



WIOA PARTNERS' CONFERENCE

NOVEMBER 7-9, 2023



REIMAGINING &
ELEVATING
SERVICE
EFFECTIVENESS
TOGETHER

OPENING CEREMONIES

Presentation of Colors: Hot Springs High School JROTC
National Anthem: Bismarck High School Choir



R.E.S.E.T. "Ted Talks"

**R- Reimagining &
E- Elevating
S- Service
E- Effectiveness
T- Together**

**Eddie Thomas, Deputy Director, ADWS
Zoë Calkins, Communications Director, ADWS
Carmen Edwards, Workforce Director, CAPDD
Chip McAfee, Communications Director, ARS
Carl Daughtery, Chief of Field Services, ARS**



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WELCOME

Dr. Charisse Childers
Director, Arkansas Division of Workforce Services





CABINET REMARKS

Hugh McDonald
Secretary, Arkansas Department of Commerce



UNITED STATES DEPARTMENT OF LABOR PRIORITIES & UPDATES

**Nicholas Lalpui, Regional Administrator,
U.S. Department of Labor-ETA, Region 4**

LABOR FORCE PARTICIPATION IN ARKANSAS

Susan Price

Bureau of Labor Statistics Program Manager, ADWS

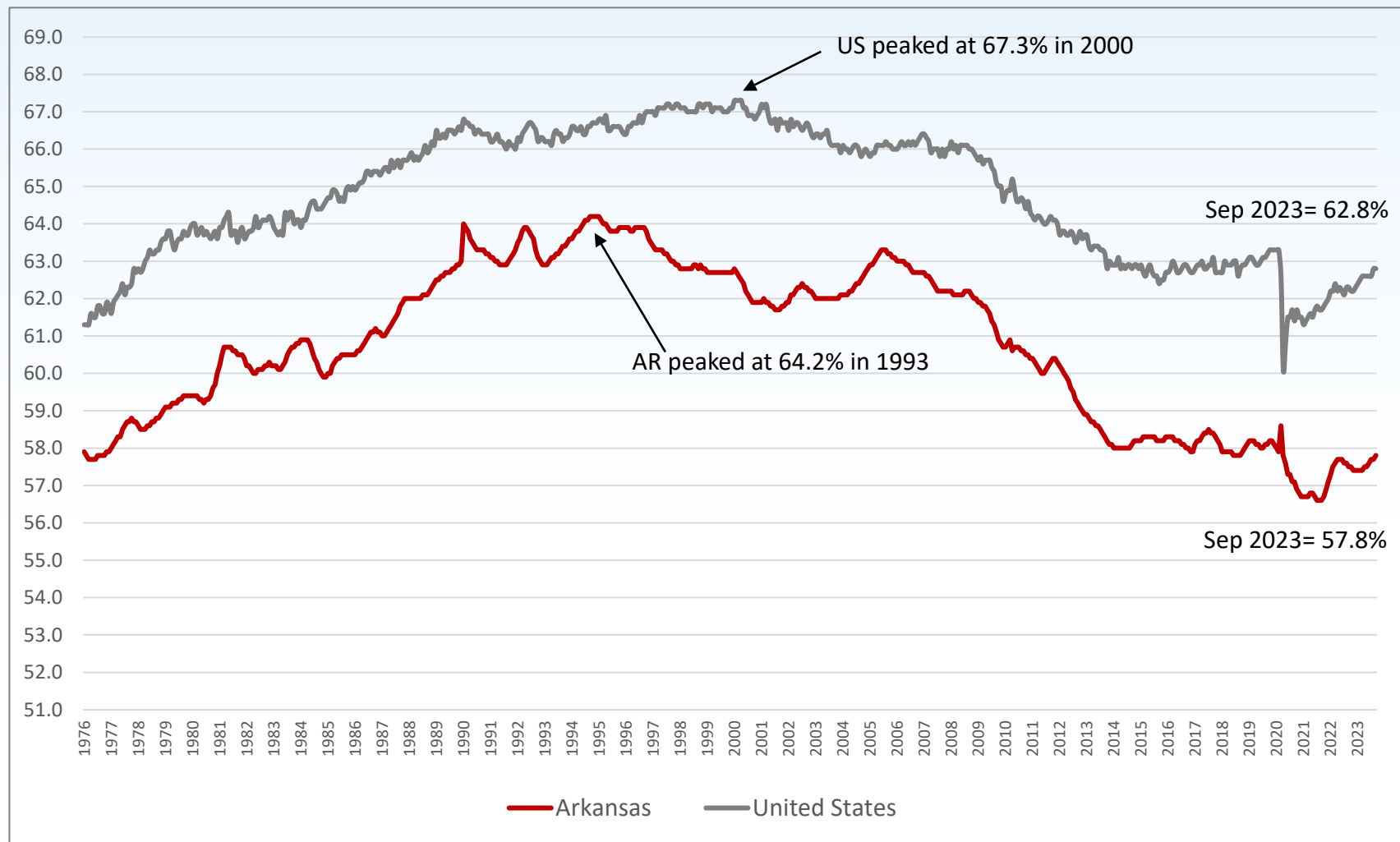
Definition

The Labor Force Participation Rate (LFPR) is the percentage of the civilian non-institutionalized population (aged 16+) that is either working or actively looking for work.

