



**ALC-Hospital, Medicaid, Developmental Disabilities
Subcommittee Report:**

Workforce and Safety Net Study

**For the ALC Subcommittee
Presentation January 12, 2026**

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Who we are:

The Alliance for Opportunity (A4O) is a collaborative project of the Georgia Center for Opportunity (GCO). A4O researches and implements policy reforms to **help people move from dependence to the dignity of work and a flourishing life.**

A4O and GCO's work includes **assessing state workforce and safety net outcomes, identifying successful models of workforce and social services delivery, and adapting evidence-based approaches for state implementation.**

Study Objectives:

- 1. Evaluate participation, costs, and outcomes for certain workforce development and public assistance programs in the state.**
- 2. Identify areas for improved coordination among certain workforce development and public assistance programs.**

Methodology:

A4O traveled to Arkansas and conducted site visits and interviews with all levels of staff in 3 DHS county office sites and 3 workforce offices. Staff also conducted virtual interviews with key agency leadership. We gathered public data and asked agencies for specific reports.

Outline:

- 1. Arkansas Status Quo**
- 2. Diagnosis & Site Visit Observations**
- 3. Plan for a Work-First System**

Arkansas Workforce By Key Numbers

58.5% Labor Force Participation Rate

AR consistently ranks in the bottom 10 states

68,000 unfilled positions

with a job openings rate of 4.7%

15.2% disconnected youth

47th worst rate in the nation

202,000 prime-working-age adults
are not engaged in the workforce at all

377,312 Arkansans dependent on SNAP (~12% of the pop)

1,170,254 Arkansans on Medicaid and CHIP (~38% of the pop)

Now is the Time for Arkansas

LEARNS Act
education reforms

Foundational work
on Civiform

Inbound migration
to Arkansas

Data-sharing
infrastructure is
exceptional

Governor Sanders'
10:33 Initiative &
Workforce Cabinet

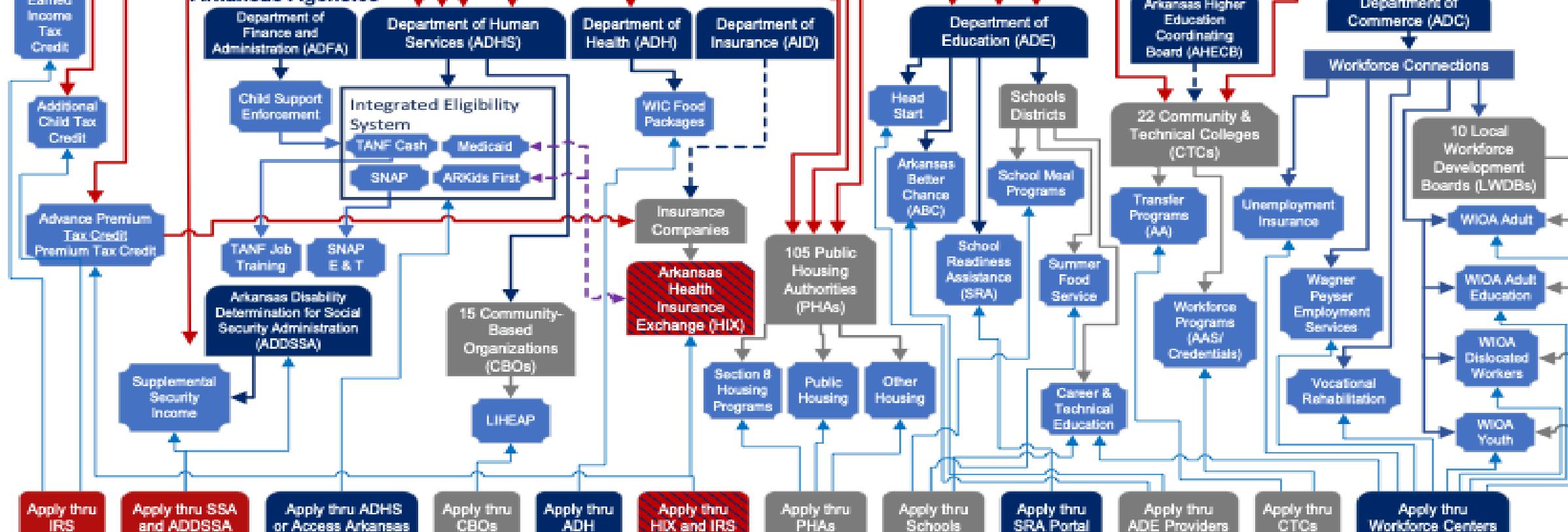
DC is friendly to
state workforce
innovation

