

DEPARTMENT OF WORKFORCE EDUCATION

Enabling Laws

Act 2037 of 2005

A.C.A. § 25-30-103 et seq.

A.C.A. § 25-30-201 et seq.

A.C.A. § 6-11-205 and 206

History and Organization

Mission Statement: To provide leadership and contribute resources to serve the diverse and changing workforce training needs of the youths and adults of Arkansas.

Agency History: The Arkansas Department of Workforce Education was created by Act 803 of 1997, the Workforce Education Act, to administer public secondary and postsecondary vocational, technical, and adult education programs; Arkansas Rehabilitation Services; Arkansas State Approving Agency for Veterans Training; and the Federal Surplus Property Agency. Act 803 abolished the Vocational and Technical Education Division of the Department of Education, the Governor's Commission on Adult Literacy, and the Advisory Council for Vocational-Technical Education and transferred them to the Department of Workforce Education. The State Board of Vocational Education was abolished and transferred to the State Board of Workforce Education and Career Opportunities.

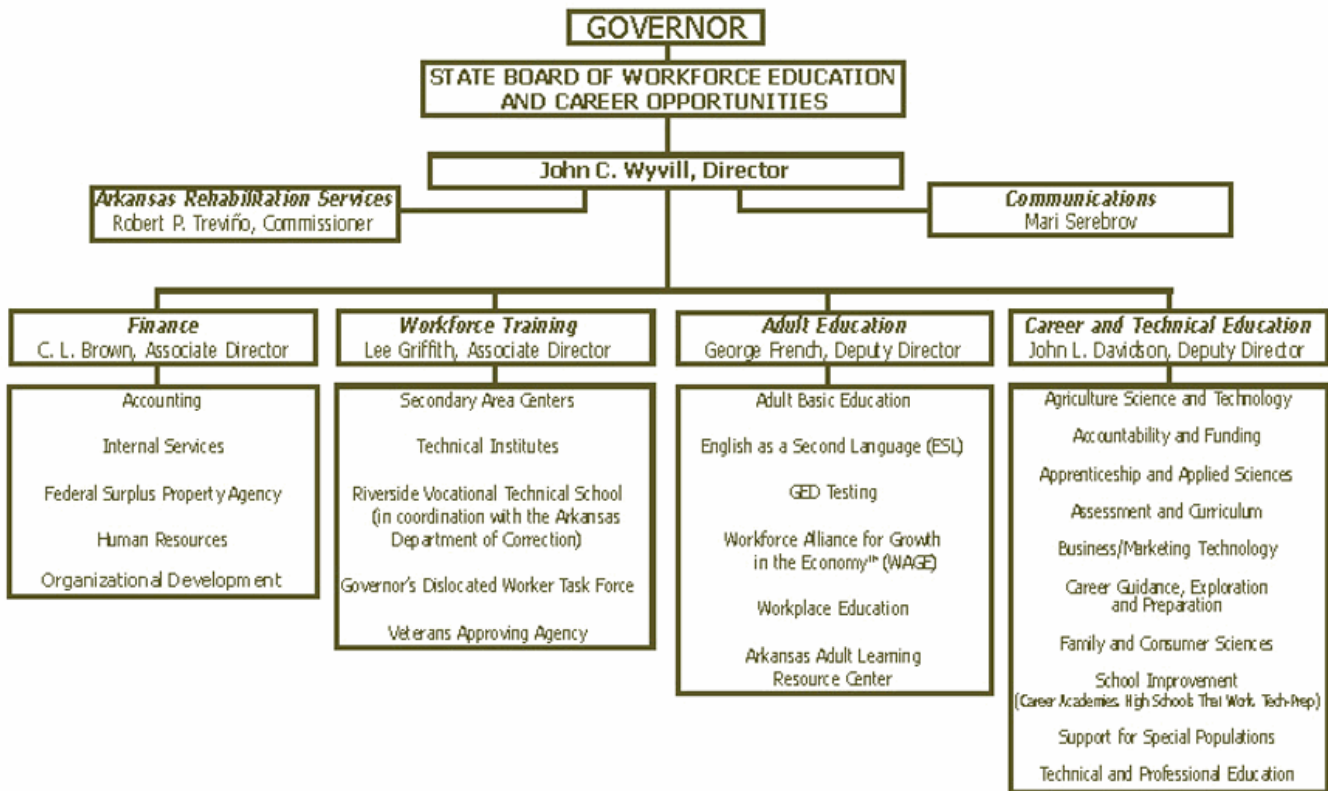
Statutory Responsibility and Primary Activities: Enabling legislation and the powers and duties of the Department are codified in Arkansas Code Annotated 25-30-103, 25-30-104, 25-30-106, 25-30-107, 25-30-201, 6-11-205, and 6-11-206. Responsibilities include:

- General control and supervision of all programs of vocational, technical, and occupational education in secondary institutions and in state postsecondary vocational technical schools, secondary area centers, public schools, and in other public education facilities or institutions with the exception of technical colleges, community colleges, universities, and colleges;
- Authority to establish and operate area vocational technical and adult education schools of less than college grade;
- Promotion of vocational education in subjects that are an essential and integral part of the public school system of education in Arkansas;
- Preparation of teachers of vocational technical subjects; setting qualifications for teachers, directors, and supervisors;
- Receipt and administration of any and all federal funds made available to the State for the purpose of assisting local school districts in providing vocational education of less than college grade and adult education for persons sixteen years of age and older; and
- Authority and responsibility for rehabilitation services provided through Arkansas Rehabilitation Services.

All activities of the Department are focused on workforce education for all citizens in the State, as indicated in the mission statement. Workforce education, at both the secondary and postsecondary/adult levels, has been expanded to serve more students and is being reformed by an

emphasis on integrating the basic academic and workplace skills with technical education. Initiatives such as the career opportunities initiative, youth apprenticeship, tech prep, and career clusters are at the center of educational reform, innovation, and progressive activities that are ongoing in the Department. Working with other state agencies, including the Departments of Education and Higher Education and with the educational institutions in Arkansas, the Department of Workforce Education is committed to doing everything possible to better prepare our current and future workforce for the work to be done in our State.