Importance

- ❑ An estimate of an economy's active workforce
- ❑ Represents the amount of labor resources available for the production of goods and services

Labor Force Participation Rates (Seasonally Adjusted) January 1976 – September 2023



Source: US Department of Labor, Bureau of Labor Statistics

Regional Trends

- ❑ LFPR trends can be seen at the regional level
- ❑ States in the Southern Region of the US have the lowest average LFPR of 61.3%
- ❑ The Midwest Region of the US has the highest average LFPR of 64.4%
- ❑ In September 2023, 6 states reported lower LFPR rates than Arkansas
 - Mississippi = 54.1%
 - West Virginia = 55.1%
 - Alabama = 57.0%
 - South Carolina = 57.0%
 - New Mexico = 57.2%
 - Kentucky = 57.4%
 - **Arkansas = 57.8%**

Source: US Department of Labor, Bureau of Labor Statistics

Labor Force Participation Rates by State (Seasonally Adjusted)
September 2023



Source: US Department of Labor, Bureau of Labor Statistics

Trends in Surrounding States

- ❑ Arkansas has the 2nd lowest LFPR of all the surrounding border states (September 2023)

▪ Texas =	64.2%	▪ Louisiana =	58.9%
▪ Missouri =	63.7%	▪ Arkansas =	57.8%
▪ Oklahoma =	62.1%	▪ Mississippi =	54.1%
▪ Tennessee =	59.4%		

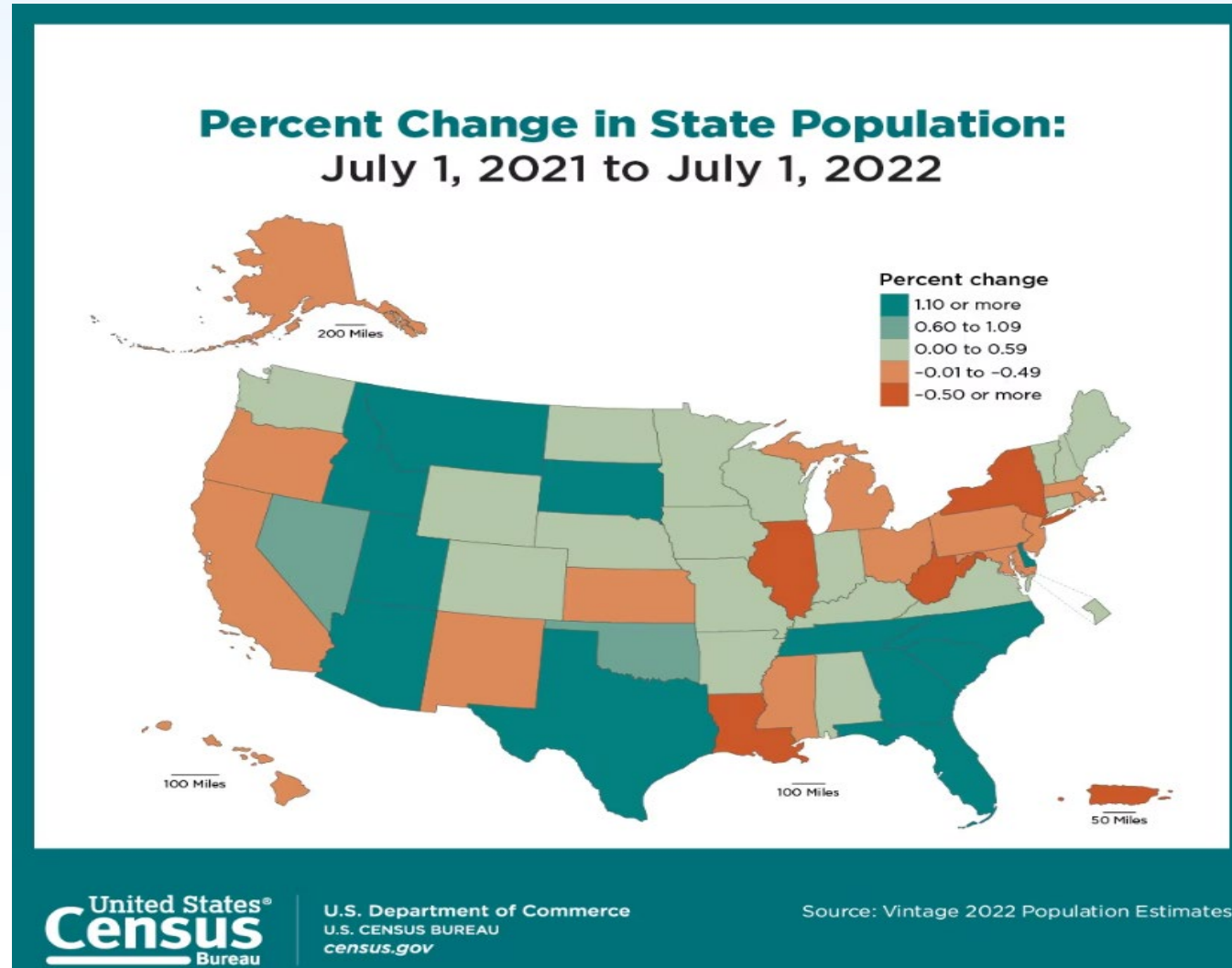
Impacts on Labor Force Participation Rates

Researchers from various fields and governmental agencies have conducted studies on declining LFPR and have isolated 6 potential causes:

- **Slowing Population Growth**
- **Aging Population**
- **Decline of Men in the Workforce**
- **Number of Disabled**
- **High Incarceration Rates**
- **Addiction and Drug Abuse**

Slowing Population Growth

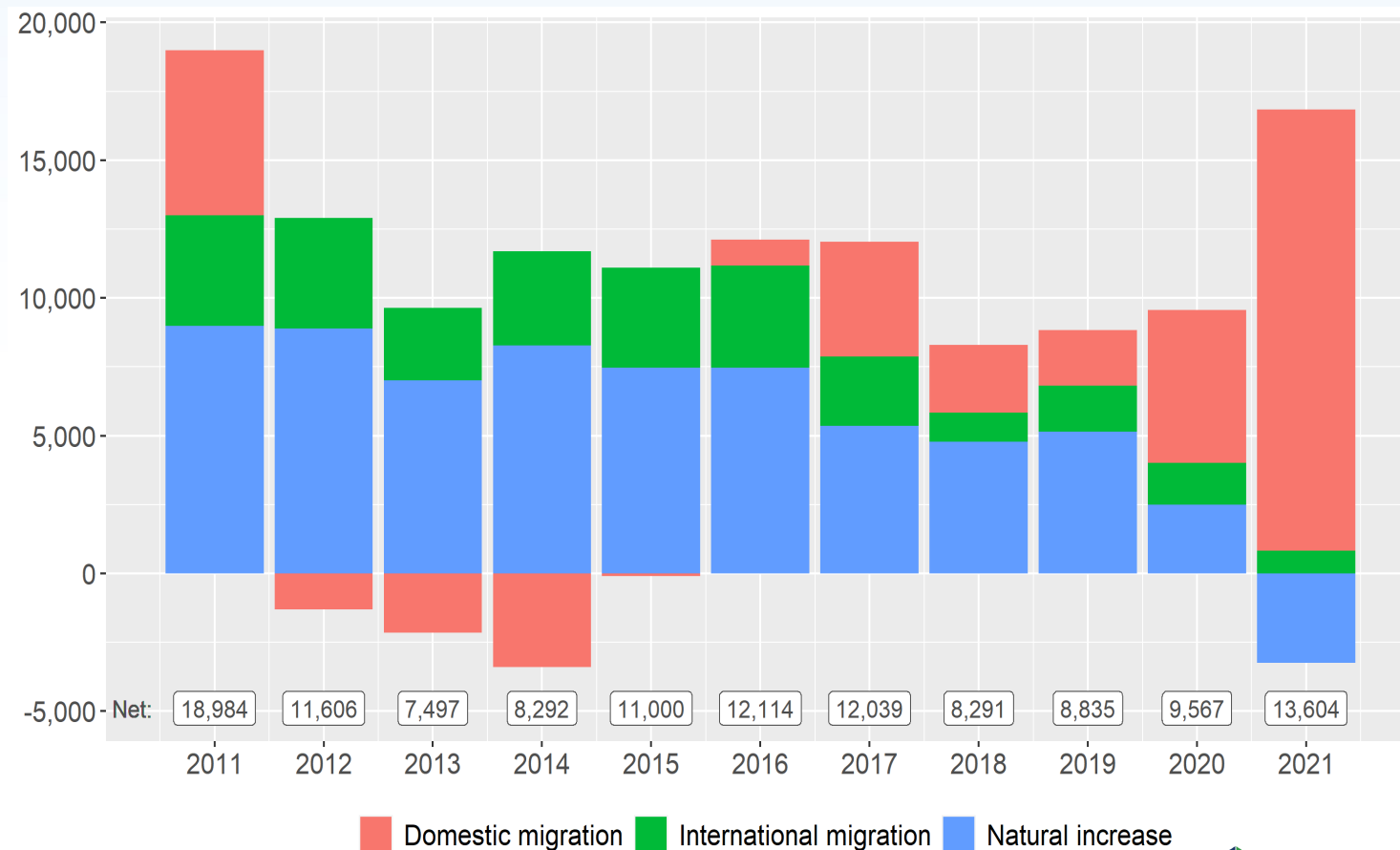
- ❑ Population growth is declining within most developed countries, including the US



