

**ARKANSAS DEPARTMENT OF ECONOMIC DEVELOPMENT
AGENCY # 790 - 2007-09 BIENNIUM**

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

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

TOTAL BIENNIAL BUDGET

The total budget of the Arkansas Department of Economic Development is \$256,045,497 the first year and \$255,877,817 the second year.

FUNDING SOURCE

The budget is funded with 71% federal dollars, 26.5% general revenue, 2% fund balances and the remaining funds are from settlement proceeds.

II) CHANGES/APPROPRIATIONS

1. The state operations appropriation, funded with general revenue for \$11,906,991 the first year and \$11,689,539 the second year has:

- a. An increase of \$244,100 the first year for capital outlay.
- b. An increase of \$73,250 the first year and \$32,500 the second year for operating expenses.
- c. An increase of \$5M each year for the Economic Infrastructure Program.
- d. An increase of \$118,244 the first year and \$120,523 the second year in regular salaries and matching for a new Manager International Relations position.

2. The State Energy Plan - Federal appropriation, funded with federal dollars has an increase of \$44,309 each year in regular salaries and matching of the biennium for one position - an Energy conservation Program Coordinator, Grade 22 to manage and coordinate bio-energy and industrial program activities under the State Energy Plan.

3. The Industry Training appropriation, funded with general revenue for \$3,147,266 each year has an increase of \$1.5M each year for the Existing Worker Training Program.

III) ADDITIONAL POSITIONS

Total positions for 2005-2007: 108

Total positions for 2007-2009: 102

Increase/ (Decrease): (6)

IV) SPECIAL LANGUAGE

- 1. Carry Forward for federal Community Assistance Division Community Development Block Grant (CDBG) funds.
- 2. Carry forward for Century Tube Program Funds.
- 3. Limits the expenditure of funds for Industry Training Program; states that funds shall be used for expenses necessary to assist in carrying on the Existing Worker Training Program and the equipment shall be stored at a location determined by

the ADED Director when not in use.

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

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

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

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

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

9. Transfer Provision for foreign offices allows transfer of appropriation between foreign offices to respond to changes in the world markets. Non-severability language added.

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

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

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

13. Transfer - Industry training. Allow any savings to be used for Extra Help, Maintenance and Operations, and Industry Training line items. Non-severability language added.

14. Transfer - Industry training. Allow any savings in Extra Help line item to be used for Maintenance and Operations after prior review by Legislative Council or Joint Budget Committee. Non-severability language added.

15. **Deletes** transfer of funds language.