State Board Oversight: The Department of Workforce Education is under the authority of the State Board of Workforce Education and Career Opportunities.



Agency Commentary

To satisfy the growing demand to meet economic development needs across the State by providing adequate and equitable career and technical education statewide at high schools and secondary area technical centers and to adults, an increase in funding is critical. The following requests would cover

- The addition of seven new secondary area technical centers;
- The growth in enrollment at secondary area technical centers (5 percent/year);
- The backlog and new requests for start-up equipment for new career and technical education (CTE) programs at high schools and secondary area technical centers;
- The growth in cost and number of Arkansans utilizing adult education centers;
- Stable funding for the Technical Careers Student Loan Forgiveness Program;
- The growing demand for traditional apprenticeship programs;
- Updates and replacement of equipment used in CTE programs;

- Restoration of MFG appropriation for Veterans State Approving Agency;
- Additional Grants and Aids appropriation for the Construction Training program;
- An increase in funds and appropriation for Literacy Councils statewide;
- Basic increases in maintenance and operation expenses; and
- Restoration of unfunded positions.

Secondary Area Technical Centers

DWE, in partnership with the public high schools and two-year colleges, supports a series of secondary area technical centers. The objective of these centers is to provide high school students affordable training for entry-level skills in areas where employment opportunities exist or need to be developed. Programs are approved on the basis of student interest and local economic development opportunities. The partnerships with the two-year colleges has led to more students enrolling in postsecondary technical programs. To have these services available to all students in the State, seven additional centers are needed. To meet this need and adequately support existing centers, DWE is requesting appropriation and funding of \$16,989,824 in the 2007-08 year and \$19,598,736 in the 2008-09 year from the Public School Fund. This increase in funding is critical if Arkansas is to provide equitable career and technical education statewide at our secondary area technical centers and continue to invest in developing tomorrow's workforce.

CTE Start-up Funds

When high schools and secondary area technical centers want to offer a new program of career and technical study to address economic development needs in their communities, they apply to DWE for approval and funding for the instructional equipment, nonconsumable supplies, and program software required for that program. In each of the past three years, DWE has received more than 200 new program applications. Because of an appropriation capped at \$2.37 million for new program start-ups, DWE has been able to fund fewer than 40 percent of the applications each year. (This could create an equity issue when analyzed statewide.) If the appropriation and funding from the Public School Fund for the new program start-up line item were increased on a one-time basis to \$6 million, DWE would be able to fund most of the backlog of districts with approvable programs. This one-time increase would enable DWE to return to a year-to-year approval/funding cycle. In subsequent years, the new program start-up appropriation should be increased to \$4 million to allow for the continued growth of quality CTE programs.

Adult Education

Recognizing the importance of education to both the individual and the economic well-being of the State, Arkansas provides a second chance at a K-12 education through its free adult education program. Trained certified teachers at 52 centers and tutors at 30 literacy councils throughout the State offer flexible classes tailored to the needs of adult students - whether it's learning the basics, preparing for GED tests, mastering job readiness skills, or developing language and citizenship skills. By addressing their needs, adult education increases the earning (and spending power) of these adults, who then invest in the state through higher income and sales taxes. Despite the importance of this program, adult education has seen its state funding frozen at \$17.9 million since 1992, but its expenses, some of which are mandated, continue to escalate. The program has had to cut services that would enable some of the neediest Arkansans to help themselves realize the American dream. To fulfill the mission of the adult education program and fully serve the growing number of Arkansans in need of its services, the Agency is requesting \$22.3 million appropriation and funding from the Public School Fund.

Technical Careers Student Loan Forgiveness Program

Stable appropriation and funding is requested for the Technical Careers Student Loan Forgiveness Program. Since the inception of the program, it has not had a consistent and stable source of funding. The request is for \$1,400,000 each year of appropriation and funding from the Public School Fund. This will allow the payment of up to 560 awards each year at the maximum authorized level to students who have completed both their training and work requirements.

Apprenticeship Program

Traditional adult apprenticeship training has seen record growth in the past several years and has reached a point where DWE can no longer adequately fund the program as authorized by ACT 684 of 1989. The program has grown from 950 apprentices in 1993 to more than 6,400 apprentices this past year, but apprenticeship funding has remained at about \$2 million. The program is feeling the crunch. During FY04, 89.9 percent of program requests were funded; the next year, only 60.4 percent of program requests were funded. To address this issue, the adult apprenticeship committees and several industry and labor groups have proposed an additional \$1 million of appropriation and funding from the General Education Fund be invested in the apprenticeship program, bringing the annual appropriation to \$2,950,000. This program returns revenue to the State as the increased wages of apprentices result in more income and sales tax revenue for Arkansas.

CTE Replacement Equipment

A line item to replace broken or obsolete equipment used in CTE programs was cut in 2000 and has never been reinstated. As with school facilities, instructional equipment falls into a state of critical disrepair if there is no funding for repairs or upgrades. As a result of the lack of funding, the State has an investment of more than \$113 million in instructional equipment that is in critical need of repair or upgrade. Much of this equipment is decades old and is not adequate to prepare students for the workplace of the 21st century. Based on a seven-year equipment lifecycle, the average annual cost of equipment upgrades exceeds \$16 million statewide. A continuing equipment replacement/upgrade line item of \$16 million appropriation and funding in the Public School Fund would, over a seven-year cycle, reduce most of the backlog of unreliable - and sometimes dangerous - equipment.

Veterans State Approving Agency

Appropriation is requested that will restore appropriation received by Miscellaneous Federal Grant for the 2007 annual budget. The appropriation supports an additional Program Advisor approved by the Veterans Administration contract. The contract provides for administrative review and approval of academic and training programs for veterans to enroll in and receive benefits under the Veterans Educational Assistance Program. The additional Program Advisor will allow the Agency to meet the anticipated increase in workload due to more veterans seeking training or education and an increased number of providers offering a growing number of courses.

