

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
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
2SC Excess Unemploy Benefits/Expenses	4,290,111	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	11,304,389	0
2SD Operations	56,676,992	868	61,529,090	916	81,605,322	934	78,184,629	934	78,184,629	934	78,257,494	935	78,224,398	934	78,224,398	934	78,297,263	935
2SE Workforce Investment Act	20,252,480	0	21,849,540	0	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0
25F UI Trust Fund Loan Interest	5,716,085	0	24,000,000	0	24,000,000	0	3,000,001	0	3,000,001	0	3,000,001	0	3,000,001	0	3,000,001	0	3,000,001	0
35Q DWS Training Trust Fund	2,440,759	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	3,328,350	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	546,073	0	850,000	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	9,593,555	47	34,420,979	44	40,000,000	44	40,000,000	44	40,000,000	44	40,000,000	44	40,000,000	44	40,000,000	44	40,000,000	44
C27 Unemployment Benefits & Expenses - Cash	61,182,447	0	62,000,000	0	62,000,000	0	20,000,001	0	20,000,001	0	20,000,001	0	20,000,001	0	20,000,001	0	20,000,001	0
C28 Federal Employees Benefit-Cash	79,540,247	0	175,000,000	0	175,000,000	0	175,000,000	0	175,000,000	0	175,000,000	0	175,000,000	0	175,000,000	0	175,000,000	0
C29 U I Benefits - Taxable Employers - Cash	259,093,166	0	464,226,951	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	14,287,735	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	30,000,000	0	30,000,000	0
C31 Bldg Improvmnt/Land-Reed Act	0	0	0	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	579,764	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
Total	517,527,764	915	895,706,949	960	1,135,635,711	978	1,069,215,020	978	1,069,215,020	978	1,069,287,885	979	1,069,254,789	978	1,069,254,789	978	1,069,327,654	979

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	66,537,035	11.0	85,835,153	8.9	67,134,679	7.0	67,134,679	7.0	67,134,679	7.0	52,906,862	5.6	52,906,862	5.6	52,906,862	5.6	
General Revenue	4000010	3,901,924	0.6	3,902,163	0.4	3,902,163	0.4	3,902,163	0.4	3,902,163	0.4	3,902,163	0.4	3,902,163	0.4	3,902,163	0.4	
Federal Revenue	4000020	498,850,535	82.7	847,274,397	88.0	884,287,165	91.9	884,287,165	91.9	884,287,165	91.9	873,521,400	93.2	873,521,400	93.2	873,521,400	93.2	
Stabilization Tax	4000033	5,097,606	0.8	4,016,577	0.4	4,000,000	0.4	4,000,000	0.4	4,000,000	0.4	4,000,000	0.4	4,000,000	0.4	4,000,000	0.4	
Advance Interest Funds	4000070	26,642,575	4.4	19,087,338	2.0	1	0.0	1	0.0	1	0.0	1	0.0	1	0.0	1	0.0	
Employer Penalties & Interest	4000225	3,333,242	0.6	3,526,000	0.4	3,526,000	0.4	3,526,000	0.4	3,526,000	0.4	3,526,000	0.4	3,526,000	0.4	3,526,000	0.4	
Transfer to DHS-DCO	4000612	(1,000,000)	(0.2)	(800,000)	(0.1)	(800,000)	(0.1)	(800,000)	(0.1)	(800,000)	(0.1)	(800,000)	(0.1)	(800,000)	(0.1)	(800,000)	(0.1)	
Total Funds		603,362,917	100.0	962,841,628	100.0	962,050,008	100.0	962,050,008	100.0	962,050,008	100.0	937,056,426	100.0	937,056,426	100.0	937,056,426	100.0	
Excess Appropriation/(Funding)		(85,835,153)		(67,134,679)		107,165,012		107,165,012		107,237,877		132,198,363		132,198,363		132,271,228		
Grand Total		517,527,764		895,706,949		1,069,215,020		1,069,215,020		1,069,287,885		1,069,254,789		1,069,254,789		1,069,327,654		

Variations in fund balance due to unfunded appropriation in (2SD) Operations, (2SE) Workforce Investment Act, (4KP) TANF - IDA, (4KP) TANF Block Grant Paying/New Hire Registry, (C29) UI Benefits - Taxable Employers - Cash, (C31) Bldg Improvmnt/Land - Reed Act, and (C56) Loans to Local WIBs.

