



January 19, 2010

Arkansas Bureau of Legislative Research
ATTN: Ms. Vicki Freeburn, Administrative Coordinator
Room 315, State Capitol Building
Little Rock, Arkansas 72201

Dear Ms. Freeburn:

During the Arkansas Legislative Council meeting on Friday, January 15th, Representative Tracy Pennartz requested Arkansas Department of Workforce Services to provide information regarding the projected increase in Unemployment Insurance tax collections that will result from the increase in the taxable wage base from \$10,000 to \$12,000 effective January 1, 2010. (Reference Act 802 of 2009.)

Please find attached the latest UI Trust Fund projections for calendar years 2010 and 2011. The projected increase in UI tax collections for each year that can be attributed to the increased taxable wage base is now stated in the notes on this summary report.

If there are any questions about this report, please contact ADWS Assistant Director, Ron Calkins. Mr. Calkins' phone number is 682-3380 and his email address is ronald.calkins@arkansas.gov

Sincerely,


Artee Williams

ARKANSAS DEPARTMENT OF WORKFORCE SERVICES
Unemployment Insurance Administration

Summary of Unemployment Insurance Trust Fund Projections

	Actual CY2007	Actual CY2008	Actual CY2009	Projected CY2010	Projected CY2011
Beginning Balance, January 1st	\$ 160.9 M	\$ 142.8 M	\$ 82.5 M	\$ (222.1) M	\$ (348.9) M
Actual/Projected Collections	282.3 M	293.2 M	345.3 M(1)	351.5 M	358.6 M(2)
Actual/Projected Disbursements	300.4 M	353.5 M	649.9 M	478.3 M	388.9 M
Ending Balance, December 31st	\$ 142.8 M	\$ 82.5 M	\$ (222.1) M	\$ (348.9) M	\$ (379.2) M

↑
(Includes \$50.4M UI Modernization in Collections)
M=Million
Last updated as of 12/31/2009

Notes:

- (1) Projected collections for CY2010 include an increase in taxable wage collections of \$50.1 million when compared with CY2009, due primarily to the increase in the taxable wage base from \$10,000 to \$12,000 effective January 1, 2010.
- (2) Projected collections for CY2011 include an additional increase in taxable wage collections of \$10.3 million when compared to CY2010, that can be attributed to the increase in the taxable wage base.