Construction Training

The Construction Training Funds are collected from industry as a part of the commercial construction permit fees and used to train workers in construction-related trades and crafts. These funds help train instructors and buy curriculum, code books for the apprentice, and training aids for the programs. The past two years have been extremely good for the construction industry, resulting in a significant increase in the demand for apprentices. Because of the amount of new construction in the State, the

revenue in this fund is sufficient to meet the training needs of the program. However, the \$800,000 appropriation level for the past biennium falls well below the demand for training. To adequately train the growing number of apprentices in this industry, the appropriation for Grants and Aids must be increased to \$800,000 each year or \$1,600,000 for the biennium.

Literacy Councils

An increase of \$75,000 appropriation and funding from the Public School Fund is requested for increased costs of community-based nonprofit organizations that provide services to adults with less than a high school education.

Maintenance and Operations

Basic increases in maintenance and operations are requested from the General Education Fund. \$10,000 appropriation and funding is requested above base level for Conference and Travel Expenses to allow staff, many of whom hold leadership roles nationally, to attend necessary national training and educational conferences. Also, an additional \$12,000 is requested for Data Processing to cover an increased level of technical support from the Department of Information Systems.

Restoration of unfunded positions

The restoration of three unfunded positions for Federal Surplus Property and two unfunded positions for the Federal Carl Perkins Vocational grant is requested to allow the Agency to respond to changing conditions in a timely manner.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS DEPARTMENT OF WORKFORCE EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2005

Findings	Recommendations
None	None

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 FEDERAL SURPLUS PROPERTY
 DEPARTMENT OF WORKFORCE EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2005

Findings	Recommendations
None	None

Performance Audit Findings

Federal Surplus Property – Arkansas Department of Workforce Education - Issued September 9, 2005

Findings and Conclusions:

- While variances have declined over the past few years, we noted for fiscal years 2000-2004 instances of year-end inventory overages and shortages.
- The Program has done an excellent job in marketing surplus property to eligible entities in the State.
- The Program reported an operating surplus of \$51,168 for fiscal year 2004.

Recommendations:

- Strengthen controls protecting federal surplus property inventory.

Employment Summary

	Male	Female	Total	%	
White Employees	26	50	76	80 %	
Black Employees	4	14	18	19 %	
Other Racial Minorities	0	1	1	1 %	
			Total Minorities	19	20%
			Total Employees	95	100 %

Cash Fund Balance Description as of June 30, 2006

Fund Account	Balance	Type	Location
1500200	\$6,561	Checking	Metropolitan National Bank

Statutory/Other Restrictions on use:

A. C. A. 24-7-904 establishes that the Agency has the authority to administer retirement plans and authorizes such functions as may be reasonably appropriate.

Statutory Provisions for Fees, Fines, Penalties:

A. C. A. 24-7-908 authorizes collection of contributions to plans established under the authority of the Agency.

Revenue Receipts Cycle:

Collected at 2 week intervals throughout the fiscal year.

Fund Balance Utilization:

All funds collected are in an escrow balance for employees and are eventually returned to employees or forwarded to their selected retirement plan carrier.

Fund Account	Balance	Type	Location
1500300	\$293,446	Savings and Checking	Metropolitan National Bank

Statutory/Other Restrictions on use:

A. C. A. 24-7-904 establishes that the Agency has the authority to administer retirement plans and authorizes such functions as may be reasonably appropriate.

Statutory Provisions for Fees, Fines, Penalties:

A. C. A. 24-7-908 authorizes collection of contributions to plans established under the authority of the Agency.

Revenue Receipts Cycle:

Received at irregular intervals throughout the year.

Fund Balance Utilization:

All funds collected are used for the administration of the program in areas of maintenance and operation; equipment such as computers, calculators, desks/chairs; expendable supplies; postage and telephone; salaries and benefits.

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
093 Advisory Council Vo-Tech State	15,864	0	15,864	0	15,864	0	15,864	0	15,864	0	15,864	0	15,864	0
179 High-Tech Scholarship Prog	6,750	0	9,000	0	9,000	0	10,000	0	10,000	0	10,000	0	10,000	0
307 Fed Surplus Property	1,165,982	14	1,483,033	13	1,937,277	16	1,580,486	16	1,580,486	16	1,580,486	16	1,580,486	16
640 Vo Tech Admin-Operations	5,624,222	54	5,733,473	53	5,888,979	53	6,848,878	53	5,826,878	53	6,849,215	53	5,827,215	53
641 Fed Voc Educ-Operations	13,842,348	17	16,028,834	17	16,956,631	19	16,136,378	19	16,136,378	19	16,136,378	19	16,136,378	19
643 Fed-Job Training Partnership Act	541,778	5	546,296	5	504,589	5	438,287	5	438,287	5	438,287	5	438,287	5
644 Adult Basic Education	379,391	6	381,863	6	410,312	6	407,352	6	407,352	6	407,352	6	407,352	6
645 Fed-Adult Basic Educ	7,549,717	3	7,447,535	3	8,319,418	3	7,448,730	3	7,448,730	3	7,448,730	3	7,448,730	3
647 Fed Equipment & Trng-Oprs	441	0	1,000	0	1,000	0	1,000	0	1,000	0	1,000	0	1,000	0
649 Fed-Veteran's Approving Agency	213,262	4	222,179	4	195,391	4	227,862	4	227,862	4	227,862	4	227,862	4
755 Construction Craft	452,893	1	474,389	1	474,506	1	874,729	1	474,729	1	874,729	1	474,729	1
A88 Alternate Retirement Plan	73,527	0	122,522	0	122,522	0	122,522	0	122,522	0	122,522	0	122,522	0
Total	29,866,175	103	32,465,988	102	34,835,489	107	34,112,088	107	32,690,088	107	34,112,425	107	32,690,425	107

