

DEPARTMENT OF WORKFORCE EDUCATION (ADWE) Agency 590
Department and DWE Public School Fund Appropriations
2007-09 BIENNIUM

BUDGET INFORMATION ACCORDING TO ALC/JBC RECOMMENDATIONS

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The mission of the Arkansas Department of Workforce Education (ADWE) is to provide leadership and contribute resources to serve the diverse and changing workforce training needs of the youth and adults of Arkansas.

The Department is responsible for administering public secondary and postsecondary vocational, technical and adult education programs, Arkansas Rehabilitation Services, the Arkansas State Approving Agency for Veterans Training, and the Federal Surplus Property Agency. The Department of Workforce Education is under the authority of the State Board of Workforce Education and Career Opportunities.

TOTAL BIENNIAL BUDGET

Department:

The total budget is \$32.7 million in FY08 and \$32.8 million in FY09, exclusive of the Department of Workforce Education Public School Fund Account Appropriations.

DWE - PUBLIC SCHOOL FUND:

The total budget for the Arkansas Department of Workforce Education from the Public School Fund is \$44.7 million in FY08 and \$44.1 million in FY09.

FUNDING SOURCE

Department:

The operations and programs of the Department are financed by a variety of sources including General Revenue - 8%, Special Revenue - 7%, Educational Excellence Trust Funds - 10%, Federal Funds - 71%, and fund balances 4%.

DWE - PUBLIC SCHOOL FUND:

The ADWE - Public School Fund is primarily funded by general revenue allocations through the Revenue Stabilization Law (74%), the Educational Excellence Trust Fund (25.6%) and Fund Balances (.4%).

II) SIGNIFICANT CHANGES

DEPARTMENT:

A General Revenue increase of \$67,050 in FY08 and \$135,448 in FY09 is provided for a 2% cost of living adjustment for Salaries and Matching.

FEDERAL SURPLUS PROPERTY PROGRAM (APPROPRIATION 307)

This appropriation is provided for personal services and operating expenses for the ADWE - Federal Surplus Property Program, and is funded by fees which are assessed on donated property to cover expenses of transporting and handling. These fees usually run 10 percent or less of the market value of the donated property. These fees are classified as Special Revenue. This program serves as a broker in securing excess or surplus property from the federal government and makes it

available to public agencies, private nonprofit health and educational institutions and homeless shelters. The total budget is \$1,590,743 in FY08 and \$1,602,804 in FY09 which includes the following increase:

Regular Salaries & Matching: An increase of \$103,056 in FY08 and \$115,117 in FY09 for the restoration of 3 positions to allow for the Agency to respond to changing conditions in a timely manner and to provide a 2% cost of living increase.

FEDERAL VOCATIONAL-TECHNICAL EDUCATION-OPERATIONS (APPROPRIATION 641)

This appropriation is provided for personal services and operating expenses of the Federal Vocational-Technical Education Program operations, and is funded by federal funds. The total budget is \$16,149,112 in FY08 and \$16,163,952 in FY09 which includes the following increase:

Regular Salaries & Matching: An increase of \$113,932 in FY08 and \$128,772 in FY09 to restore 2 unfunded positions to allow the agency to respond to changing conditions in a timely manner and to provide a 2% cost of living increase.

FEDERAL VETERAN'S APPROVING AGENCY (APPROPRIATION 649)

This appropriation provides federal funding received from the Veterans Administration which enables the Agency to evaluate and approve public and private schools, as well as specialized training programs, such as, apprenticeship and on-the-job training programs so that eligible veterans, service persons, or eligible dependents can receive educational benefits. The total budget is \$231,320 in FY08 and \$234,847 in FY09 which includes the following increase:

Regular Salaries & Matching - An increase of \$27,497 in FY08 and \$31,024 in FY09 for the restoration of appropriation received through a Miscellaneous Federal Grant during FY2007 and to provide a 2% cost of living increase.

DWE - PUBLIC SCHOOL FUND:

A total General Revenue increase of \$10,540,650 in FY08 and \$9,931,312 in FY09 over base level is provided for the following purposes:

Purpose	FY08	FY09
Loan Forgiveness	\$1,740,000	\$1,130,000
Transfer of Secondary Vocational Area Centers	8,800,000	\$8,800,000
2% Cola	650	1,312

VOCATIONAL CENTER AID (APPROPRIATION 201)

This appropriation provides aid to vocational centers in partnership with high schools, two-year colleges. The budget for this program is \$20,136,383 each year of the biennium. This budget includes a transfer of \$8.8 million each year in appropriation and funding transferred from the Department of Education Public School Fund for Secondary Vocational Area Centers.

LOAN FORGIVENESS (APPROPRIATION 4KW)

This appropriation provides assistance to Arkansans who enter and complete technical education programs that qualify them to fill the demand for employees in various technical occupations by paying up to \$2,500 per year up to four (4) years for each

qualifying person.