Arkansas Doesn't Have a People-First, Work-Centered System

Federal Agencies



Arkansas Agencies



Families and Individuals Needing Assistance

Customers of the “System” are Stuck in Silos

- “One-Stop Centers” contain services funded **primarily through WIOA and Wagner Peyser**. In one-stop centers visited, the typical customer was an **unemployment insurance claimant**.
- **Individuals with disabilities, people seeking public assistance, and people needing skills upgrading** seek such assistance through other means. Human service clients have no referrals to workforce services outside of SNAP E&T.
- **Referrals** between agencies/programs are **informal**, at best, and tracking of “what happens” to the customer does not occur.

RESULT: Customers needing an array of workforce services and supports do not receive them and are **limited in exposure to upward mobility possibilities**.

RISK: Arkansas does not have a comprehensive workforce system to address significant challenges, such as improving labor force participation or addressing impacts of AI and new technologies.

Observations from Site Visits & Research

Human Services Approach DOES NOT Focus on Work

- During site visits, DHS DCO staff informed our team members that SNAP clients potentially eligible for voluntary Employment and Training services often **show little to no interest in participating.**
- In FY2024 there were 2,561 SNAP E&T participants – **only 0.68% of the SNAP population.**
- Social services front line workers **do not typically ask clients about a plan for work.**

RESULT: Customers are “trapped” in poverty while on government assistance as caseloads and expenditures remain unnecessarily elevated.

RISK: As Arkansas implements work requirements, customers in the human services programs have no direct line to workforce programs. State agencies address these requirements on a program-by-program basis versus comprehensively.

Observations from Site Visits & Research

Significant Inherent Inefficiencies

- While challenging to fully quantify without a forensic audit, duplication in physical infrastructure and systems support (case management and eligibility systems) likely means that Arkansas is losing millions of dollars in funds that could support customers.
- For PY24, Arkansas had an allotment of \$14.8 million in WIOA Title I dollars and **only served 1,273 people**.
- For PY24, local workforce areas received **\$14.8 million in total allotments**, of which **\$1.7 million was spent on training**.
- For PY24, the state also received \$5 mil for Wagner Peyser.

RESULT: Arkansas is “leaking” millions of dollars that could be redirected from administration to customer services for both business and worker populations.

RISK: As federal resource constraints grow, Arkansas will be saddled with overhead and forced to implement dramatic reductions in staffing and services to Arkansas business and worker populations.

Observations from Site Visits & Research

Significant Inherent Inefficiencies

- **SNAP E&T** providers include Adult Education (\$2.7 m), an HBCU (\$97K), and a Community College (\$470K).
- **Perkins and the new Workforce Pell dollars** to cover high-quality, short-term workforce training programs administered by Arkansas Division of Higher Education.
- **91.4% (\$47 m) of TANF** spent on funding subgrantees—including the Division of Career & Technical Education's Career Pathways Initiative, Human Development Corp, Department of Workforce Services, Employment & Training Services Inc.

RESULT: Arkansas is “leaking” millions of dollars that could be redirected from administration to customer services for both business and worker populations.

RISK: As federal resource constraints grow, Arkansas will be saddled with overhead and forced to implement dramatic reductions in staffing and services to Arkansas business and worker populations.