Funding Sources		%		%		%		%		%		%			
Fund Balance	4000005	1,842,826	5.8	1,795,675	5.3			1,292,711	3.7	1,292,711	3.8	975,460	2.8	1,375,460	4.0
General Revenue	4000010	2,759,452	8.7	2,687,588	8.0			3,730,594	10.6	2,812,007	8.3	3,624,416	10.4	2,812,344	8.2
Federal Revenue	4000020	22,147,105	69.9	24,244,844	71.8			24,251,257	69.1	24,251,257	71.2	24,251,257	69.7	24,251,257	71.0
Special Revenue	4000030	1,546,263	4.9	1,506,980	4.5			2,180,486	6.2	2,180,486	6.4	2,180,486	6.3	2,180,486	6.4
Merit Adjustment Fund	4000055	2,459	0.0	5,525	0.0			0	0.0	0	0.0	0	0.0	0	0.0
DFA Motor Vehicle Acquisition	4000184	10,190	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0
Educational Excellence Fund	4000220	3,254,126	10.3	3,447,087	10.2			3,550,500	10.1	3,447,087	10.1	3,657,015	10.5	3,447,087	10.1
Interest & Forfeitures	4000305	98,988	0.3	70,000	0.2			80,000	0.2	80,000	0.2	80,000	0.2	80,000	0.2
M & R Sales	4000340	441	0.0	1,000	0.0			1,000	0.0	1,000	0.0	1,000	0.0	1,000	0.0
Unfunded Appropriation	4000715	0	0.0	0	0.0			1,000	0.0	1,000	0.0	1,000	0.0	1,000	0.0
Total Funds		31,661,850	100.0	33,758,699	100.0			35,087,548	100.0	34,065,548	100.0	34,770,634	100.0	34,148,634	100.0
Excess Appropriation/(Funding)		(1,795,675)		(1,292,711)				(975,460)		(1,375,460)		(658,209)		(1,458,209)	
Grand Total		29,866,175		32,465,988				34,112,088		32,690,088		34,112,425		32,690,425	

Actuals and Budget Amounts in Federal-Job Training Partnership Act and Federal-Veteran's Approving Agency exceed Authorized Appropriation due to a transfer from the Miscellaneous Federal Grants Holding Account.

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
105	88	7	95	10	16.19%	108	98	1	99	9	9.26%	108	95	8	103	5	12.04%

Total Positions Budgeted for FY07 includes 1 position budgeted in the Governor's Commission on Adult Literacy funded out of the Workforce Education Public School Fund.

Analysis of Budget Request

Appropriation: 093 - Advisory Council Vo-Tech State

Funding Sources: HUA-Miscellaneous Agencies Fund

The Arkansas Advisory Council for Vocational Education was transferred from the Arkansas Department of Industrial Development (now the Arkansas Department of Economic Development) to the Department of Workforce Education during the 81st General Assembly. This appropriation is funded from General Revenues and provides the required state match for federal dollars received from the U.S. Department of Education.

The Agency is requesting Base Level for the 2007-09 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 093 Advisory Council Vo-Tech State
Funding Sources: HUA-Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	15,864	15,864	15,864	15,864	15,864	15,864	15,864	15,864	15,864
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	15,864	15,864	15,864	15,864	15,864	15,864	15,864	15,864	15,864
Funding Sources									
General Revenue 4000010	15,864	15,864		15,864	15,864	15,864	15,864	15,864	15,864
Total Funding	15,864	15,864		15,864	15,864	15,864	15,864	15,864	15,864
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	15,864	15,864		15,864	15,864	15,864	15,864	15,864	15,864

Analysis of Budget Request

Appropriation: 179 - High-Tech Scholarship Prog

Funding Sources: EGB-Workforce Education Fund Account

This appropriation is used to award scholarships to Arkansas students attending Arkansas' educational institutions. Scholarships are given in the amount of \$250 per student per semester. This appropriation is funded with general revenue.

The Agency Request is for \$1,000 of unfunded appropriation for each fiscal year. This will enable the Department of Workforce Education to award 20 high tech scholarships of \$500.00 each as required in A.C.A. 6-82-407.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 179 High-Tech Scholarship Prog
Funding Sources: EGB-Workforce Education Fund Account

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Scholarships 5100030	6,750	9,000	9,000	9,000	10,000	10,000	9,000	10,000	10,000
Total	6,750	9,000	9,000	9,000	10,000	10,000	9,000	10,000	10,000
Funding Sources									
General Revenue 4000010	6,750	9,000		9,000	9,000	9,000	9,000	9,000	9,000
Unfunded Appropriation 4000715	0	0		0	1,000	1,000	0	1,000	1,000
Total Funding	6,750	9,000		9,000	10,000	10,000	9,000	10,000	10,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	6,750	9,000		9,000	10,000	10,000	9,000	10,000	10,000

Change Level by Appropriation

Appropriation: 179-High-Tech Scholarship Prog
Funding Sources: EGB-Workforce Education Fund Account

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	9,000	0	9,000	100.0	9,000	0	9,000	100.0
C05	Unfunded Appropriation	1,000	0	10,000	111.1	1,000	0	10,000	111.1

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	9,000	0	9,000	100.0	9,000	0	9,000	100.0
C05	Unfunded Appropriation	1,000	0	10,000	111.1	1,000	0	10,000	111.1

Justification

C05	A. C. A. 6-82-407 requires the state board to award 20 high tech scholarships of \$500.00 each. To comply with the law, an additional \$1,000 unfunded appropriation is necessary.
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Analysis of Budget Request

Appropriation: 307 - Fed Surplus Property

Funding Sources: MWH-Federal Surplus Property

The Federal Surplus Property program acts as a broker in securing excess property from the federal government. This property is then made available to state and local governmental units as well as certain eligible schools and hospitals. Operating funds are derived from fees charged for services, which consist of the actual transportation fees and handling charges.

