

**DEPARTMENT OF WORKFORCE EDUCATION (ADWE)  
DEPARTMENT AND DWE PUBLIC SCHOOL FUND APPROPRIATIONS  
(AGENCY #590) 2009-11 BIENNIUM**

**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 appropriation is \$34.1 million in FY2010 and \$33.8 million in FY2011, exclusive of the Department of Workforce Education Public School Fund Account Appropriations. This appropriated level is an increase of \$699,928 for FY2010 and \$585,802 for FY2011. The total general revenue allocated for the Department is \$3,190,695 for FY2010 and \$ 3,271,266 for FY2011.

**DWE - PUBLIC SCHOOL FUND:**

The total appropriation for the Arkansas Department of Workforce Education payable from the Public School Fund is \$49.7 million for FY2010 and \$44.8 million for FY2011. The total general revenue allocated for the DWE - Public School Fund is \$34,443,233 for FY2010 and \$ 32,444,028 for FY2011.

**FUNDING SOURCE**

**Department:**

The operations and programs of the Department are financed by a variety of sources including General Revenue - 9%, Special Revenue - 7%, Educational Excellence Trust Funds - 10%, Federal Funds - approximately 65%, and fund balances approximately 9%.

**DWE - PUBLIC SCHOOL FUND:**

The ADWE - Public School Fund is funded by general revenue allocations through the Revenue Stabilization Law (72%), the Educational Excellence Trust Fund (25% - FY2010 and 26% - FY2011) and Fund Balances (3% - FY2010 and 2% - FY2011).

**II) SIGNIFICANT CHANGES**

**DEPARTMENT:**

**FEDERAL SURPLUS PROPERTY PROGRAM (FSPP) (APPROPRIATION 307)**

Effective July 1, 2009, Act 1187 of 2009 requires a type 2 transfer of the authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations, or other funds, including the functions of budgeting and purchasing, of the Federal Surplus Property program, under Arkansas Code § 25-2-105 from the Arkansas Department of Workforce Education to the Arkansas Department of Emergency Management.

The appropriation for the FSPP is provided in Act 1383 of 2009 which is the ADWE appropriation act. The appropriation provides for personal services and operating expenses for the FSPP, and is funded by fees classified as special revenue charged for services which consist of actual transportation fees and handling charges. This program serves as a broker in securing excess or surplus property from the federal government and makes it available to public agencies, hospitals, and

educational institutions. The total appropriation is \$2,080,907 for FY2010 and \$1,897,938 for FY2011 which is a total increase of \$450,864 for FY2010 and \$256,924 for FY2011 and includes the following increases:

**Regular Salaries & Matching:** An increase of \$55,864 for FY2010 and \$56,925 for FY2011 for the transfer of one (1) position (Grade C120) Education & Instruction Coordinator from the Dislocated Worker Program.

**Overtime** - An increase of \$20,000 each year for drivers who transport property from across the nation to FSPP's North Little Rock facility.

**Operating Expenses** - An increase of \$170,000 each year for increased transportation costs (\$120,000) and to investigate purchasing, leasing or developing an automated equipment inventory and tracking system (\$50,000).

**Professional Fees** - An increase of \$10,000 each year to investigate purchasing, leasing or developing an automated equipment inventory and tracking system.

**Capital Outlay** - An increase of \$195,000 for FY2010 to purchase a truck and trailer.

#### **HOUSING CONSTRUCTION PROGRAM (APPROPRIATION 35S)**

This appropriation is available to Secondary Area Technical Centers and other eligible entities for the purchase of building materials, supplies and fixtures to be used in construction of a single family dwelling unit or other non residential building projects approved in the Housing Construction Program. The funding for this appropriation comes from revolving loans the Agency disburses to qualified entities. The total appropriation is \$164,806 for FY10 which is one-half the 2007-2009 biennial appropriation. The second half of the appropriation will be provided for FY2011. This splitting in half of the biennial appropriation is in response to the passage of Amendment 86 to the Arkansas Constitution which limits appropriations to one-year appropriations. The effect of this changes serves to reduce the overall appropriation for the Department for FY10 by \$164,806, but increase the appropriation level for FY11 by \$164,806.

#### **ARKANSAS ADVISORY COUNCIL FOR VOCATIONAL EDUCATION - STATE (APPROPRIATION 093)**

The Arkansas Advisory Council for Vocational Education appropriation was not funded for the 2007-09 biennium therefore the appropriation is not continued for the 2009-11 biennium.