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.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Request provides for Base Level for the 2015-2017 Biennium.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
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: 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.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Request provides for Base Level for the 2015-2017 Biennium.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Payment/Expenses	5900046	4,290,111	11,304,389	11,304,389	11,304,389	11,304,389	11,304,389	11,304,389	11,304,389	11,304,389
Total		4,290,111	11,304,389	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	13,989,075	13,032,206		5,227,817	5,227,817	5,227,817	0	0	0
Employer Penalties & Interest	4000225	3,333,242	3,500,000		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total Funding		17,322,317	16,532,206		8,727,817	8,727,817	8,727,817	3,500,000	3,500,000	3,500,000
Excess Appropriation/(Funding)		(13,032,206)	(5,227,817)		2,576,572	2,576,572	2,576,572	7,804,389	7,804,389	7,804,389
Grand Total		4,290,111	11,304,389		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 include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level request is \$61,271,335 in FY16 and \$61,311,104 in FY17.

The Agency's Change Level request is \$16,913,294 each year of the biennium, and reflects the following:

- Regular Salaries and Personal Services Matching in the amount of \$675,676 each year of the biennium due to 18 restored positions and 9 reclassification positions.
- Overtime and Personal Services Matching in the amount of \$40,000 each year of the biennium.
- Operating Expenses in the amount of \$10,757,645 due to the agencies new requirement of determining TANF eligibility, which was administered by the Department of Human Services.
- Conference & Travel Expenses in the amount of \$634,808 due to the agencies new requirement of determining TANF eligibility, which was administered by the Department of Human Services.
- Professional Fees in the amount of \$2,386,164 due to an increase in the monthly DIS bill caused from agencies migrating from the old mainframe to the new mainframe.
- Capital Outlay in the amount of \$2,419,001 for each of the biennium due to the agencies new requirement of determining TANF eligibility, which was administered by the Department of Human Services.

The Executive Recommendations provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation. In addition, the Legislative Recommendation provides for the transfer of (1) C128 Software Engineer Lead position from the Department of Information Systems to Arkansas Department of Workforce Services.

Appropriation Summary

Appropriation: 2SD - Operations

Funding Sources: TES - DWS Trust Fund

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	27,709,753	33,352,762	36,251,490	33,647,288	33,647,288	33,702,444	33,679,388	33,679,388	33,734,544
#Positions		868	916	934	934	934	935	934	934	935
Extra Help	5010001	3,009,145	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
#Extra Help		246	380	380	380	380	380	380	380	380
Personal Services Matching	5010003	11,736,460	12,439,024	13,363,180	12,717,159	12,717,159	12,734,868	12,724,828	12,724,828	12,742,537
Overtime	5010006	11,102	20,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Operating Expenses	5020002	11,793,035	10,578,096	23,721,905	21,335,741	21,335,741	21,335,741	21,335,741	21,335,741	21,335,741
Conference & Travel Expenses	5050009	84,228	70,632	705,440	705,440	705,440	705,440	705,440	705,440	705,440
Professional Fees	5060010	2,102,043	1,613,836	1,784,306	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	231,226	154,740	2,419,001	2,419,001	2,419,001	2,419,001	2,419,001	2,419,001	2,419,001
Total		56,676,992	61,529,090	81,605,322	78,184,629	78,184,629	78,257,494	78,224,398	78,224,398	78,297,263
Funding Sources										
Federal Revenue	4000020	56,676,992	61,529,090		60,020,112	60,020,112	60,020,112	59,182,313	59,182,313	59,182,313
Total Funding		56,676,992	61,529,090		60,020,112	60,020,112	60,020,112	59,182,313	59,182,313	59,182,313
Excess Appropriation/(Funding)		0	0		18,164,517	18,164,517	18,237,382	19,042,085	19,042,085	19,114,950
Grand Total		56,676,992	61,529,090		78,184,629	78,184,629	78,257,494	78,224,398	78,224,398	78,297,263

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.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level request is \$21,849,540 each year of the biennium.

The Agency's Change Level request provides for an increase in Grants and Aid of \$38,150,460 each year of the biennium due to anticipation of additional WIA grants.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	20,252,480	21,849,540	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Total		20,252,480	21,849,540	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000

Funding Sources										
Federal Revenue	4000020	20,252,480	21,849,540		21,849,540	21,849,540	21,849,540	20,243,320	20,243,320	20,243,320
Total Funding		20,252,480	21,849,540		21,849,540	21,849,540	21,849,540	20,243,320	20,243,320	20,243,320
Excess Appropriation/(Funding)		0	0		38,150,460	38,150,460	38,150,460	39,756,680	39,756,680	39,756,680
Grand Total		20,252,480	21,849,540		60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000

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.

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.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level request is \$24,000,000 each year of the biennium.