A cost of living increase is not incorporated in the Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Salary Matching may reflect increases in Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency is requesting restoration of three positions to allow for the Agency to respond to changing conditions in a timely manner.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 307 Fed Surplus Property
Funding Sources: MWH-Federal Surplus Property

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	390,320	421,622	481,772	421,622	487,515	487,515	421,622	487,515	487,515
#Positions	14	13	16	13	16	16	13	16	16
Extra Help 5010001	851	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
#Extra Help	1	6	6	6	6	6	6	6	6
Personal Services Matching 5010003	128,254	146,747	172,996	151,401	178,307	178,307	151,401	178,307	178,307
Overtime 5010006	13,804	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Operating Expenses 5020002	606,086	862,401	1,140,246	862,401	862,401	862,401	862,401	862,401	862,401
Conference & Travel Expenses 5050009	9,348	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Professional Fees 5060010	48	5,263	5,263	5,263	5,263	5,263	5,263	5,263	5,263
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	17,271	0	90,000	0	0	0	0	0	0
Total	1,165,982	1,483,033	1,937,277	1,487,687	1,580,486	1,580,486	1,487,687	1,580,486	1,580,486
Funding Sources									
Fund Balance 4000005	469,973	376,053		0	0	0	0	0	0
Special Revenue 4000030	1,072,062	1,106,980		1,487,687	1,580,486	1,580,486	1,487,687	1,580,486	1,580,486
Total Funding	1,542,035	1,483,033		1,487,687	1,580,486	1,580,486	1,487,687	1,580,486	1,580,486
Excess Appropriation/(Funding)	(376,053)	0		0	0	0	0	0	0
Grand Total	1,165,982	1,483,033		1,487,687	1,580,486	1,580,486	1,487,687	1,580,486	1,580,486

Change Level by Appropriation

Appropriation: 307-Fed Surplus Property

Funding Sources: MWH-Federal Surplus Property

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	1,487,687	13	1,487,687	100.0	1,487,687	13	1,487,687	100.0
C01	Existing Program	92,799	3	1,580,486	106.2	92,799	3	1,580,486	106.2

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	1,487,687	13	1,487,687	100.0	1,487,687	13	1,487,687	100.0
C01	Existing Program	92,799	3	1,580,486	106.2	92,799	3	1,580,486	106.2

Justification

C01	The restoration of three unfunded positions is requested to allow the Agency to respond to changing conditions in a timely manner.
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Analysis of Budget Request

Appropriation: 640 - Vo Tech Admin-Operations

Funding Sources: EGB-Workforce Education Fund

This appropriation provides the majority of general revenue support for the administrative functions of the Department of Workforce Education. Programs such as the Plumbing Apprenticeship program, Industrial Coordinators, and Tech Prep program are included in the activities carried out through this appropriation. In addition to general revenue, Educational Excellence funds are used to provide support for the Apprenticeship program.

A cost of living increase is not incorporated in the Base Level pending the outcome of the Classification and Compensation Study. The Base Level request of \$2,445,884 for FY08 and FY09 for Regular Salaries does include board member Stipend payments. FY07 salary levels have been held flat each year for all incumbents. Personal Salary Matching may reflect increases in Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency is requesting:

- An increase of \$10,000 in both fiscal years for Conference and Travel Expenses to allow agency staff to attend necessary national training and educational conferences.
- An additional \$12,000 in both fiscal years for Data Processing to cover an increased level of technical support from the Department of Information Systems.
- An increase in the Apprenticeship Program of \$1,000,000 for both fiscal years to cover growth of apprentices participating in the program.

The Executive Recommendation provides for Base Level for the 2007-2009 Biennium.

Appropriation Summary

Appropriation: 640 Vo Tech Admin-Operations
Funding Sources: EGB-Workforce Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,351,159	2,445,884	2,493,402	2,445,884	2,445,884	2,445,884	2,445,884	2,445,884	2,445,884
#Positions	54	53	53	53	53	53	53	53	53
Extra Help 5010001	1,987	3,923	3,923	3,923	3,923	3,923	3,923	3,923	3,923
#Extra Help	1	2	46	46	46	46	46	46	46
Personal Services Matching 5010003	640,533	658,008	765,996	751,413	751,413	751,413	751,750	751,750	751,750
Operating Expenses 5020002	506,684	532,893	552,893	532,893	532,893	532,893	532,893	532,893	532,893
Conference & Travel Expenses 5050009	43,006	22,751	2,751	22,751	32,751	22,751	22,751	32,751	22,751
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	120,014	120,014	120,014	120,014	132,014	120,014	120,014	132,014	120,014
Capital Outlay 5120011	10,839	0	0	0	0	0	0	0	0
Apprenticeship Program 5900047	1,950,000	1,950,000	1,950,000	1,950,000	2,950,000	1,950,000	1,950,000	2,950,000	1,950,000
Total	5,624,222	5,733,473	5,888,979	5,826,878	6,848,878	5,826,878	5,827,215	6,849,215	5,827,215
Funding Sources									
General Revenue 4000010	2,359,906	2,281,251		2,379,791	3,298,378	2,379,791	2,380,128	3,192,200	2,380,128
Merit Adjustment Fund 4000055	0	5,135		0	0	0	0	0	0
DFA Motor Vehicle Acquisition 4000184	10,190	0		0	0	0	0	0	0
Educational Excellence Fund 4000220	3,254,126	3,447,087		3,447,087	3,550,500	3,447,087	3,447,087	3,657,015	3,447,087
Total Funding	5,624,222	5,733,473		5,826,878	6,848,878	5,826,878	5,827,215	6,849,215	5,827,215
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	5,624,222	5,733,473		5,826,878	6,848,878	5,826,878	5,827,215	6,849,215	5,827,215

Budget exceeds Authorized Appropriation in Conference & Travel Expenses by authority of Budget Classification Transfer.
 FY06 Actual exceeds Authorized in Capital Outlay due to a transfer from the Motor Vehicle Acquisition Fund.