Source: US Census Bureau

Slowing Population Growth

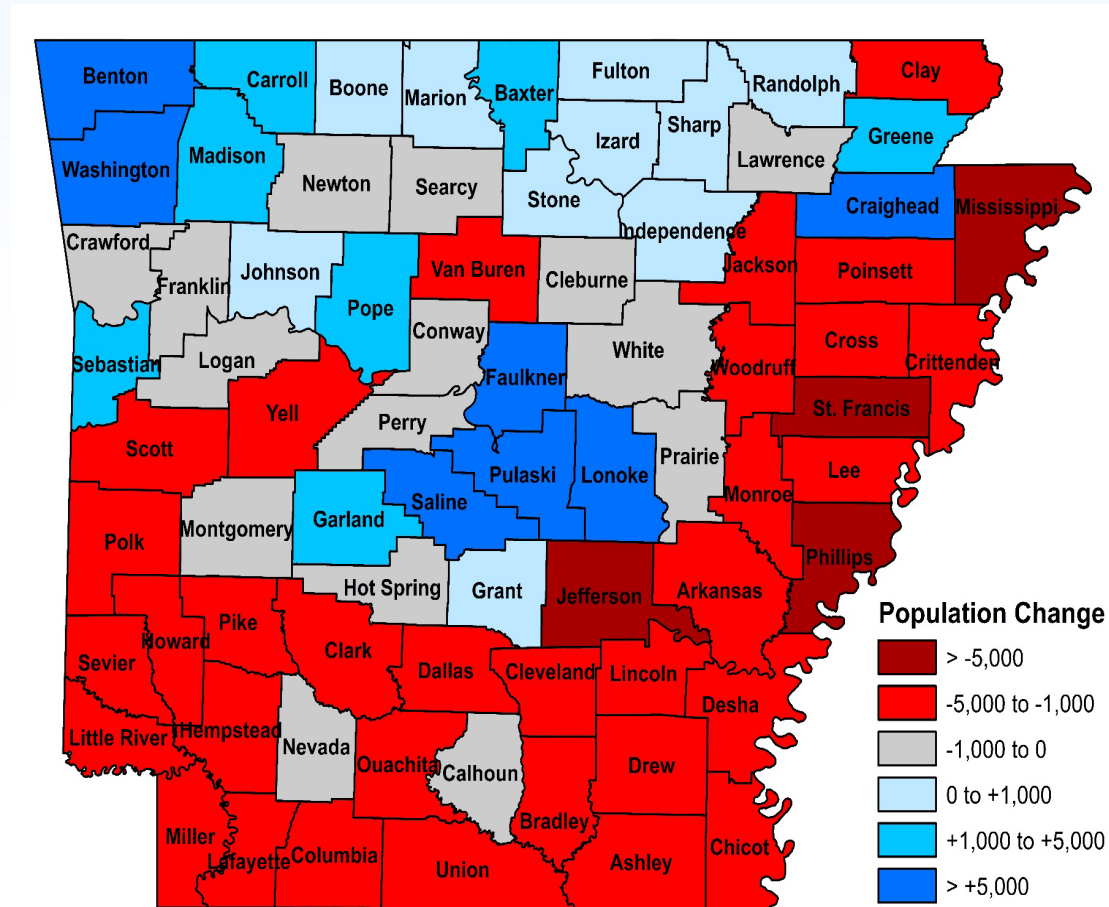
- In Arkansas, death rates exceeded birth rates in 2021
 - If trend continues, Arkansas will rely on domestic and international migration to increase population in the future



Source: US Census Bureau

Slowing Population Growth

- Between 2012 and 2022, Arkansas' total population increased by 92,761 to reach 3,045,637
- 51 counties reported population declines; 24 counties added population



