

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas *As Engrossed: S2/18/15 S2/26/15 S3/12/15 H3/18/15*

90th General Assembly

A Bill

Regular Session, 2015

SENATE BILL 368

By: Senators J. English, E. Cheatham, U. Lindsey, D. Sanders, E. Williams

By: Representatives C. Douglas, C. Armstrong, Cozart, Lampkin, Lowery, Wardlaw, *Bentley, Blake, Boyd, Bragg, Brown, Dotson, Drown, Eads, Eaves, D. Ferguson, L. Fite, Gillam, Gossage, M. Gray, Harris, Hickerson, McNair, Petty, Pitsch, Richmond, Rushing, Sabin, Scott, Speaks, Tosh, Vaught, Wallace*

For An Act To Be Entitled

AN ACT TO CREATE A COMPREHENSIVE STATEWIDE WORKFORCE DEVELOPMENT SYSTEM; TO RENAME THE STATE BOARD OF CAREER EDUCATION; TO COORDINATE VARIOUS WORKFORCE DEVELOPMENT PROGRAMS; TO CREATE A BOARD TO OVERSEE CAREER EDUCATION AND WORKFORCE DEVELOPMENT IN ARKANSAS; TO CREATE AN OFFICE OF SKILLS DEVELOPMENT; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE A COMPREHENSIVE STATEWIDE WORKFORCE DEVELOPMENT SYSTEM; TO COORDINATE VARIOUS WORKFORCE DEVELOPMENT PROGRAMS; TO CREATE AN OFFICE OF SKILLS DEVELOPMENT; AND TO DECLARE AN EMERGENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. DO NOT CODIFY. Findings.

The General Assembly finds that:

(1) Occupational, technical, and industrial training provides unique opportunities to improve the lives of Arkansans while advancing the state's economic development;

(2) Businesses seeking to begin operations in Arkansas look to



the level of education and skills in the workforce as a key factor in making investment decisions;

(3) Currently, Arkansas workforce education proceeds in a variety of agencies, without coordination, often with significant inefficiencies arising from overlapping and repeated programming and from important programs being overlooked as presumably covered by another program; and

(4) Bringing coordination of all state and federal career education and workforce development programs will:

(A) Reduce duplication of programming;

(B) Ensure that every Arkansan who seeks occupational, technical, and industrial training will find an appropriate education program in this state;

(C) Bring consistency and efficiency to the state's career education and workforce development efforts; and

(D) Alert industry to the commitment of the State of Arkansas to economic development through career education and workforce education.

SECTION 2. Arkansas Code § 11-10-706(f)(1)(A), concerning the proceeds of the stabilization tax under the Department of Workforce Services Law, is amended to read as follows:

(f)(1)(A) ~~Provided, however~~ However, the proceeds of the stabilization tax in the amount of two and one-half hundredths of one percent (.025%) of taxable wages collected during the period July 1, 2007, through June 30, ~~2015~~ 2019, shall be deposited and credited to the Department of Workforce Services Training Trust Fund, there to be used for worker training.

SECTION 3. Arkansas Code § 11-10-706(f)(2)(A), concerning the proceeds of the stabilization tax under the Department of Workforce Services Law, is amended to read as follows:

(2)(A) However, the proceeds of the stabilization tax in the amount of two and one-half hundredths of one percent (.025%) of taxable wages collected during the period July 1, 2007, through June 30, ~~2015~~ 2019, shall be deposited and credited to the Department of Workforce Services Unemployment Insurance Administration Fund, there to be used for operating

expenses of the unemployment insurance program necessary for the proper administration of § 11-10-101 et seq., as determined by the Director of the Department of Workforce Services.

SECTION 4. Arkansas Code Title 19, Chapter 6, Subchapter 8, is amended to add an additional section to read as follows:

19-6-829. Skills Development Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Skills Development Fund".

(b) The Skills Development Fund shall consist of:

(1) Moneys obtained from private grants or other sources that are designated to be credited to the Skills Development Fund; and

(2) Any other revenues as may be authorized by law.