Change Level by Appropriation

Appropriation: 640-Vo Tech Admin-Operations

Funding Sources: EGB-Workforce Education Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	5,826,878	53	5,826,878	100.0	5,827,215	53	5,827,215	100.0
C01	Existing Program	1,022,000	0	6,848,878	117.5	1,022,000	0	6,849,215	117.5

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	5,826,878	53	5,826,878	100.0	5,827,215	53	5,827,215	100.0
C01	Existing Program	0	0	5,826,878	100.0	0	0	5,827,215	100.0

Justification

C01 Apprenticeship Program - Traditional adult apprenticeship training has seen record growth in the past several years and has reached a point where DWE can no longer adequately fund the program as authorized by ACT 684 of 1989. The program has grown from 950 apprentices in 1993 to more than 6,400 apprentices this past year, but apprenticeship funding has remained at about \$2,000,000. The program is feeling the crunch. During FY04, 89.9 percent of program requests were funded; the next year, only 60.4 percent of program requests were funded. To address this issue, the adult apprenticeship committees and several industry and labor groups have proposed an additional \$1 million be invested in the apprenticeship program, bringing the annual appropriation to \$2,950,000. This program returns revenue to the State as the increased wages of the apprentices result in more income and sales tax revenue for Arkansas. \$10,000 is requested above base level for Conference and Travel Expenses to allow staff (many of whom hold leadership roles nationally) to attend necessary national training and educational conferences and an additional \$12,000 is requested for Data Processing to cover an increased level of technical support from the Department of Information Systems.

Analysis of Budget Request

Appropriation: 641 - Fed Voc Educ-Operations

Funding Sources: FEV-Federal Vocational Education

This appropriation is the federal counterpart to the general revenue appropriation (640) and together they serve as the basis for the administrative support of the Agency. Funds are received from the U.S. Department of Education through the following program sources:

- Carl D. Perkins Vocational & Applied Technology Education Act- Basic Grant
- Jobs Training Partnership Act- School-to-Work Opportunities program
- Carl D. Perkins Applied Technology Education Act- Tech Prep Education

Only the 5% administrative funds in the Carl Perkins Basic Grant must be matched and this is provided in the state funded appropriation (640).

A cost of living increase is not incorporated in the Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Salary Matching may reflect increases in Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency is requesting restoration of two positions to allow the Agency to react to changing conditions.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 641 Fed Voc Educ-Operations
Funding Sources: FEV-Federal Vocational Education

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	447,045	523,562	533,699	523,562	599,807	599,807	523,562	599,807	599,807
#Positions		17	17	19	17	19	19	17	19	19
Extra Help	5010001	4,217	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
#Extra Help		2	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	153,088	179,106	179,471	185,452	210,405	210,405	185,452	210,405	210,405
Operating Expenses	5020002	446,062	500,500	500,500	500,500	500,500	500,500	500,500	500,500	500,500
Conference & Travel Expenses	5050009	29,830	46,175	46,175	46,175	46,175	46,175	46,175	46,175	46,175
Professional Fees	5060010	768,004	748,350	748,350	748,350	748,350	748,350	748,350	748,350	748,350
Data Processing	5090012	0	43,436	43,436	43,436	43,436	43,436	43,436	43,436	43,436
Grants and Aid	5100004	11,994,102	13,982,705	14,900,000	13,982,705	13,982,705	13,982,705	13,982,705	13,982,705	13,982,705
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		13,842,348	16,028,834	16,956,631	16,035,180	16,136,378	16,136,378	16,035,180	16,136,378	16,136,378
Funding Sources										
Federal Revenue	4000020	13,842,348	16,028,834		16,035,180	16,136,378	16,136,378	16,035,180	16,136,378	16,136,378
Total Funding		13,842,348	16,028,834		16,035,180	16,136,378	16,136,378	16,035,180	16,136,378	16,136,378
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		13,842,348	16,028,834		16,035,180	16,136,378	16,136,378	16,035,180	16,136,378	16,136,378

Actuals exceeds Authorized in Professional Fees due to a transfer from the Miscellaneous Federal Grants Holding Fund.

Change Level by Appropriation

Appropriation: 641-Fed Voc Educ-Operations
Funding Sources: FEV-Federal Vocational Education

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	16,035,180	17	16,035,180	100.0	16,035,180	17	16,035,180	100.0
C01	Existing Program	101,198	2	16,136,378	100.6	101,198	2	16,136,378	100.6

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	16,035,180	17	16,035,180	100.0	16,035,180	17	16,035,180	100.0
C01	Existing Program	101,198	2	16,136,378	100.6	101,198	2	16,136,378	100.6

Justification

C01	The restoration of two unfunded positions is requested to allow the Agency to respond to changing conditions in a timely manner.
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Analysis of Budget Request

Appropriation: 643 - Fed-Job Training Partnership Act

Funding Sources: FEV-Federal Vocational Education

This appropriation provides federal funding to dislocated workers for services such as evaluation, testing, identification of skills, and actual training needed for job placement. Funding for this appropriation is received from the Jobs Training Act- Dislocated Workers, through the Department of Workforce Services.

A cost of living increase is not incorporated in the Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Salary Matching may reflect increases in Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency is requesting Base Level for the 2007-09 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 643 Fed-Job Training Partnership Act
Funding Sources: FEV-Federal Vocational Education

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	216,002	208,315	208,314	208,315	208,315	208,315	208,315	208,315	208,315
#Positions	5	5	5	5	5	5	5	5	5
Extra Help 5010001	0	0	62,400	0	0	0	0	0	0
#Extra Help	0	23	23	23	23	23	23	23	23
Personal Services Matching 5010003	66,104	69,235	70,129	66,226	66,226	66,226	66,226	66,226	66,226
Operating Expenses 5020002	165,957	176,825	161,825	161,825	161,825	161,825	161,825	161,825	161,825
Conference & Travel Expenses 5050009	3,025	1,921	1,921	1,921	1,921	1,921	1,921	1,921	1,921
Professional Fees 5060010	53,750	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	36,940	90,000	0	0	0	0	0	0	0
Total	541,778	546,296	504,589	438,287	438,287	438,287	438,287	438,287	438,287
Funding Sources									
Federal Revenue 4000020	541,778	546,296		438,287	438,287	438,287	438,287	438,287	438,287
Total Funding	541,778	546,296		438,287	438,287	438,287	438,287	438,287	438,287
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	541,778	546,296		438,287	438,287	438,287	438,287	438,287	438,287

Actual and Budget exceeds Authorized Appropriation due to transfers from the Miscellaneous Federal Grants Holding Account.

