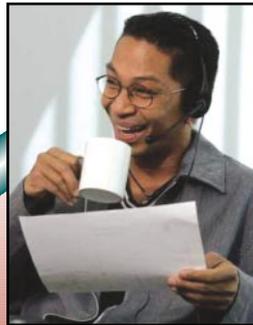


Arkansas Employment Security Department

“A Partner For a Better Workforce”
2004 Annual Report



From the Director

The Arkansas Employment Security Department is one of several Arkansas Workforce System partners. Our goal is to provide quality workforce services that support the development of a well-trained workforce.



Artee Williams
AEDS Director

This annual report highlights some of the workforce services AEDS provides to employers and job seekers.

Mission Statement

AESD's mission is to provide its customers with workforce services that contribute to the economic stability of Arkansas and its citizens. These services are provided to employers, the workforce and the general public and include:

- linking employers with qualified job applicants.
- helping the employed and unemployed find work or training.
- providing unemployment insurance benefits to those eligible.
- facilitating employer compliance with Arkansas Employment Security Law.
- collecting unemployment insurance contributions.
- producing and communicating labor market information.

A Partner For a Better Workforce

Employment Assistance

The Employment Assistance Unit experienced another successful year. A new Workforce Center opened in Malvern, Ark. AESD also continued to co-locate its staff in comprehensive Workforce Centers.

In an effort to better serve customers, the AESD Employment Assistance Unit implemented Arkansas JobLink, a Web-based data management system that will eliminate the current labor exchange and WIA data management systems.

The new system will enable six state agencies to share client data and provide staff-assisted labor exchange services and WIA Adult, Youth and Dislocated Worker services, a single job placement system and an eligibility determination process that leads staff to identify programs for which the individual might be eligible. An online self-service component will be available during the summer of 2005. It will provide job seekers access to job listings and employers the

capability to place job orders and search resumes.

A new on-the-job training program was implemented for the Transitional Employment Board during 2004. AESD received a \$4 million grant for this purpose and will subgrant those funds to the Local Workforce Investment Areas. The LWIAs will then enroll Transitional Employment Assistance clients in on-the-job training programs with area employers.

Maintaining interactive relationships with employers is key to addressing workforce needs. To help preserve this relationship, Local Employer Advisory Councils were re-established. The LEAC's role is to anticipate employer needs including plant expansions, training and layoff aversion. The LEAC includes representatives of AESD, the Arkansas Workforce Investment Board, Arkansas Department of Economic Development and business members.

Unemployment Insurance

Helping people transition back to the workforce is a vital role for AESD. The agency's more than 30 offices are dedicated to providing quality service to those needing assistance.

In 2004, an average of 4,000 claimants per week received UI benefits. These benefits provide support while workers seek new employment or participate in training.

The agency also created a Customer Support Center in the Central Office to field calls from local offices as well as the public. The staff answers all unemployment insurance questions, including calls about UI laws, regulations, claims and computer problems.

To better assist employers, the agency provides employers the opportunity to report their wages

and pay their contribution tax online by accessing <https://www.ark.org/esd/unempins>. Plans are also under way to provide employers the opportunity to register online.

The Arkansas Appeal Tribunal and Arkansas Board of Review are vital to ensuring claimants receive a fair unemployment insurance determination consistent with the law. Parties who disagree with nonmonetary determinations can appeal to the Tribunal and then to the Board. Both are independent appellate bodies. Appeals beyond this level can be made to the Arkansas Court of Appeals.

As a result of its work, the U.S. Department of Labor recognized the Tribunal for being the most improved Lower Level Authority Appeal body in Region IV, which consists of 11 states including Arkansas, Texas, Louisiana and Oklahoma.

A Partner For a Better Workforce

Labor Market Information

The Labor Market Information Unit provides information for employers and the community regarding employment, wages, labor market trends and unemployment rates.

This information is used by industries and organizations for economic development purposes, to develop job training programs, projecting employment trends and attracting industries. The information is provided to statisticians, employers, researchers, economic developers and institutions of higher education.