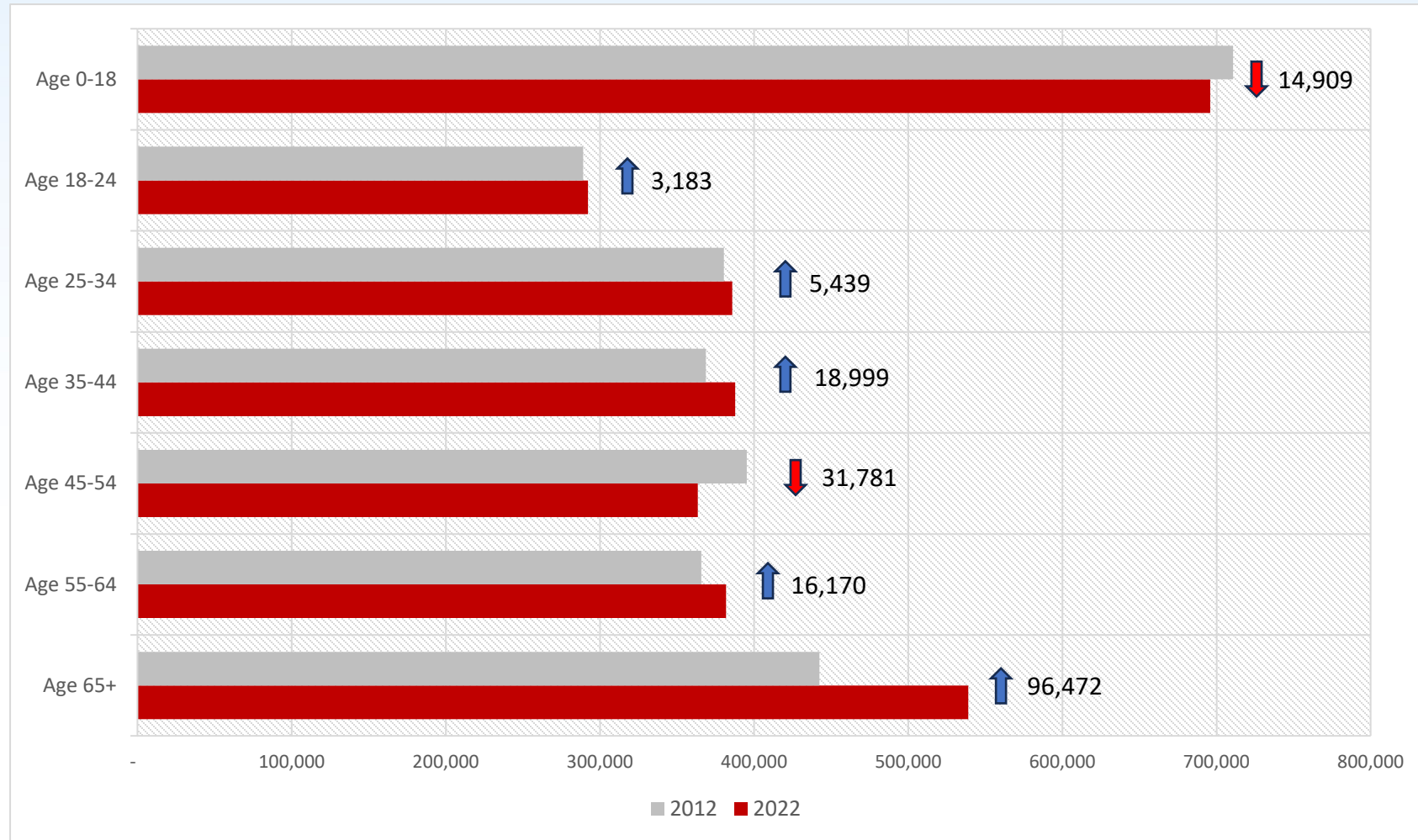
Source: US Census Bureau

Aging Population

- ❑ The Bureau of Labor Statistics predicts that the country's aging population will have lasting impacts on the Labor Force
- ❑ The entire Baby Boomer generation is now over the age of 59
 - In 2022, 23.8% of the US population was Age 60+
 - In 2022, 24.3% of Arkansas' population was Age 60+

Population by Age Cohort (2012 vs 2022)

State of Arkansas



Source: US Census Bureau, American Community Survey

Labor Force Participation Rates by Age Range State of Arkansas (Annual Average 2018-2022)

	2018	2019	2020	2021	2022	
Age 16-19	32.2	34.8	36.2	37.4	39.5	↑
Age 20-24	68.5	73.4	69.9	72.7	77.1	↑
Age 25-34	77.1	78.9	79.7	79.7	81.2	↑
Age 35-44	80.4	80.5	78.3	78.8	81.1	↑
Age 45-54	76.1	76.4	75.7	76.1	73.2	↓
Age 55-64	57.1	58.6	56.5	54.3	55.0	↓
Age 65+	16.1	17.0	18.7	16.9	15.3	↓

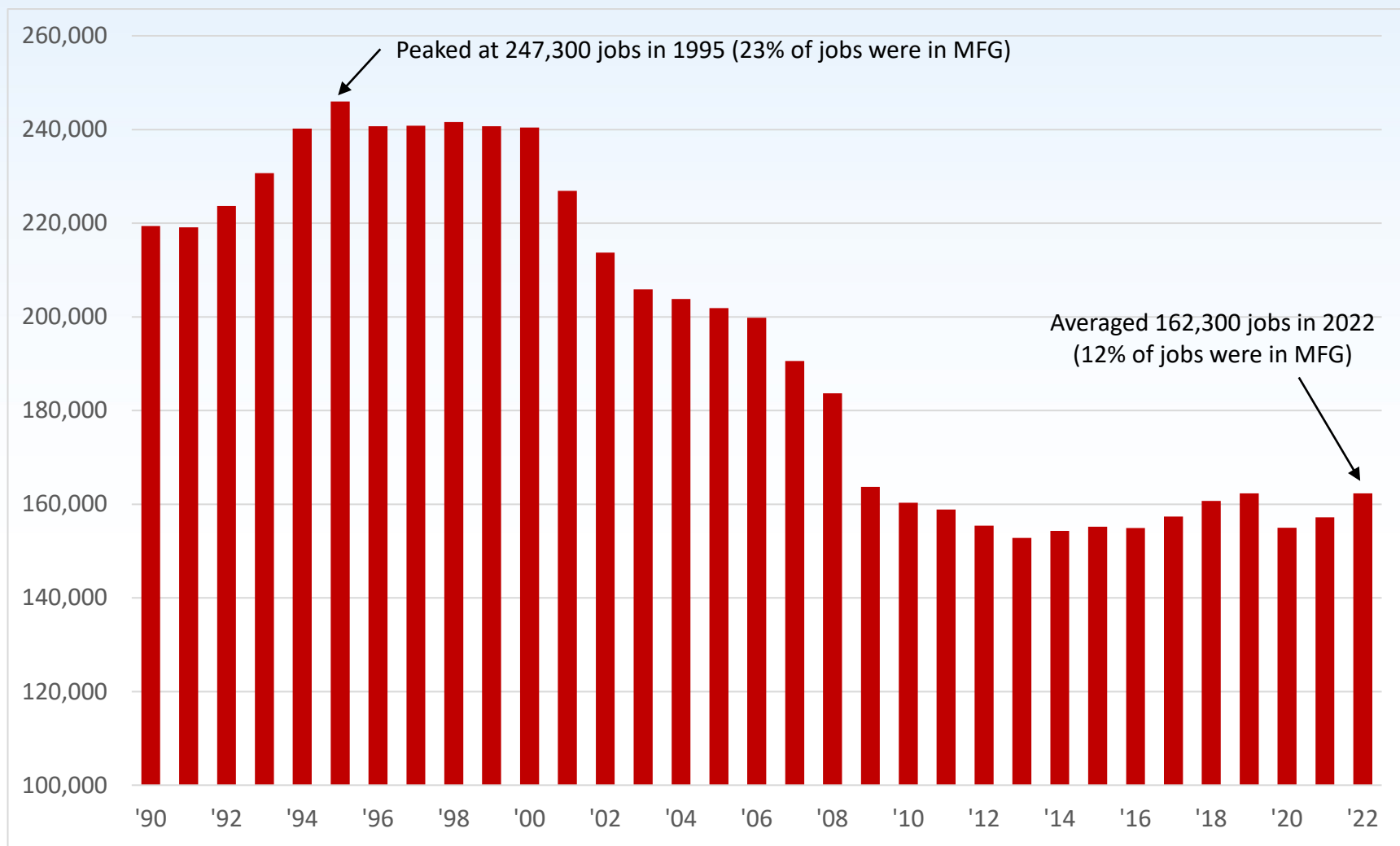
Source: US Census Bureau, Current Population Survey