Analysis of Budget Request

Appropriation: 644 - Adult Basic Education

Funding Sources: EGB-Workforce Education Fund Account

This general revenue appropriation is utilized by the Agency to administer the State's adult education programs. These programs are generally found in adult education centers, community colleges, post-secondary vocational institutions, and area high schools.

A cost of living increase is not incorporated in the Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Salary Matching may reflect increases in Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency is requesting Base Level for the 2007-09 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 644 Adult Basic Education
Funding Sources: EGB-Workforce Education Fund Account

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	279,878	293,446	295,304	293,446	293,446	293,446	293,446	293,446	293,446
#Positions	6	6	6	6	6	6	6	6	6
Personal Services Matching 5010003	74,513	63,417	90,008	88,906	88,906	88,906	88,906	88,906	88,906
Operating Expenses 5020002	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	379,391	381,863	410,312	407,352	407,352	407,352	407,352	407,352	407,352
Funding Sources									
General Revenue 4000010	376,932	381,473		407,352	407,352	407,352	407,352	407,352	407,352
Merit Adjustment Fund 4000055	2,459	390		0	0	0	0	0	0
Total Funding	379,391	381,863		407,352	407,352	407,352	407,352	407,352	407,352
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	379,391	381,863		407,352	407,352	407,352	407,352	407,352	407,352

Analysis of Budget Request

Appropriation: 645 - Fed-Adult Basic Educ

Funding Sources: FEA-Federal Adult Basic Education

This federal appropriation is utilized by the Agency to administer adult education programs. Funding is received from the U.S. Department of Education- Basic State Grant and requires a 25% match by the State. Funds from the State funded counterpart for adult education programs (appropriation 644), as well as Public School funds received by the Department are used to meet the matching requirement.

A cost of living increase is not incorporated in the Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Salary Matching may reflect increases in Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency is requesting Base Level for the 2007-09 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 645 Fed-Adult Basic Educ
Funding Sources: FEA-Federal Adult Basic Education

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	154,674	157,054	168,537	157,054	157,054	157,054	157,054	157,054	157,054
#Positions		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	36,691	47,254	48,666	48,449	48,449	48,449	48,449	48,449	48,449
Operating Expenses	5020002	0	77,467	77,467	77,467	77,467	77,467	77,467	77,467	77,467
Conference & Travel Expenses	5050009	4,258	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700
Professional Fees	5060010	0	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	7,354,094	7,149,060	8,008,048	7,149,060	7,149,060	7,149,060	7,149,060	7,149,060	7,149,060
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		7,549,717	7,447,535	8,319,418	7,448,730	7,448,730	7,448,730	7,448,730	7,448,730	7,448,730
Funding Sources										
Federal Revenue	4000020	7,549,717	7,447,535		7,448,730	7,448,730	7,448,730	7,448,730	7,448,730	7,448,730
Total Funding		7,549,717	7,447,535		7,448,730	7,448,730	7,448,730	7,448,730	7,448,730	7,448,730
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		7,549,717	7,447,535		7,448,730	7,448,730	7,448,730	7,448,730	7,448,730	7,448,730

Actual and Budgeted Number of Positions may exceed the Authorized Number due to the flexibility inherent in the authorization of all positions through one salary section in appropriation acts.

Analysis of Budget Request

Appropriation: 647 - Fed Equipment & Trng-Oprs

Funding Sources: FEM-Federal Equipment & Training Operations

This federal appropriation is used for inventory control and is funded from M&R proceeds derived from the sale of equipment purchased with federal funds.

The Agency is requesting Base Level for the 2007-09 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 647 Fed Equipment & Trng-Oprs
Funding Sources: FEM-Federal Equipment & Training Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	441	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	441	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Funding Sources									
M & R Sales 4000340	441	1,000		1,000	1,000	1,000	1,000	1,000	1,000
Total Funding	441	1,000		1,000	1,000	1,000	1,000	1,000	1,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	441	1,000		1,000	1,000	1,000	1,000	1,000	1,000

Analysis of Budget Request

Appropriation: 649 - Fed-Veteran's Approving Agency

Funding Sources: FEW-Federal Veteran's Approving Agency

Any educational program or course at a school or training facility other than an installation of the federal government must be approved by the Arkansas Approving Agency before an eligible veteran, service person, or eligible dependent can receive educational benefits. This Agency evaluates public and private schools, as well as specialized training programs, such as, apprenticeship and on-the-job training programs. Federal funds are received from the Veterans Administration.

A cost of living increase is not incorporated in the Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Salary Matching may reflect increases in Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency is requesting restoration of regular salaries and personal services matching appropriation received from a Miscellaneous Federal Grant during FY2007.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 649 Fed-Veteran's Approving Agency
Funding Sources: FEW-Federal Veteran's Approving Agency

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	140,159	142,145	122,994	122,394	142,145	142,145	122,394	142,145	142,145
#Positions	4	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	41,394	46,265	38,628	47,660	51,948	51,948	47,660	51,948	51,948
Operating Expenses 5020002	26,342	27,546	27,546	27,546	27,546	27,546	27,546	27,546	27,546
Conference & Travel Expenses 5050009	5,367	5,623	5,623	5,623	5,623	5,623	5,623	5,623	5,623
Professional Fees 5060010	0	600	600	600	600	600	600	600	600
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	213,262	222,179	195,391	203,823	227,862	227,862	203,823	227,862	227,862
Funding Sources									
Federal Revenue 4000020	213,262	222,179		203,823	227,862	227,862	203,823	227,862	227,862
Total Funding	213,262	222,179		203,823	227,862	227,862	203,823	227,862	227,862
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	213,262	222,179		203,823	227,862	227,862	203,823	227,862	227,862

Actuals and Budgeted Amounts exceed Authorized Appropriation due to a transfer from the Miscellaneous Federal Grants Holding Account.