#### **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 authorized appropriation is \$15,975,464 for FY2010 and \$15,995,956 for FY2011 which includes the following increases/changes:

**Regular Salaries & Matching:** An increase of \$155,842 for FY2010 and \$159,071 for FY2011 to restore and transfer 3 positions which were allocated to the Dislocated Worker Program which is to be transferred to the Department of Workforce Services.

**Extra Help** - Transfer 23 Extra Help positions formerly authorized for the Job Training Partnership Act appropriation which is not going to continue for the 2009-2011 biennium.

**Data Processing** - Reallocation of \$43,436 each year to Operating Expenses to properly classify expenditures.

#### **ADULT BASIC EDUCATION (APPROPRIATION 644)**

This general revenue appropriation is used by the Agency to administer the State's adult education programs. The total authorized appropriation is \$692,742 for FY10 and \$448,543 for FY11, and includes the following increases:

**Regular Salaries and Matching:** an increase of \$253,029 to add five

positions to the Adult Basic and General Education program to provide technical assistance and guidance to local programs.

**ADWE - PUBLIC SCHOOL FUND:**

**ADULT BASIC AND GENERAL EDUCATION (APPROPRIATION 453)**

This appropriation is provided for provides grants for educating those adults with less than a high school equivalency and for retraining those already in the workforce. Adult education serves adult learners through adult basic education classes, which are designed for adults functioning up to the 8th grade level. General adult education classes prepare adults who score at the 9th to 12th grade levels.

The total appropriation is \$25,271,953 for FY2010 and \$20,360,928 for FY2011, which is an increase of \$4,911,025 for FY2010.

**III) ADDITIONAL POSITIONS**

**DEPARTMENT:**

Total positions for FY 2009-11 Biennium: 110

Total positions for FY 2007-09 Biennium: 101

Increase / (Decrease): 9

Transfer the following 4 positions from the Federal Dislocated Worker Program:

3 Education & Instruction Coordinators - Grade C120 (1 to the Surplus Property Program and 2 to the Federal Vocational Education-Operations Appropriation)

1 Education & Instruction Manager - Grade C121 to the Federal Vocational Education-Operations Appropriation

Add 5 additional positions for the Adult Basic and General Education Program: 1 DWE Division Mgr (Grade C128), 2 Education & Instruction Coordinators (Grade C120), 1 Fiscal Support Analyst (Grade (C115), and 1 Administrative Specialist III (Grade C112).

**DWE - PUBLIC SCHOOL FUND:**

Total positions for FY 2009-11 Biennium: 1

Total positions for FY 2007-09 Biennium: 1

Increase / (Decrease): 0

**IV) SPECIAL LANGUAGE**

**FEDERAL MATCHING:** Authorizes the Public School Fund appropriated funds for Adult Basic & General Education, Coordinated Career Education Services, Vocational Center Aid and Vocational Start-Up Grants and Aid 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 the Vocational Start-Up appropriation to be allocated in accordance with rules and regulations established by the State Board of Workforce Education and Career Opportunities undergoing 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 which are needed 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.

**Recommends the following FEDERAL JTPA VOCATIONAL EDUCATION Language not be continued. Program is to be transferred to the Dept of Workforce**

**Services but language is not requested for DWS:** 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.

**THE FOLLOWING LANGUAGE IS TRANSFERRED TO THE DFA - DISBURSING AGENCY - 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.

**DELETES THE FOLLOWING SECTION OF LANGUAGE - 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:

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

**DOES NOT RECOMMEND THE FOLLOWING LANGUAGE BE CONTINUED:**

**TEACHER SALARY REQUIREMENTS:** Provides that if Public School Teachers receive funds from the General Assembly for salary increases, then Adult Education Program instructors employed by Adult Education grantees shall also be entitled to the same increase. Also, provides

that additional appropriation provided in the amount of \$487,642 for FY2008 and \$975,182 for FY2009 be used to provide these salary increases and the corresponding matching costs.

**FUNDING ALLOCATION PROVISION - ADULT EDUCATION:** Provides that any general revenue funding allocated from Revenue Stabilization Law allocations above \$32,443,233 shall be distributed equally among all Arkansas adult education programs.

Revised April 2009