Decline of Men in the Work Force

- For the last 6 decades, the US has seen a slow decline of men aged 25-54 participating in the labor force
- In the 1950s, 97% of men aged 25-54 were in the labor force in the US
- In 2022, 88% of men aged 25-54 were in the labor force in the US (73% in AR)
- The decline of men's LFPR has been attributed to several factors:
 - Loss of employment opportunities due to technological advancements and globalization
 - Decline in the number of manufacturing jobs
 - Increased availability of lower paying and less desirable jobs, particularly for those with lower levels of educational attainment

Source: US Department of Labor, Bureau of Labor Statistic

Manufacturing Jobs in Arkansas 1990 – 2022 (Annual Average)



Source: Current Employment Statistics, Bureau of Labor Statistics

Number of Disabled

Research suggests that an increase in the number of individuals on Social Security Disability Insurance and those who identify as being disabled has had an impact on LFPR:

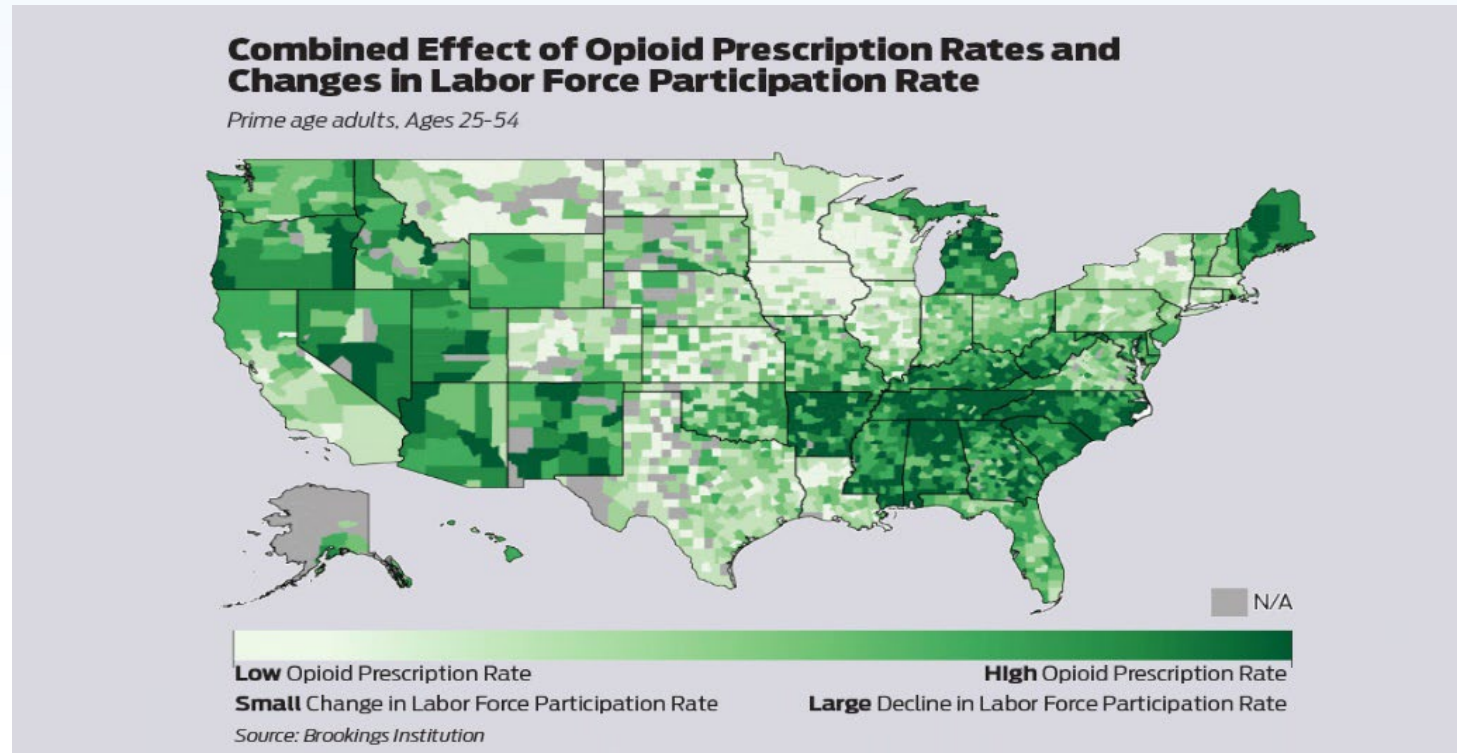
- ❑ 440,147 Arkansans (Aged 16+) reported having a disability in 2012
 - 74.6% of disabled Arkansans report that they are not participating in the labor force due to the disability (328,350 Arkansans)
- ❑ 503,186 Arkansans (Aged 16+) reported having a disability in 2022
 - 73.1% of disabled Arkansans report that they are not participating in the labor force due to the disability (367,829 Arkansans)
- ❑ Note that this data is self reported to the US Census Bureau and that not all persons that consider themselves to be disabled are eligible for Social Security Disability Insurance