Change Level by Appropriation

Appropriation: 649-Fed-Veteran's Approving Agency

Funding Sources: FEW-Federal Veteran's Approving Agency

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	203,823	4	203,823	100.0	203,823	4	203,823	100.0
C06	Restored Position	24,039	0	227,862	111.7	24,039	0	227,862	111.7

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	203,823	4	203,823	100.0	203,823	4	203,823	100.0
C06	Restored Position	24,039	0	227,862	111.7	24,039	0	227,862	111.7

Justification

C06 To restore appropriation received by Miscellaneous Federal Grant for the 2007 annual budget to support an additional Program Advisor approved by the Veterans Administration contract. The contract provides for administrative review and approval of academic and training programs for veterans to enroll in and receive benefits under the Veterans Educational Assistance Program. The additional Program Advisor will allow the Agency to meet the anticipated increase in workload due to more veterans seeking training or education and an increased number of providers offering a growing number of courses.

Analysis of Budget Request

Appropriation: 755 - Construction Craft

Funding Sources: TCI-Construction Craft Training Trust Fund

This appropriation is funded with special revenues gained from a \$.50 per \$1,000 surcharge on building permits. Act 474 of 1999 established the Construction Industry Craft Training Program. Grants are made for training programs located in the two and four year colleges and in the Technical Institutes.

A cost of living increase is not incorporated in the Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Salary Matching may reflect increases in Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency is requesting an increase of \$400,000 in the Grants and Aid line item for both fiscal years as demand for apprentices and apprenticeship classes has increased.

The Executive Recommendation provides for Base Level for the 2007-2009 Biennium.

Appropriation Summary

Appropriation: 755 Construction Craft
Funding Sources: TCI-Construction Craft Training Trust Fund

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	39,698	41,926	41,925	41,926	41,926	41,926	41,926	41,926	41,926
#Positions	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	8,094	12,963	13,081	13,303	13,303	13,303	13,303	13,303	13,303
Operating Expenses 5020002	9,739	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Conference & Travel Expenses 5050009	0	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	395,362	400,000	400,000	400,000	800,000	400,000	400,000	800,000	400,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	452,893	474,389	474,506	474,729	874,729	474,729	474,729	874,729	474,729
Funding Sources									
Fund Balance 4000005	1,097,947	1,119,255		1,044,866	1,044,866	1,044,866	1,170,137	770,137	1,170,137
Special Revenue 4000030	474,201	400,000		600,000	600,000	600,000	600,000	600,000	600,000
Total Funding	1,572,148	1,519,255		1,644,866	1,644,866	1,644,866	1,770,137	1,370,137	1,770,137
Excess Appropriation/(Funding)	(1,119,255)	(1,044,866)		(1,170,137)	(770,137)	(1,170,137)	(1,295,408)	(495,408)	(1,295,408)
Grand Total	452,893	474,389		474,729	874,729	474,729	474,729	874,729	474,729

Change Level by Appropriation

Appropriation: 755-Construction Craft
Funding Sources: TCI-Construction Craft Training Trust Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	474,729	1	474,729	100.0	474,729	1	474,729	100.0
C01	Existing Program	400,000	0	874,729	184.2	400,000	0	874,729	184.2

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	474,729	1	474,729	100.0	474,729	1	474,729	100.0
C01	Existing Program	0	0	474,729	100.0	0	0	474,729	100.0

Justification

C01 The Construction Training Funds are collected from industry as a part of the commercial construction permit fees and used to train workers in construction-related trades and crafts. These funds help train instructors and buy curriculum, code books for the apprentice, and training aids for the programs. The past two years have been extremely good for the construction industry, resulting in a significant increase in the demand for apprentices. Because of the amount of new construction in the State, the revenue in this fund is sufficient to meet the training needs of the program. However, the \$800,000 appropriation level for the past biennium falls well below the demand for training. To adequately train the growing number of apprentices in this industry, the appropriation for Grants and Aids must be increased to \$800,000 each year or \$1,600,000 for the biennium.

Analysis of Budget Request

Appropriation: A88 - Alternate Retirement Plan

Funding Sources: 1500200- Vo Tech Retirement

The Department of Workforce Education uses this cash appropriation for administration of various retirement plans available to their employees. Funding for this appropriation comes in the form of employee deductions and matching for retirement. The Agency pays the employee premiums to the companies offering the retirement plans.

The Agency is requesting Base Level for the 2007-09 Biennium.

The Executive Recommendation provides for Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: A88 Alternate Retirement Plan
Funding Sources: 1500200- Vo Tech Retirement

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Personal Services Matching	5010003	72,659	110,222	110,222	110,222	110,222	110,222	110,222	110,222	110,222
Operating Expenses	5020002	868	12,300	12,300	12,300	12,300	12,300	12,300	12,300	12,300
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		73,527	122,522	122,522	122,522	122,522	122,522	122,522	122,522	122,522
Funding Sources										
Fund Balance	4000005	274,906	300,367		247,845	247,845	247,845	205,323	205,323	205,323
Interest & Forfeitures	4000305	98,988	70,000		80,000	80,000	80,000	80,000	80,000	80,000
Total Funding		373,894	370,367		327,845	327,845	327,845	285,323	285,323	285,323
Excess Appropriation/(Funding)		(300,367)	(247,845)		(205,323)	(205,323)	(205,323)	(162,801)	(162,801)	(162,801)
Grand Total		73,527	122,522		122,522	122,522	122,522	122,522	122,522	122,522