

**DEPARTMENT OF WORKFORCE SERVICES (0810)**  
**FISCAL YEAR 2013**

**I) AGENCY SUMMARY & REVENUE SOURCES**

**MISSION**

The primary responsibilities of the Department of Workforce Services (DWS) are to promote employment security by increasing opportunities for placement through the maintenance of a system of public employment offices and to provide through the accumulation of funds from employer contribution taxes for the payment of benefits to individuals who are involuntarily unemployed. In addition to these responsibilities, the Department serves as the Governor's Administrative Entity for the Arkansas programs funded by Title I of the Workforce Investment Act, the lead agency for the Governor's Task Force on Dislocated Workers, and provides overall administration and case management services for the Temporary Assistance for Needy Families Program.

**TOTAL APPROPRIATION**

The total appropriation for the Department is \$1.396 billion for FY2013.

**FUNDING SOURCES**

The appropriations for DWS are funded primarily with federal funds with less than .5% of their funding coming from general revenue. The general revenues are used for the state match for the TANF Block Grant Paying appropriation and to provide the state portion of the New Hire Registry Program.

**II) SIGNIFICANT CHANGES**

**AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA) - (APPROPRIATION C48)**

This appropriation provides for payment of any 100% federally funded ARRA unemployment benefit, and benefits to unemployed federal civilian employees, ex-servicemen, and public service employees. Funding is provided by the American Recovery and Reinvestment Act (ARRA) of 2009. Provides \$100 million for FY2013 in the event additional ARRA funding is made available, which is \$100 million **less than** FY2012 due to the spending down of ARRA funds.

**WORKFORCE INVESTMENT ACT (APPROPRIATION 2SE)**

This appropriation funded by federal funds provides for payments to Local Workforce Investment Areas (LWIAs) which provide employment services and preparation to adults, youth and dislocated workers. The total appropriation is \$62.5 million in FY2013 which is a **decrease** of \$1 million for FY2013 due to reduction of the appropriation for ARRA line item.

**III) ADDITIONAL POSITIONS**

Total Positions FY2012-13: 979

Total Positions FY2011-12: 979

Increase / (Decrease): 0

**IV) SPECIAL LANGUAGE**

**RESTRICTIONS ON FUNDS APPROPRIATED TO THE COMMUNITY INVESTMENT**

**INITIATIVE:** Contingent upon available funding, language restricts

funds appropriated for the Community Investment Initiative from the Temporary Assistance to Needy Families (TANF) Block Grant for the following purposes and amounts:

1) At least \$1 million for improving outcomes for youth, 2) At least \$500,000 for parenting and family functioning, 3) At least \$500,000 for marriage and relationship skills, 4) At least \$500,000 for fatherhood programs, 5) At least \$500,000 for family and employment services for ex-offenders, and 6) At least \$500,000 for services to child-only TEA cases.

**SUSPENSION OR REDUCTION OF FUNDS APPROPRIATED TO THE COMMUNITY**

**INVESTMENT INITIATIVE:** Allows the suspension or proportionate reduction of spending to the funds designated by the TEA Board for the six statutory spending categories of the Community Investment Initiative if the Director of the Department and the Transitional Employment Assistance Board certifies to the Governor, the Chief Fiscal Officer of the State and reports to the House and Senate Public Health, Welfare and Labor Committees that Funding from the TANF Block Grant is needed for critical economic development initiatives, for TEA, Work Pays, High Wage Education and Training Programs; Adequate Reserves; and Spending for Economic Development is allowed by Federal Rules.

**CARRY FORWARD - NEW HIRE REGISTRY:** Authorizes the Department to carry forward unexpended balances funds made available for the New Hire Registry Program from the first to the second fiscal year. Requires prior statement of need, report to ALC or Joint Budget Committee (JBC) of all carried forward amounts, report of status of funds carried forward to ALC/JBC, and finally include all of the above information in the biennial budget manuals or a statement of non-compliance.

**EXTRA HELP:** Authorizes 400 extra help positions and exempts any of these positions funded by federal funds from statutory or regulatory hour limitations.

**REED ACT FUNDS:** Provides that funds received by the State may be used as specified in 903 of the Social Security Act and for the specific purposes of construction, and improvement of buildings, rent/lease costs, acquisition of land, payment of salaries and benefits of central and local office staff, maintenance and operations expenses of central and local offices, and payment of Unemployment Insurance benefits. It further restricts the use of these funds so that they cannot obligate more than they receive under Section 903 of the Social Security Act.

**ADDITIONAL POSITIONS:** Authorizes a maximum of 200 federally funded pool positions to carry out program objectives and meet program requirements, with prior Office of Personnel Management approval and prior Arkansas Legislative Council review. If Department wishes to continue the pool positions in the next biennium they must be requested as new positions in the agency's biennial budget request.

**TRANSFER OF APPROPRIATION:** Authorizes transfer of appropriation between all Department appropriations except the Department's "Reed Act Funds", Regular Salaries and Maintenance and General Operations Appropriations subject to Chief Fiscal Officer rules, regulations and

approval, and prior approval by the Arkansas Legislative Council. Also provides that the Legislative approval provision is non-severable, if the approval provision is found to be unconstitutional then the entire section is void.

**INTERAGENCY TRANSFER OF STATE GENERAL REVENUE FOR THE TANF PROGRAMS:**

Authorizes the transfer of \$3,640,650 in general revenue between the Department of Human Services and the Department of Workforce Services in support of the TANF or related State Programs upon request of the Directors of DHS and DWS and Chief Fiscal Officer approval. The Director of DWS must report all transfers to the ALC PEER Committee.

**TRANSFER OF TANF BLOCK GRANT FUNDS TO THE CHILD CARE DEVELOPMENT FUND:**

Requires the transfer of \$7.5 million each year of the biennium from the TANF block grant to the Arkansas Better Chance Program to provide quality childcare and preschool education to transitional employment assistance (TEA) qualifying families and other low income families. Provides for reductions to these transfers if state match is reduced, the TANF grant is reduced or new TANF program cost requirements are imposed.

**ARRA APPROPRIATION RESTRICTIONS:** Requires DWS to use the \$9.6 million appropriated in the UI Modernization - ARRA Appropriation for the administration of the UI Modernization provisions within the ARRA - Stimulus Act of 2009.

**TANF STUDY:** Requires the Department to complete a study, no later than Dec. 31, 2011, of ways to address the financial needs of grandparents raising grandchildren through the Temporary Assistance To Needy Families (TANF) Block Grant. If the Department fails to meet the Dec. 31, 2011 deadline, they are required to begin making \$100 monthly cash assistance payments to grandparents whose income is below 100% of the federal poverty level and who are guardians of their grandchildren. Also amends the emergency clause of Act 937 of 2011 to make this provision effective upon passage and approval.

November 2011