Observations from Site Visits & Research

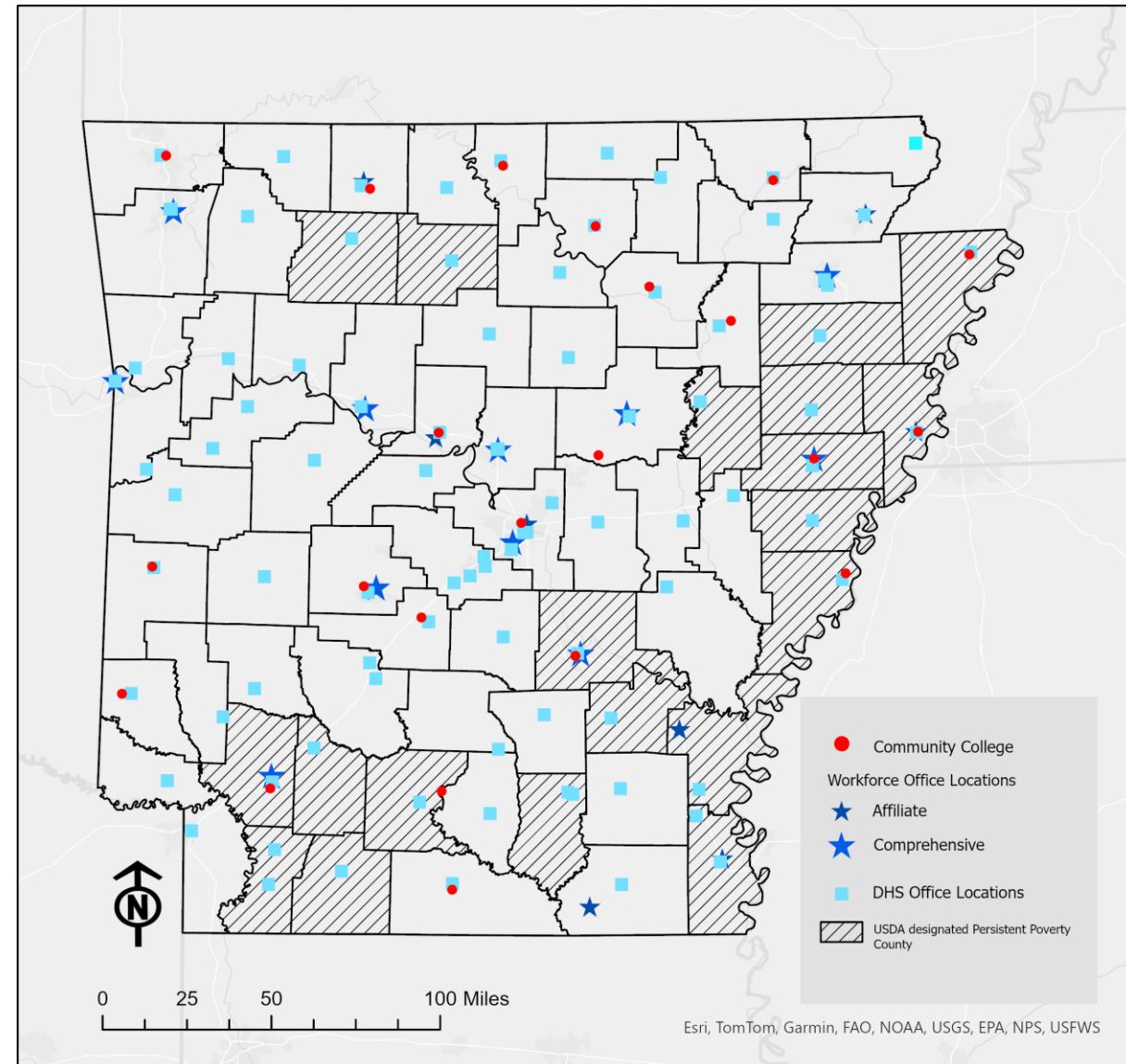
Physical Locations:

The only office in many counties is a human services county office— where there are no direct services or staff for work search, education, or work training.

Clients currently need to navigate different offices for different programs.

NOTE: This does NOT include 105 Public Housing Authorities, 95 health department offices for WIC, 26 child support enforcement offices, 15 orgs administering LIHEAP.