High Incarceration Rates

- ❑ Some researchers have established a link between high incarceration rates and decreased LFPR
- ❑ Arkansas has a high number of incarcerated individuals compared to other States
 - In 2019, 27,700 adults were incarcerated in Arkansas (0.9% of the population)
 - Only Mississippi and Louisiana have higher incarceration rates than Arkansas:
 - Mississippi = 575 prisoners per 100,000 residents
 - Louisiana = 564 prisoners per 100,000 residents
 - **Arkansas = 559 prisoners per 100,000 residents**
 - Oklahoma = 555 prisoners per 100,000 residents
 - US Total = 350 prisoners per 100,000 residents

Addiction and Drug Abuse

- ❑ A Princeton University study in 2017 found links between opioid prescriptions and LFPR
- ❑ Counties with high opioid prescription rates saw larger declines in LFPR over the last 15 years




Source: Princeton University

Addiction and Drug Abuse

- ❑ No exact figures exist for the number of Americans addicted to drugs
- ❑ Data is based on the number of overdoses and legal prescriptions
- ❑ According to the Centers for Disease Control, Arkansas had the 2nd highest number of legal opioid prescriptions per capita in 2020
 - In Arkansas, approximately 75.9 opioid prescriptions were written per 100 people in 2020
 - In the US, approximately 43.3 opioid prescriptions were written per 100 people in 2020
 - Opioid prescription rates are currently at a 15-year low

Recap on Labor Force Participation

- ❑ Slowing Population Growth – Arkansas' population growth coming from domestic migration as natural growth declines
- ❑ Aging Population- Arkansas' population is aging while birth rates decline
- ❑ Decline of Men in the Workforce – fewer manufacturing jobs and a decline of higher paying jobs for those with lower education levels
- ❑ Number of Disabled- low levels of labor force participation among the disabled population
- ❑ High Incarceration Rates- high incarceration rates creates a smaller labor force population
- ❑ Addiction and Drug Abuse- high levels of drug abuse creates a smaller labor force population



Q&A

A woman with long brown hair and bangs, wearing a white short-sleeved shirt, is smiling and shaking hands with another person whose arm is visible on the right. The background is blurred, showing other people in a professional environment.

NETWORKING BREAK

EMPLOYER PANEL:

Workforce Challenges, Innovations, & Business Needs

MODERATOR: *Shenaye Johns, Business Services & Discretionary Grants Manager, ADWS*

PANELISTS:

Arkansas Department of Finance & Administration

Jonathan Taylor, Executive Director, DFA, Governor's Council on Developmental Disabilities

Bank OZK

Cathy Bonner, Director of Diversity, Equity & Inclusion & Outreach Programs

Kim Franco, Affirmative Action & Outreach, Program Manager

Oaklawn

Eric Gilson, Vice President of Human Resources

UNEMPLOYMENT INSURANCE UPDATES FOR EMPLOYERS

Kristen Rhodes-Berry

Assistant Director of Unemployment Insurance, ADWS

Legislative Changes



Act 196 (HB 1430)

- **§11-10-215**

- Taxable wage base at \$7,000 when the UI Trust Fund is in excess of \$600,000,000 at the end of the fiscal year.
- Limits increases to the taxable wage base to \$2,000 each year.

- **§11-10-504**

- Reduces the maximum weekly UI benefit duration from sixteen to twelve weeks. Effective for initial claims filed on or after January 1, 2024.

- **§11-10-704**

- Reduces the new employer tax rate from 2.9% of the taxable wage base to 1.9%. Effective January 1, 2024.



Act 196 (HB 1430) continued

§11-10-705

- Recharacterizes the stabilization tax as an administrative assessment.
- Down from 0.2% to 0.125% for fiscal year 2024.
- Down from 0.125% to 0.100% 0.125% for fiscal year 2025
- Eliminates the 12% and 14% tax rates for deficit rated employers. Effective January 1, 2024.



Act 587 (HB 1575)

§11-10-507

Unless excused from work search, a claimant shall be ineligible for UI benefits for any week during which five (5) work search contacts are not made. Effective date January 1, 2024.

Requires DWS to audit at least one hundred (100) work search reports each week. Effective date January 1, 2024.



Act 106 (HB 1197)

Job Search Interview

§11-10-515

- Creates a benefit disqualification for failing without good cause and without notice to attend two scheduled job interviews. To satisfy the disqualification, a claimant will be required to have thirty (30) days of covered employment.
Effective date January 1, 2024.
- These can be reported to ADWS using the link available in the Employer portal.



Act 854 (HB 1840)

Fraud Penalty

§11-10-519

- Provides that UI fraud overpayments of \$1,000 or more require a disqualification period of ten (10) years. Effective October 1, 2023.