(c) The Skills Development Fund shall be used by the Department of Career Education – Office of Skills Development as provided in § 25-30-109.

SECTION 5. Arkansas Code Title 25, Chapter 30, Subchapter 1, is amended to read as follows:

Subchapter 1 – Career Education and Workforce Development

~~25-30-101. State Board of Career Education~~ Career Education and Workforce Development Board – Creation – Membership.

~~(a) There is hereby created the State Board of Career Education, hereinafter referred to as "the board"~~ The Career Education and Workforce Development Board is created.

~~(b) The State Board of Vocational Education created by § 6-11-101 is abolished and transferred to the State Board of Career Education by a type 3 transfer under § 25-2-106.~~

~~(c)~~(b) The State Board of Career Education shall be composed as follows board shall consist of the following members to be appointed by the Governor with advice and consent of the Senate:

~~(1) Seven (7) members appointed by the Governor subject to confirmation by the Senate, one (1) member from each congressional district and three (3) members from the state at large; and~~

~~(2) The members shall be selected from among parents, business,~~

~~industry, labor, persons with disabilities, minorities, and other groups who shall be representative of the many career opportunities available in the state such as:~~

- ~~(A) Administration, business, and finance management;~~
 - ~~(B) Agriculture, forestry, and natural resources;~~
 - ~~(C) Art, media, and communications;~~
 - ~~(D) Construction and extractive;~~
 - ~~(E) Education and training services;~~
 - ~~(F) Health and medical services;~~
 - ~~(G) Hospitality and tourism;~~
 - ~~(H) Legal and protective services;~~
 - ~~(I) Manufacturing, processing, and systems operations;~~
 - ~~(J) Marketing, sales, and promotion;~~
 - ~~(K) Mechanical and technical services and precision~~
- ~~crafts;~~
- ~~(L) Natural and applied science and engineering;~~
 - ~~(M) Personal and commercial services; and~~
 - ~~(N) Transportation and material moving.~~

(l) As voting members, from a list of recommendations by industry and business associations:

- (A) One (1) member to represent the agriculture industry;
 - (B) One (1) member to represent the construction industry;
 - (C) One (1) member to represent the energy industry;
 - (D) One (1) member to represent the healthcare industry;
 - (E) One (1) member to represent the information technology
- industry;
- (F) One (1) member to represent the manufacturing
- industry;
- (G) One (1) member to represent the financial services
- industry;
- (H) One (1) member to represent the hospitality industry;
 - (I) One (1) member to represent the transportation-
- logistics industry;
- (J) One (1) member to represent the rehabilitation
- services industry; and
- (K) At the discretion of the Governor, up to three (3)

members representing industries not represented in subdivisions (b)(1)(A) through (b)(1)(J) of this section; and

(2) As nonvoting members:

(A) The Commissioner of Education;

(B) The Director of the Department of Higher Education;

(C) The Executive Director of the Arkansas Community Colleges;

(D) The Director of the Arkansas Economic Development Commission;

(E) The Director of the Department of Workforce Services;

(F) One (1) member to represent the Arkansas Association of Public Universities; and

(G) One (1) member to represent the Arkansas Association of Educational Administrators.

~~(d)(c)(1) The term of office of members shall be seven (7) years, except that at the first meeting the members shall draw lots for staggered terms so that no more than one (1) membership shall expire each year on June 30. The industry members shall serve three-year terms, except that the initial appointees shall serve staggered terms determined by the Governor so that two (2) members serve a one-year term, three (3) members serve a two-year term, and two (2) members serve a three-year term.~~

(2) A voting member may not serve more than two (2) consecutive three-year terms.

~~(e)(d)(1) A person may not serve as a member of the State Board of Career Education unless he or she is a qualified elector of this state. A majority of the membership of the board shall constitute a quorum.~~

(2) A majority vote of those members present shall be required for any action of the board.