(DRAFT MAP)



PARTICIPANTS		TOTAL FUNDS
WIOA: Title I	FY24 1,273	FY25 Total Allotment: \$14,872,928 Training Cost: \$1,765,771
WIOA: Wagner-Peyser	FY24 53,733	FY25 Allotment* \$4,999,917
Unemployment Insurance	Jan-Dec 2025 71,782 initial claims	FY24 \$72.5M in claims payments FY24 Admin PS/PB: \$9,950,020.94 Admin Other: \$14,489,806.06
WIOA Title II: Adult Education	PY24 11,447	\$6,241,870

Key Workforce Program Spending + Participants

	PARTICIPANTS	TOTAL FUNDS
SNAP E&T	SFY24 2,561	FY24 Budgeted \$11,679,748 Expenditures \$5,141,624
SNAP	SFY24 377,312	FY24 \$525,649,705
Medicaid	SFY24 1,170,254 total eligible	<u>SFY24</u> \$9,051,810,385
	TOTAL Grantee Customers Served: Unreported	SFY25 TOTAL: \$63.2 million
	SFY24 TEA Adults: 1,568 Children: 3,366 Total: 4,934	FY25 Subgrantees: \$48.75 million
TANF	SFY24 TEA WorkPays Adults: 78 Children: 164 Total: 242	SFY24 TEA \$2,122,073
		SFY24 TEA \$125,504

Key Human Services Program Spending + Participants

Arkansas Can Create A “One Door to Work” System

1. Integrated Administrative Structure	Consolidate employment, training, and social service programs into an integrated state workforce agency. Co-locate services physically under this structure.
2. Integrated Service Delivery	A. Regional Alignment: All programs are delivered with a consistent regional approach where the state operationalizes service delivery coordinated locally. B. Integrated Eligibility and Intake: All appropriate eligibility functions are consolidated into a dedicated eligibility division. C. Work-First Case Management: Because programs are administratively integrated, deploy employment-first case management consistently utilized by all workers.
3. Integrated Finances	Develop a Statewide Cost Allocation Model or Administrative Arrangements that braid funds statewide to support a system instead of individual programs.

Component 1: Integrated Administrative Structure

How do we get there?

1. **Legislative:** Draft and pass legislation to create a cabinet-level state workforce agency with commensurate appropriations effective July 1, 2027.
 - a. Provide for transition and further data collection during 2026 to inform the 2027 legislative session.
 - b. During transition provide Governor with opportunity to name a Secretary and create work groups.
2. **Legislative/Executive:** Governor's Workforce Cabinet & legislators develop and implement a plan to move toward a single administrative agency focused on work, including a plan for physical location integration.
3. **Executive:** As part of WIOA mid-cycle State Plan updates, develop and submit a waiver package to realign local workforce development areas into a statewide planning region and move toward a statewide service delivery model.



Component 2: Integrated Service Delivery

Part 1: Consolidate various service delivery structures into a single regional approach.

How do we get there?

- 1. Legislature:** Workforce legislation designates Arkansas as a single state area and provides assurances that all regions of the state will receive appropriate resource allocations.
- 2. Legislature:** Fund transition process to consolidate physical locations and transition staff, as needed.
- 3. Executive:** Utilize planning region and other waivers, execute statewide integrated service delivery implementation and transition approach.



Component 2: Integrated Service Delivery

Part 2: Consolidate customer intake and eligibility into a single eligibility division.

How do we get there?

- 1. Legislature:** Include in enacting legislation language requiring the new agency to utilize LAUNCH and Civiform and train all staff on these common intake forms and common culture of work.
- 2. Executive:** Implement statewide master client index number.
- 3. Legislature/Executive:** Bring financial eligibility for all programs in one shared backend system into a single agency. Expand the integrated eligibility system (currently Medicaid, SNAP, TEA) to include WIC, LIHEAP, Childcare, WIOA.



Component 2: Integrated Service Delivery

Part 3: Deploy an integrated, employment-first case management system focused on self-sufficiency and outcomes.

How do we get there?

- 1. Executive:** Create a common case management process, similar to Hope Hub across all programs administered by the new agency.
- 2. Executive:** Outcomes defined, captured, tracked, and reported to legislature and executive staff by case management (including after exit of the system).