2024 Rates Changes

Taxable Wage Base set for \$7,000.00 per employee

Experience Rates Range from 0.225% - 10.15%

New Employer Rate: 2.025%



New Hire Registry

Moved to the Tax21 system

- First step towards employer portal
- Ability for ADWS to more quickly identify fraud
- Potential savings to employers



Good Partners

Timely responses

- Without timely responses we are unable to make quality decisions
 - Notice to Last Employer
 - Notice to Base Period Employers
 - Adjudication forms
- Ability for ADWS to more quickly identify fraud
- Potential savings to employers



Where We Are Going

Employer Portal

- One Login to all Employer services
 - File quarterly reports
 - Response to Last employer and Base period employer
 - Protest Charges
 - Reporting of fraud
 - Update the online filing pieces
 - Employee wage audits
 - Ability to upload additional documentation



UI Program Contacts

Main Number for Everything UI

1-844-908-2178


Kristen Rhodes-Berry

UI Assistant Director

Kristen.rhodes@arkansas.gov

501-683-5366



A blurred background image of a conference room. In the center, a large, bold, black "Q&A" text is overlaid. The background shows a group of people in business attire, with several individuals raising their hands, suggesting an interactive session or a Q&A period. The room has large windows in the background, letting in bright light. The overall tone is professional and collaborative.

Q&A

TRANSITION

PARTICIPANT SUCCESS PANEL & VIDEO: The WIOA Experience - Customer Voices

MODERATOR:

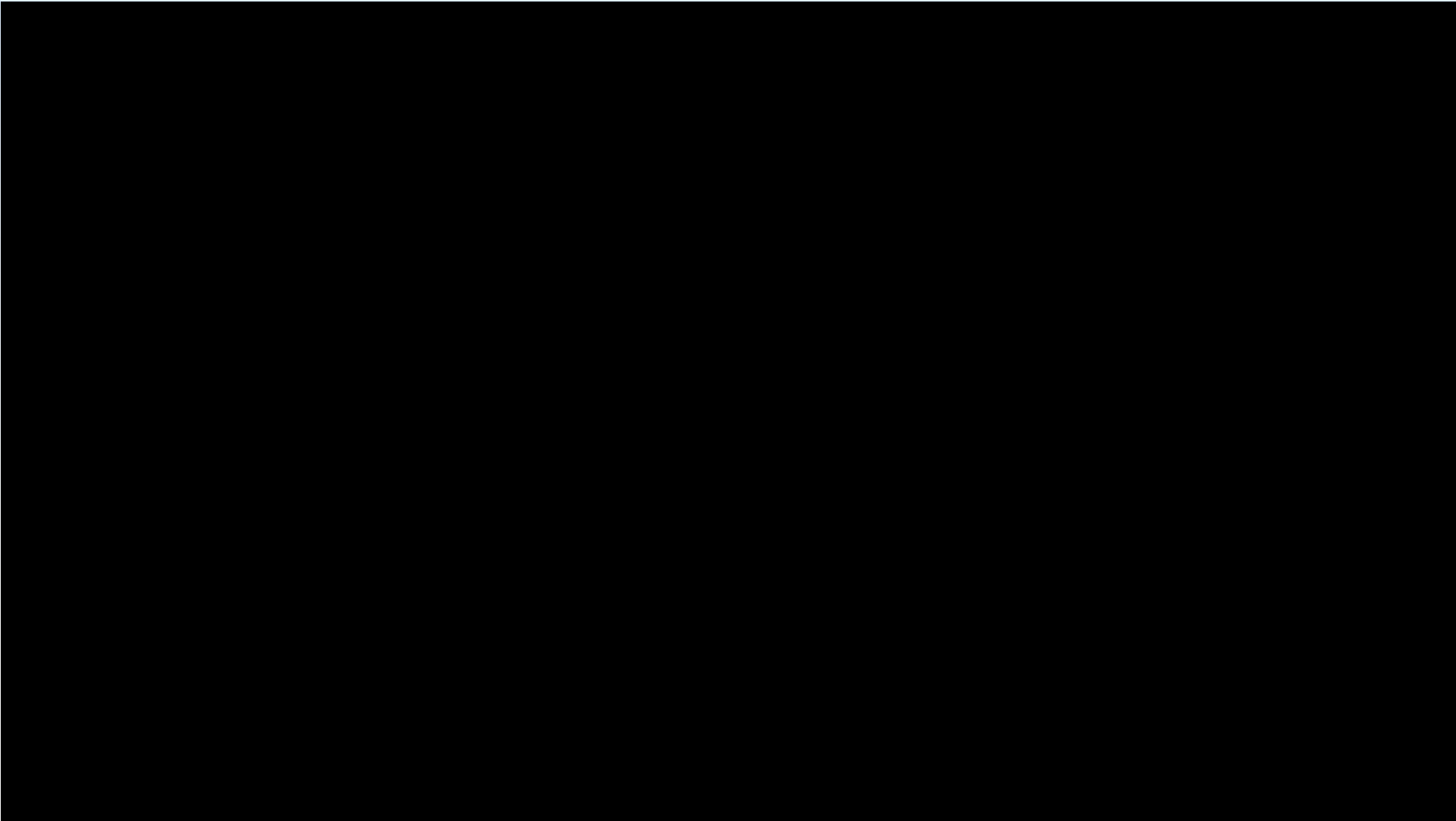
Marcia Moore, Assistant Director, DLW, ADWS


PANELISTS:

Coleman Cole, Auto Mechanic Work Experience

Isaac Traylor, Owner, 3-1 Pressure Washing and Detail

Autumn James, Certified Pharmacy Technician Program



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Q&A

CLOSING REMARKS

Dr. Charisse Childers, ADWS Director
Courtney Traylor, ADWS Deputy Director