The Agency's Change Level request provides for a decrease to the Loan Interest line item by \$(20,999,999) each year of the biennium due to reduced amounts being transferred to the clearing fund. Agency would like to maintain \$1 in Loan Interest line item as a holding marker in case the economy takes a downturn.

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	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	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	5,716,085	21,000,000	21,000,000	1	1	1	1	1	1
Total	5,716,085	24,000,000	24,000,000	3,000,001	3,000,001	3,000,001	3,000,001	3,000,001	3,000,001

Funding Sources									
Fund Balance 4000005	36,637,251	57,563,741		52,651,079	52,651,079	52,651,079	49,651,079	49,651,079	49,651,079
Advance Interest Funds 4000070	26,642,575	19,087,338		1	1	1	1	1	1
Total Funding	63,279,826	76,651,079		52,651,080	52,651,080	52,651,080	49,651,080	49,651,080	49,651,080
Excess Appropriation/(Funding)	(57,563,741)	(52,651,079)		(49,651,079)	(49,651,079)	(49,651,079)	(46,651,079)	(46,651,079)	(46,651,079)
Grand Total	5,716,085	24,000,000		3,000,001	3,000,001	3,000,001	3,000,001	3,000,001	3,000,001

Analysis of Budget Request

Appropriation: 35Q - DWS Training Trust Fund

Funding Sources: TWT - DWS Training Trust Fund

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

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Request provides for Base Level for the 2015-2017 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	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Personal Services, Operating Expen:5900046	2,440,759	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	2,440,759	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	6,475,630	6,632,477		3,725,114	3,725,114	3,725,114	725,114	725,114	725,114
Stabilization Tax	4000033	2,597,606	2,092,637		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Funding		9,073,236	8,725,114		5,725,114	5,725,114	5,725,114	2,725,114	2,725,114	2,725,114
Excess Appropriation/(Funding)		(6,632,477)	(3,725,114)		(725,114)	(725,114)	(725,114)	2,274,886	2,274,886	2,274,886
Grand Total		2,440,759	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, 2015. The Agency will request to continue this funding during the 90th 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.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Request provides for Base Level for the 2015-2017 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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5900046	3,328,350	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		3,328,350	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	9,435,079	8,606,729		5,530,669	5,530,669	5,530,669	2,530,669	2,530,669	2,530,669
Stabilization Tax	4000033	2,500,000	1,923,940		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Funding		11,935,079	10,530,669		7,530,669	7,530,669	7,530,669	4,530,669	4,530,669	4,530,669
Excess Appropriation/(Funding)		(8,606,729)	(5,530,669)		(2,530,669)	(2,530,669)	(2,530,669)	469,331	469,331	469,331
Grand Total		3,328,350	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).

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level request is \$850,000 each year of the biennium.

The Agency's Change Level request provides for an increase in Professional Fees of \$850,000 each year of the biennium due to the anticipation of more individual TANF contracts given out in FY16 and FY17.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		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	546,073	850,000	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		546,073	850,000	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	546,073	850,000		850,000	850,000	850,000	850,000	850,000	850,000
Total Funding		546,073	850,000		850,000	850,000	850,000	850,000	850,000	850,000
Excess Appropriation/(Funding)		0	0		850,000	850,000	850,000	850,000	850,000	850,000
Grand Total		546,073	850,000		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 Revenue.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level request is \$34,442,725 in FY16 and \$34,445,921 in FY17.

The Agency's Change Level request provides for an increase in TANF/New Hire Registry of \$5,557,275 in FY16 and \$5,554,079 in FY17 due to ADWS taking over new TANF eligibility from Department of Human Services.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
TANF/New Hire Registry	5900046	9,593,555	34,420,979	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Total		9,593,555	34,420,979	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000

Funding Sources										
General Revenue	4000010	3,901,924	3,902,163		3,902,163	3,902,163	3,902,163	3,902,163	3,902,163	3,902,163
Federal Revenue	4000020	6,691,631	31,318,816		31,340,562	31,340,562	31,340,562	23,018,816	23,018,816	23,018,816
Transfer to DHS-DCO	4000612	(1,000,000)	(800,000)		(800,000)	(800,000)	(800,000)	(800,000)	(800,000)	(800,000)
Total Funding		9,593,555	34,420,979		34,442,725	34,442,725	34,442,725	26,120,979	26,120,979	26,120,979
Excess Appropriation/(Funding)		0	0		5,557,275	5,557,275	5,557,275	13,879,021	13,879,021	13,879,021
Grand Total		9,593,555	34,420,979		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.
- Department of Workforce Services Special Fund - for repayment to the Special Fund for building construction costs from the federally funded operating budget.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level request is \$62,000,000 each year of the biennium.