~~(f)(e) A candidate for or holder of a public office in the state, Director of the Department of Education or Director of the Department of Higher Education, employee of a public school district, employee of a postsecondary or higher education institution, or member of any board of directors or board of trustees of any postsecondary or higher education institution in this state shall not serve as a member of the State Board of Career Education. A vacancy on the board due to death, resignation, removal, or other cause shall be filled by appointment by the Governor for the~~

unexpired portion of the term.

~~(g)(f)~~ When a vacancy occurs in the membership of the board, a successor will be appointed in the same manner as the person succeeded and will serve the person's unexpired term, subject to all other provisions of this subchapter. The Governor may remove a voting member of the board before the expiration of his or her term for cause only, after notice and hearing in accordance with §§ 25-17-210 and 25-17-211.

~~(h)(g)~~ The members of the State Board of Career Education shall serve without remuneration, except as specified in § 25-16-901 et seq. for the state board of vocational education. Voting members of the board may receive expense reimbursement and stipends under § 25-16-902.

~~(i)(h)~~ The State Board of Career Education board shall elect from its own number a chair and such other officers as may be deemed necessary to carry on its business.

~~(j)~~ The State Board of Career Education shall meet at least one (1) time during each calendar quarter and at such other times upon call of the chair or any other three (3) members.

~~(k)(1)~~ The State Board of Career Education shall appoint from its membership a liaison officer to the State Board of Education, the Arkansas Higher Education Coordinating Board, the Department of Human Services, the Department of Workforce Services, and the Arkansas Economic Development Commission.

~~(2)~~ Liaison officers shall attend the board and council meetings or other appropriate meetings as designated by the chair and shall represent and articulate the policies of the State Board of Career Education to these boards, councils, and agencies.

~~(l)~~ The Director of the Department of Education and the Director of the Department of Higher Education shall serve as ex officio nonvoting members of the State Board of Career Education.

~~(m)~~ The Director of the Department of Higher Education and the Director of the Department of Career Education shall serve as ex officio nonvoting members of the State Board of Education.

~~(n)~~ The Director of the Department of Career Education and the Director of the Department of Education shall serve as ex officio nonvoting members of the Arkansas Higher Education Coordinating Board.

25-30-102. Powers and duties of the ~~State Board of Career Education~~
Career Education and Workforce Development Board.

~~(a) On April 24, 1997, the State Board of Career Education shall become vested with and succeed to all the rights, titles, powers, interests, obligations, duties, and responsibilities of the State Board of Vocational Education.~~

~~(b)(a)(1)~~ The ~~State Board of Career Education~~ Career Education and Workforce Development Board shall develop and monitor a state plan for vocational-technical education which shall include at least the establishment of at least one (1) area vocational center in each education service cooperative service area and in Pulaski County.

(2) All policy issues affecting the public schools will be developed by the ~~State Board of Career Education~~ Career Education and Workforce Development Board after consultation with the State Board of Education and implemented in coordination with the Department of Education or the education service cooperatives, or both.

~~(e)(b)(1)~~ The ~~State Board of Career Education~~ Career Education and Workforce Development Board shall have general supervision of all programs regarding vocational, technical, and occupational education.

(2) All of those programs and the funding of those programs shall be subject to the approval of the ~~board~~ Career Education and Workforce Development Board.

~~(d)(1)(c)(1)~~ The responsibilities of the ~~State Board of Career Education~~ Career Education and Workforce Development Board shall include, ~~but not be limited to,~~ all vocational, technical, and occupational education, including without limitation the following:

(A) Establishing policies relating to plans and specifications for facilities and instructional equipment;

(B) Prescribing standardized standards for programs and teachers;

(C) Approving applied courses of related academic instruction; and

(D) Other items relative to program quality and operation.

(2) The Career Education and Workforce Development Board shall:

(A) Administer the career education and workforce development programs administered by the Career Education and Workforce

Development Board;

(B) Adopt rules to administer the Career Education and Workforce Development Board and the programs developed by the Career Education and Workforce Development Board, including the creation and election of officers subsequent to the initial chair;

(C) Create a comprehensive statewide program of career education and workforce development focused on educational opportunities and retention with the goal of economic development;

(D) Coordinate programs and curricula for career education and workforce development;

(E) Review and approve program designs for career education and workforce development;

(F) Review and approve curricula design for career education and workforce development;

(G) Promote career education and workforce development programs and curricula statewide; and

(H) Oversee the Office of Skills Development.

