

**ARKANSAS DEPARTMENT OF ECONOMIC DEVELOPMENT (790)**  
**2009-11 BIENNIUM - LEGISLATIVE RECOMMENDATION**

**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 \$246,416,216 the first year and \$246,540,997 the second year.

**FUNDING SOURCE**

The budget is funded with 82% bond proceeds, 13% federal dollars, 4% general revenue, and 1% fund balances.

**II) CHANGES/APPROPRIATIONS**

1. The state operations appropriation, funded with general revenue for \$11,564,344 the first year and \$11,671,785 the second year has:

- a. An increase of \$25,000 each fiscal year for capital outlay.
- b. An increase of \$72,500 in operating expenses for additional rent.
- c. An increase of \$1,000,000 in unfunded appropriation for a new grants and aid line item.
- d. Consolidation of 6 separate appropriations (State Matching Grants, Industrial Coordinator Program, Motion Picture Development Office, Established Industry division - State, Business Development - State and Industry Training) into the State Operations appropriation.

**III) ADDITIONAL POSITIONS**

Total positions for 2007-2009: 100

Total positions for 2009-2011: 100

Increase/ (Decrease): 0

**IV) SPECIAL LANGUAGE**

1. Carry forward language for federal Community Assistance Division Community Development Block Grant (CDBG) funds **deleted**.
2. Carry forward language of such appropriation as is authorized in the Department's Act from the first fiscal year into the second there to be used for the same purposes **deleted**.
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 included.

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

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

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 included.

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

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 included.