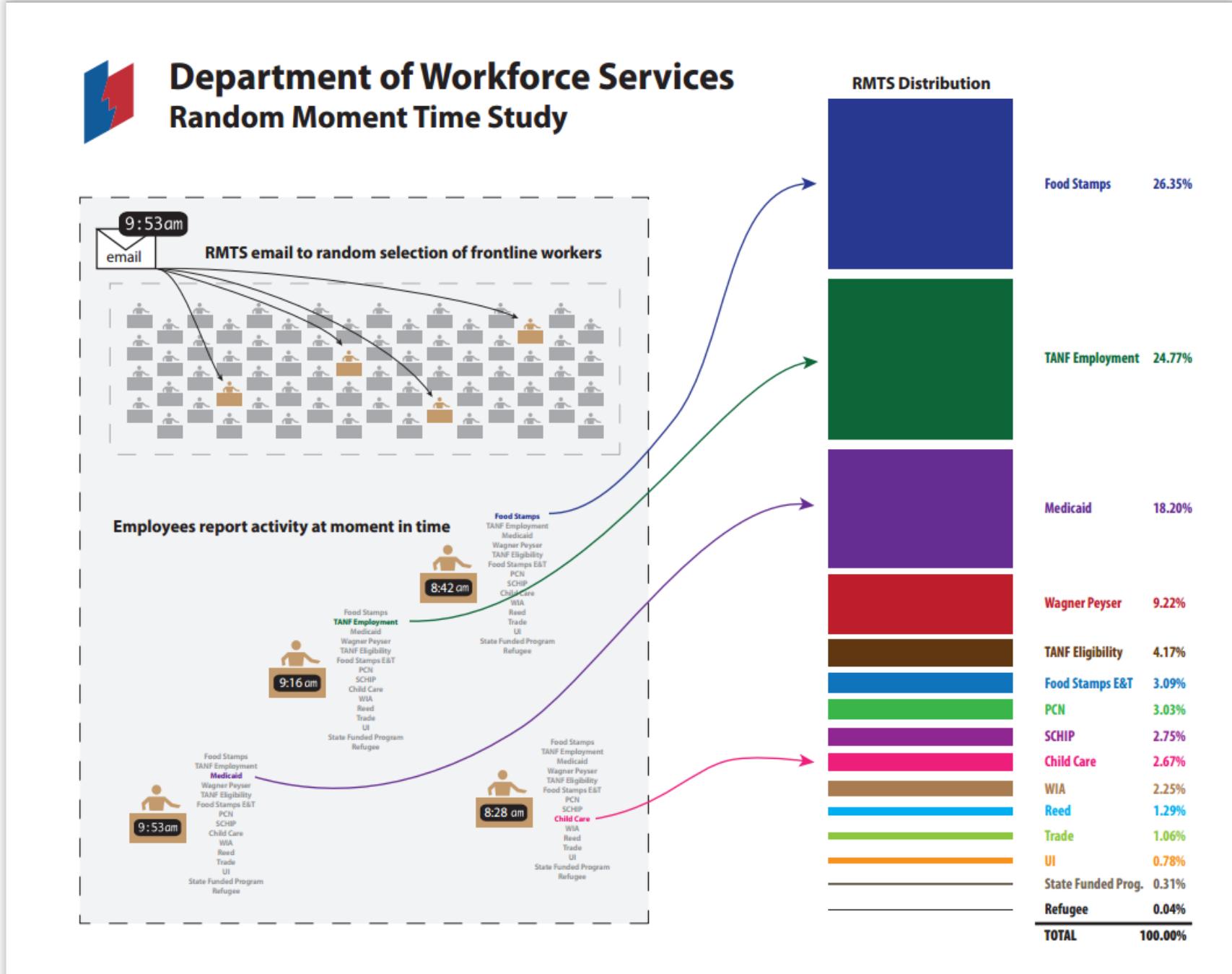


Component 3: Integrated Finances

How do we get there?

- 1. Executive/Legislative:** Governor's Workforce Cabinet assesses agency expenditures and build upon initial asset mapping to eliminate inefficiencies. Make recommendations to Legislature to align appropriations.
- 2. Executive:** Submit request to OMB to approve a Cost Allocation Model.
- 3. Legislative/Executive:** Implement Cost Allocation Model as a part of new agency creation and Legislature aligns appropriations to the new agency.

How does the Utah Department of Workforce Services run its Cost Allocation Model?