~~(2)(3)(A) The State Board of Career Education shall have the authority to~~ Career Education and Workforce Development Board may reorganize and restructure current programs and personnel in the institutions covered in this section.

(B) Any savings of appropriated funds effected thereby by the reorganization and restructuring may be used by the board Career Education and Workforce Development Board for other programs as it deems appropriate.

~~(e) The State Board of Career Education shall be responsible for the administration of all funds appropriated by the General Assembly for public education based on the average daily membership of students enrolled in vocational education programs in the public schools, and these funds shall be administered through the Department of Education.~~

~~(f) All references in the laws of this state to the State Board of Vocational Education shall be construed to refer to the State Board of Career Education.~~

25-30-103. Adult education funds.

~~The State Board of Workforce Education and Career Opportunities~~ Career

Education and Workforce Development Board and the State Board of Education shall remain the sole state agencies to administer any and all state and federal adult education funds. ~~The board shall distribute federal adult education funds to participating institutions under the effective and efficient funding formula as established by the board.~~

25-30-104. Coordination with State Board of Education and Department of Education.

~~The State Board of Workforce Education and Career Opportunities~~ Career Education and Workforce Development Board and the State Board of Education shall coordinate their activities to ensure that academic, workplace, and technical skills create opportunities for a strong comprehensive education regardless of the student's ultimate career choice.

25-30-105. Coordination with Arkansas Higher Education Coordinating Board and Department of Higher Education.

~~(a) The State Board of Workforce Education and Career Opportunities~~ Career Education and Workforce Development Board and the Arkansas Higher Education Coordinating Board shall coordinate their activities to ensure that secondary and postsecondary career preparation is connected to create opportunities for a strong comprehensive education regardless of the student's ultimate career choice.

~~(b)~~ In addition, the two (2) boards shall participate in a collaborative planning process annually for the distribution of federal funds for workforce education activities, including vocational-technical education.

~~(c)~~ The distribution shall be pursuant to written agreement between the two (2) boards.

25-30-106. Department of Career Education.

(a) There is ~~hereby~~ created the Department of Career Education, ~~hereinafter referred to as "the department"~~.

~~(b) The Vocational and Technical Education Division of the Department of Education created by § 25-6-101, the Governor's Commission on Adult Literacy created by § 6-44-201 [repealed], and the Advisory Council for Vocational Technical Education created by § 6-50-601 [repealed] are abolished and transferred to the Department of Career Education by a type 3 transfer~~

~~under § 25-2-106.~~

~~(e)~~(b)(1) The Arkansas Rehabilitation Services as an agency responsible to the ~~State Board of Career Education~~ Career Education and Workforce Development Board and as a part of the Department of Career Education shall function as an agency in accordance with § 6-52-101 et seq. and § 25-30-201 et seq.

(2) This subchapter shall assure that the Arkansas Rehabilitation Services functions organizationally at a level at least equal to that of any division or entity of the Department of Career Education.

~~(d)~~(c) The ~~board~~ Governor shall appoint a director of the Department of Career Education who shall:

- (1) Be a member of the Governor's cabinet;
- (2) Be confirmed by the Governor; and
- (3) Serve at the pleasure of the Governor.

~~(e)~~(d) The director shall devote all of his or her time to the duties of his or her office, shall act as agent of the board, and shall perform such other duties as are designated by the board or by statute.

~~(f)~~(e) The director shall serve as the ex officio secretary of the board without vote.

~~(g)~~(f) The person selected as director shall:

- (1) Be of good moral character;
- (2) Be recognized as a leader in the field of vocational or workforce education;
- (3) Have a bachelor's degree from an accredited institution; and
- (4) Be qualified technically and by experience to direct the work of the Department of Career Education.