The *Career Watch Magazine* is published and distributed by the Labor Market Information Unit. This magazine features Arkansas specific information including resume writing instructions, information on careers, financial aid and

higher education information, and articles featuring people in different careers. More than 100,000 copies of the 2004-2005 edition of the *Career Watch Magazine* were distributed to all of Arkansas' public schools for juniors and seniors, AESD offices and Arkansas Workforce Centers. Classroom sets were also provided to each career orientation teacher.

The OCI unit received the sixth highest ranking among states for the May 2004 panel of the Occupational Employment Statistics survey. Results showed 85 percent of employers responded, and responses covered 71.7 percent of people employed by all sampled companies. The U.S. Bureau of Labor Statistics requires an employer response rate of 75 percent and a response covering 65 percent of employees in all sampled companies.



A Partner For a Better Workforce

Financial Statement

During the 2004 calendar year, the agency received \$34,429,528 from federal grants and \$4,534,315 from the Penalty and Interest Fund to total \$38,963,843.

The agency expended that amount to cover personnel costs, operating costs and capital outlay.

The \$38,963,843 was distributed among different departments and projects. Unemployment Insurance received the largest share at 60.2 percent, followed by Employment Service at 23.9 percent. Workforce Investment Act administration received 8.5 percent, Labor Market Information received 4.1 percent and Miscellaneous Projects received 3.3 percent.

Administrative Income & Expense Summary January 2004 - December 2004

Fund Source:	Federal Grants	\$34,429,528
	Penalty & Interest Fund	<u>\$4,534,315</u>
Total:		\$38,963,843
Expenses:	Personnel Costs	\$26,886,117
	Operating Expenditures	\$11,741,029
	Capital Outlay	<u>\$336,697</u>
Total:		\$38,963,843
	Employment Service (ES)	\$9,271,885
	Workforce Investment Act (WIA)	\$3,310,173
	Labor Market Information (LMI)	\$1,647,934
	Unemployment Insurance (UI)	\$23,437,717
	Miscellaneous Projects	<u>\$1,296,134</u>
Total:		\$38,963,843

AESD Unemployment Insurance Trust Fund December 31, 2004

Balance, Beginning of Year	\$55,228,938
Revenues	
Unemployment Insurance Contributions	264,329,571
Reimbursements From Other States	17,401,291
Reed Act Distributions	-0-
Interest Income	<u>4,640,525</u>
Total Revenues	286,371,387
Expenditures	
Regular UI Benefit Payments	260,650,301
Reed Act Withdrawals	<u>9,760,551</u>
Total Expenditures	270,410,852
Excess (Deficiency) of Revenues Collected Over Expenditures	15,960,535
Balance, End of Year	\$71,189,473

Statistics

Clients Served

- AESD served 236,247 clients.
- Examples of services include:
- Employment Services
 - Re-employment Services
 - Unemployment Insurance
 - Trade Adjustment Assistance
 - Veterans Services
 - Work Opportunity Tax Credit

Legal

- A total of 7,983 fraud and nonfraud overpayments were established totalling \$6,692,616. \$2,412,165 was recovered in 2004.

New Hire Registry

- The New Hire Registry reported 1,044,528 new hires in 2004.

Unemployment Insurance

- \$260,650,301 was paid in Regular Unemployment Insurance Benefits and \$13,753,020 in Special Unemployment Insurance Benefits. This totals \$274,403,321.
- 14,563 quarterly wage reports were filed using the online UI tax filing, wage reporting and payment site.

Hope Migrant Farm Labor Center

- 25,713 qualified individuals registered for migrant services. Services include:
 - Registrations
 - Referral Assistance
 - Interviews
 - Lodging
 - Education Packets
 - Emergency Assistance

Tax Credits

- 7,373 people qualified for the Work Opportunity and Welfare-to-Work tax credits. This resulted in potential tax credits of \$21,996,800 for Arkansas employers.

Web sites

- Several Web sites assisted job seekers with their job search this past year:
 - *Career Watch Magazine* at www.careerwatch.org.
 - ArkOSCAR at www.arkoscar.org.
 - Arkansas Government Jobs at www.arstatejobs.org.
 - Arkansas' Job Bank at www.ajb.org/ar.

Arkansas Employment Security Department

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“An Equal Opportunity Employer”