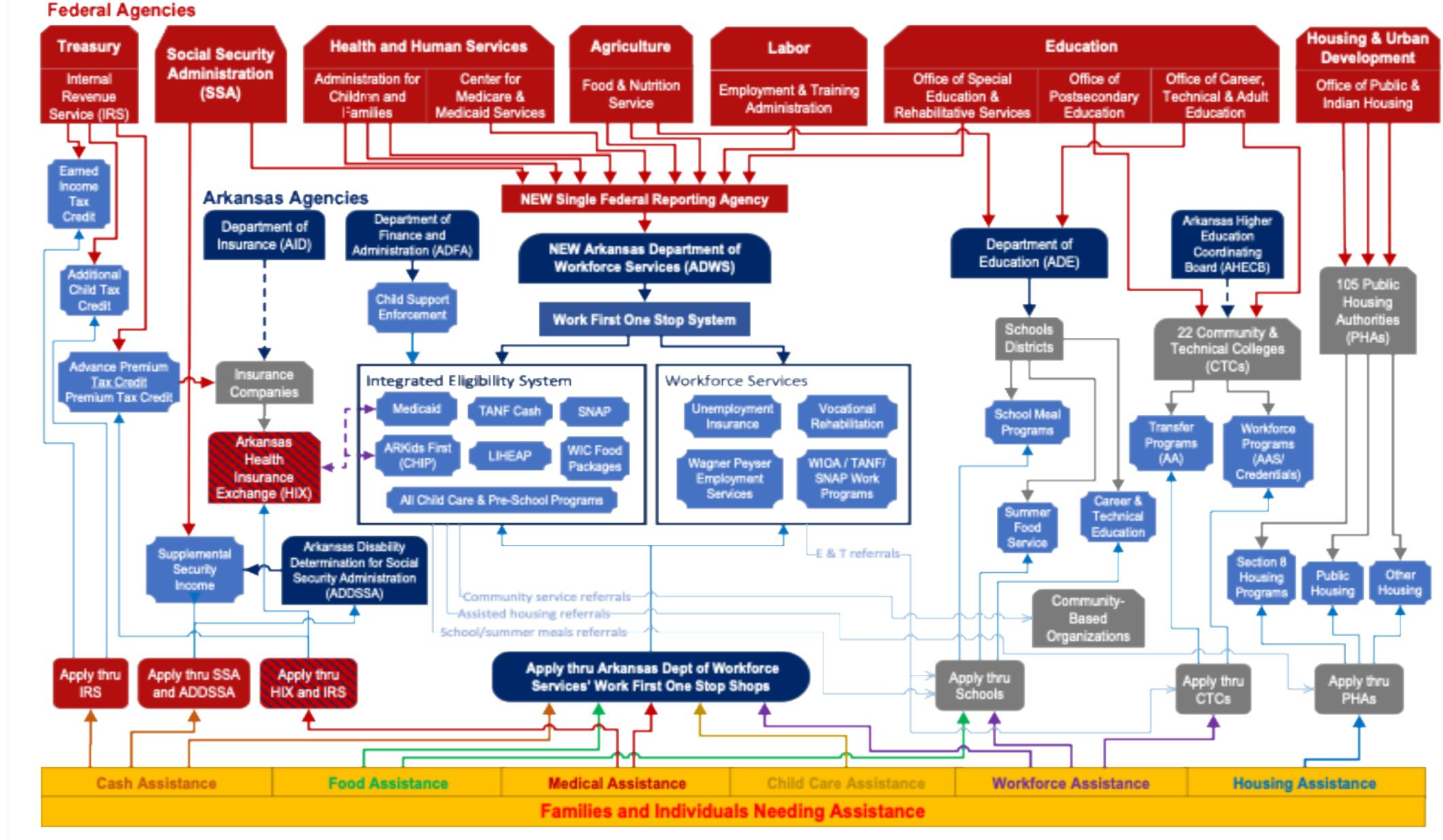
1. Integrated Administrative Structure =
Statewide Workforce Strategy



2. Integrated Service Delivery =
Every Program Is a Work Support

3. Integrated Finances =
**Stop Losing Administrative Millions,
More to Customer Training & Services**

Future State: How Could it Look?





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