The Agency's Change Level request provides for a reduction of \$(41,999,999) each year of the biennium, and reflects the following:

- Training Allowances in the amount of \$3,000,000 due to Arkansas receiving approval from U.S. Department of Labor for Travel Stipend Modification.
- Payments to Participating Contractors in the amount of \$5,000,000 due to increase of tuition, fees, tools and books required by the school for participating students in this program.
- UI Advance Repayment reduction in the amount \$(49,999,999) both years of the biennium as the agency will have paid the Title XII loan back in FY15.

The Executive Recommendations 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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	9,436	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	3,015,429	2,000,000	2,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Payments to Part Contractors	5900047	8,157,582	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
UI Advance Repayment	5900048	50,000,000	50,000,000	50,000,000	1	1	1	1	1	1
Total		61,182,447	62,000,000	62,000,000	20,000,001	20,000,001	20,000,001	20,000,001	20,000,001	20,000,001
Funding Sources										
Federal Revenue	4000020	61,182,447	62,000,000		62,000,000	62,000,000	62,000,000	62,000,000	62,000,000	62,000,000
Total Funding		61,182,447	62,000,000		62,000,000	62,000,000	62,000,000	62,000,000	62,000,000	62,000,000
Excess Appropriation/(Funding)		0	0		(41,999,999)	(41,999,999)	(41,999,999)	(41,999,999)	(41,999,999)	(41,999,999)
Grand Total		61,182,447	62,000,000		20,000,001	20,000,001	20,000,001	20,000,001	20,000,001	20,000,001

Analysis of Budget Request

Appropriation: C28 - Federal Employees Benefit-Cash

Funding Sources: 177 - DWS Cash

The Federal Employees Benefit Payments appropriation is funded by federal dollars deposited into a cash account. These funds are provided to pay unemployment benefits to unemployed federal civilian employees, ex-servicemen, and public service employees.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Request provides for Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C28 - Federal Employees Benefit-Cash

Funding Sources: 177 - DWS Cash

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee	5100023	79,540,247	175,000,000	175,000,000	175,000,000	175,000,000	175,000,000	175,000,000	175,000,000	175,000,000
Total		79,540,247	175,000,000	175,000,000	175,000,000	175,000,000	175,000,000	175,000,000	175,000,000	175,000,000

Funding Sources										
Federal Revenue	4000020	79,540,247	175,000,000		175,000,000	175,000,000	175,000,000	175,000,000	175,000,000	175,000,000
Total Funding		79,540,247	175,000,000		175,000,000	175,000,000	175,000,000	175,000,000	175,000,000	175,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		79,540,247	175,000,000		175,000,000	175,000,000	175,000,000	175,000,000	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.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level request is \$464,226,951 each year of the biennium.

The Agency's Change Level request provides for an increase in appropriation of \$135,773,049 each year of the biennium in order to ensure that there is sufficient authority to address any needs that may arise from an economic downturn and additional appropriation would become 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	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee 5100023	259,093,166	464,226,951	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000
Total	259,093,166	464,226,951	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	259,093,166	464,226,951		464,226,951	464,226,951	464,226,951	464,226,951	464,226,951	464,226,951
Total Funding	259,093,166	464,226,951		464,226,951	464,226,951	464,226,951	464,226,951	464,226,951	464,226,951
Excess Appropriation/(Funding)	0	0		135,773,049	135,773,049	135,773,049	135,773,049	135,773,049	135,773,049
Grand Total	259,093,166	464,226,951		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.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Request provides for Base Level for the 2015-2017 Biennium.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee	5100023	14,287,735	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total		14,287,735	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

Funding Sources										
Federal Revenue	4000020	14,287,735	30,000,000		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total Funding		14,287,735	30,000,000		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		14,287,735	30,000,000		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.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level request is \$0 each year of the biennium.

The Agency's Change Level request provides for an increase in appropriation of \$38,500,000 each year of the biennium. Agency does not anticipate any funding for this program during 2015-2017 Biennium but request appropriation of \$38,500,000 be restored in the event 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	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Reed Act Funds 5900046	0	0	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000
Total	0	0	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	0		38,500,000	38,500,000	38,500,000	38,500,000	38,500,000	38,500,000
Total Funding	0	0		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	0		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).

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level request is \$500,000 each year of the biennium.

The Agency's Change Level request provides for an increase in appropriation of \$1,000,000 each year of the biennium in order to assist in the process of making loans to local workforce investment boards.

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	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Loans 5120029	579,764	500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total	579,764	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	579,764	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	579,764	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)	0	0		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Grand Total	579,764	500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000