The total budget for this program is \$1.74 million in FY08 and \$1.13 million in FY09. This was formerly funded by the General Improvement Fund.

III) ADDITIONAL POSITIONS

DEPARTMENT:

Total positions for FY 2007-09 Biennium: 107

Total positions for FY 2005-07 Biennium: 107

Increase / (Decrease): 0

DWE - PUBLIC SCHOOL FUND:

Total positions for FY 2007-09 Biennium: 1

Total positions for FY 2005-07 Biennium: 1

Increase / (Decrease): 0

IV) SPECIAL LANGUAGE

FEDERAL MATCHING: Authorizes the Public School Fund Workforce Program monies appropriated for Adult Basic & General Education, Coordinated Career Education Services, Vocational Center Aid and Vocational Start-Up Grants and Aids to be used to match any available federal funds in order to provide the maximum amount of money possible for the programs.

VOCATIONAL START-UP: Requires the funds and appropriation provided for vocational start-up to be allocated in accordance with rules and regulations established by the State Board of Workforce Education and Career Opportunities after the rules and regulations have undergone a prior review by the Rules and Regulations Subcommittee of the Legislative Council or Joint Budget Committee.

EDUCATIONAL TRAINING/RETRAINING: Requires \$300,000 of the funds and appropriation authorized for Adult Basic and General Education, be made available to eligible entities approved by the State Board of Workforce Education and Career Opportunities to expand the education, training and re-training opportunities available due to changing technology. In the event the official revenue forecast or the available carryover balance does not provide for full funding of the Adult Basic/General Adult Education appropriation, the language authorizes a proportional reduction to the \$300,000 requirement.

FEDERAL JTPA VOCATIONAL EDUCATION: Allows department employees employed as Extra Help by the Dislocated Workers Task Force Program to earn 85% of the maximum annual salary of a comparable position as authorized not to exceed 1400 hours during any fiscal year.

WORKFORCE 2000 DISTRIBUTION. Establishes a maximum of 6.309% of total funds available from the Work Force 2000 Development Fund that may be transferred to various technical institutes or comprehensive lifelong learning centers, and requires these transfers to be made to the State Treasury fund or fund account from which the technical institute or comprehensive lifelong learning center draws its general revenue support. In addition, authorizes the continued distribution of the previous year's actual Workforce 2000 distribution to a Technical

College, Community College or educational institution that is transferred or merged.

ADULT EDUCATION DISTRIBUTION: Establishes a fund transfer priority for those Adult Education administrative units that are determined to be operating efficient and effective adult education programs under criteria established by the Board of Workforce Education and Career Opportunities. These criteria shall be established in rules and regulations promulgated by the State Board of Workforce Education and Career Opportunities, and shall include relative administrative efficiency in the counties served, achievement of federal performance indicators, and literacy rates. Establishes that "literacy rate" shall be determined by the number of adults completing less than the 12th grade as reported by the most recent decennial federal census. Requires unallocated funds to be redistributed based upon needs as determined by the State Board of Workforce and Career Opportunities.

APPROPRIATION CARRYOVER PROVISION: Authorizes technical institutes to carry forward unexpended appropriation provided to support the funds they received from the Workforce 2000 Development Fund at the end of any fiscal year.

TRANSFER OF FUNDS: Requires the Chief Fiscal Officer of the State to establish a special line item to be used in the acquisition of promotional items upon request by the ADWE. It further requires ADWE to obtain State Board of Workforce and Career Opportunities approval and Arkansas Legislative Council or Joint Budget Committee prior approval when they want to transfer monies from their operating expense appropriation to their Promotional Items line item. Classifies the legislative prior review and approval language as non-severable language, and if the prior review and approval is ruled unconstitutional then the entire section is void.

POSITION FUNDING RESTRICTION: Requires the following positions assigned to the Federal Surplus Property Program to be paid solely from fees generated by the same program:

Position Title	No. of Positions
Surplus Property Inventory Control Manager	1
Surplus Property Agent	2
Secretary II	1

Provides for the deletion of the following language which is to moved to the appropriation act for the Department of Finance and Administration - Disbursing Officer.

FUND BALANCES. VOCATIONAL TECHNICAL RETIREMENT CASH FUND: Requires the agency disbursing officer to monitor fund balances on a monthly basis, and requires the agency head to obtain Chief Fiscal Officer approval following a prior review by the Arkansas Legislative Council to spend down the Retirement Cash Fund balance below \$81,530. The request for approval must include: a plan that indicates the impact of such expenditures, information regarding what programs would be cut

or other measures to restore the fund balance, extent to which the expenditures are one-time, statement that the expenditure will not jeopardize the financial health of the agency or result in a permanent depletion of the fund balance.

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