,000,000
Funding Sources										
Federal Revenue	4000020	13,950,301	57,450,000		62,000,000	62,000,000	62,000,000	62,000,000	62,000,000	62,000,000
Total Funding		13,950,301	57,450,000		62,000,000	62,000,000	62,000,000	62,000,000	62,000,000	62,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		13,950,301	57,450,000		62,000,000	62,000,000	62,000,000	62,000,000	62,000,000	62,000,000

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 requests a total Change Level of \$135,000,000 for each year of the biennium reflects the following:

\$135,000,000 increase in appropriation to restore the previously authorized amount authorized to \$225,000,000 and in order to ensure that there is sufficient authority to spend in the event that the economy does not improve and additional appropriation becomes necessary.

The Executive Recommendation provides for an \$85,000,000 increase in appropriation.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C28 - Federal Employees Benefit-Cash

Funding Sources: 177 - DWS Cash

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee	5100023	80,294,002	90,000,000	225,000,000	225,000,000	175,000,000	175,000,000	225,000,000	175,000,000	175,000,000
Total		80,294,002	90,000,000	225,000,000	225,000,000	175,000,000	175,000,000	225,000,000	175,000,000	175,000,000

Funding Sources										
Federal Revenue	4000020	80,294,002	90,000,000		225,000,000	175,000,000	175,000,000	225,000,000	175,000,000	175,000,000
Total Funding		80,294,002	90,000,000		225,000,000	175,000,000	175,000,000	225,000,000	175,000,000	175,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		80,294,002	90,000,000		225,000,000	175,000,000	175,000,000	225,000,000	175,000,000	175,000,000

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 Change Level request totaling \$200,000,000 reflects the following:

\$200,000,000 increase in appropriation to restore the appropriation to the previously authorized amount and in order to ensure that there is sufficient authority to spend in the event that the economy does not improve and additional appropriation becomes necessary.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

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

Funding Sources: 177 - DWS Cash

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee 5100023	336,974,381	400,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000
Total	336,974,381	400,000,000	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	336,974,381	400,000,000		600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000
Total Funding	336,974,381	400,000,000		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	336,974,381	400,000,000		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's Change Level request totaling \$5,000,000 for each of the biennium reflects a \$5,000,000 increase in Benefit Payments to match previously authorized appropriations to ensure that there is sufficient authority to spend in the event that the economy does not improve and additional appropriation becomes necessary.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

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

Funding Sources: 177 - DWS Cash

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee 5100023	17,113,432	25,000,000	25,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total	17,113,432	25,000,000	25,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

Funding Sources									
Federal Revenue 4000020	17,113,432	25,000,000		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total Funding	17,113,432	25,000,000		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	17,113,432	25,000,000		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

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 of \$38,493,400 for each year of the biennium reflects a Reed Act Funds increase of \$38,493,400 to restore the previously authorized level. The Agency does not anticipate any funding during the biennium, but request to maintain the appropriation in the event that the funding becomes available.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C31 - Bldg Improvmt/Land-Reed Act

Funding Sources: 167 - DWS Cash - Reed Act

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Reed Act Funds 5900046	0	6,600	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000
Total	0	6,600	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000

Funding Sources									
Federal Revenue 4000020	0	6,600		38,500,000	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000
Total Funding	0	6,600		38,500,000	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	6,600		38,500,000	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000

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 totaling \$1,000,000 reflects an increase in Loans appropriation. Currently, the State Treasury does not allow agencies to send or receive same-day wire transfers. This appropriation will allow the Agency to request a deposit from the Department of Labor for wire transfer to the local WIB office.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C56 - Loans to Local WIBs

Funding Sources: 177 - DWS - Cash

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Loans 5120029	53,643	500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total	53,643	500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000

Funding Sources									
Federal Revenue 4000020	53,643	500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total Funding	53,643	500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	53,643	500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000

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.

The Agency is requesting to discontinue appropriation for this program since funding will be fully expense during FY13.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C49 - UI Modernization - ARRA

Funding Sources: 177 - DWS Cash

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
ARRA 2009	5900052	155,184	8,900,000	9,595,093	0	0	0	0	0	0
Total		155,184	8,900,000	9,595,093	0	0	0	0	0	0

Funding Sources										
Federal Revenue	4000020	155,184	8,900,000		0	0	0	0	0	0
Total Funding		155,184	8,900,000		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		155,184	8,900,000		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2013-2015 BIENNIUM.