~~(h)~~(g) No person who is related within the fourth degree of consanguinity or affinity to any member of the board shall be eligible to serve as director of the Department of Career Education.

25-30-107. Powers and duties of the ~~department~~ Department of Career Education.

~~(a) On April 24, 1997, the Department of Workforce Education shall become vested with and succeed to all the rights, titles, powers, interests, obligations, duties, and responsibilities of the Vocational and Technical Education Division of the Department of Education.~~

~~(b)(a)(1)~~ All personnel of the ~~Department of Workforce Education~~ Department of Career Education shall be employed by and serve at the pleasure of the Director of the ~~Department of Workforce Education~~ Department of Career Education.

~~(2)~~ ~~Provided, nothing in this section shall be so construed as to~~ However, this section does not reduce any rights or benefits of employees, including retirement benefits, that they had when employed by the ~~Vocational and Technical Division of the Department of Education~~ Department of Career Education.

~~(c)(1)~~ The authority and responsibility of the ~~State Board of Workforce Education and Career Opportunities~~ Career Education and Workforce Development Board and the ~~Department of Workforce Education~~ department shall include general control and supervision of all programs of vocational, technical, and occupational education in secondary institutions.

~~(2)~~ This authority shall apply to programs in:

- ~~(1)(A)~~ State technical institutes;
- ~~(2)(B)~~ State postsecondary vocational schools;
- ~~(3)(C)~~ State area vocational high school centers;
- ~~(4)(D)~~ State public schools; and
- ~~(5)(E)~~ Any other public educational facility or

institution now in existence or hereafter established in the state with the exception of technical colleges, community colleges, universities, and colleges.

~~(d)~~ ~~All references in the laws of this state to the Vocational and Technical Education Division of the Department of Education shall be construed to refer to the Department of Workforce Education.~~

25-30-108. Authority of Director of the ~~Department of Workforce Education~~ Department of Career Education to enter into contracts.

The Director of the ~~Department of Workforce Education~~ is ~~authorized to~~ Department of Career Education may enter into contracts with private organizations licensed by the State Board of Education or the ~~State Board of Workforce Education and Career Opportunities~~ Department of Career Education in order to provide vocational-technical training to needy citizens of the State of Arkansas.

~~25-30-109. Transfer of powers to Arkansas Economic Development Commission and Department of Economic Development, Office of Skills Development – Created – Duties.~~

~~All powers, functions, and duties heretofore vested in and exercised by the Department of Workforce Education with respect to the Arkansas Industry Training Program are hereby transferred to and shall hereafter be vested in the Arkansas Economic Development Commission and the Department of Economic Development.~~

(a)(1) There is created within the Department of Career Education under the oversight of the Career Education and Workforce Development Board an Office of Skills Development.

(2)(A) The Director of the Office of Skills Development shall be appointed by the Director of the Department of Career Education in consultation with the Career Education and Workforce Development Board.

(B) The Director of the Department of Career Education may hire personnel necessary to carry out the duties of the office.

(3) The office shall have exclusive authority to award grants under this section.

(b) The office shall:

(1)(A) Award grants to public and private organizations for the development and implementation of workforce training programs.

(B) An organization that is awarded a grant under this section may use the grant for the training of both new and incumbent employees of businesses in this state.

(C) As a condition for receiving a grant under this subsection, the office may require a public or private organization to provide matching funds at a percentage to be determined by the office;

(2) Design procedures and criteria for awarding grants under this section;

(3) Receive and review applications for grants under this section;

(4) Prescribe the form, nature, and extent of the information that shall be contained in an application for a grant under this section;

(5) Audit and inspect the records of grant recipients;

(6) Require reports from grant recipients; and

(7)(A) Use the Department of Workforce Services and other

available labor market information systems to collect, analyze, and disseminate information on current and projected employment opportunities in this state and other appropriate information relating to labor market dynamics as determined by the office.

(B) The office shall make the information contained in the labor market information system available on the department's website.

(c) On or before October 1 of each year, the office shall submit a report to the Governor and the cochairs of the Legislative Council providing an account of the activities and expenditures of the office during the preceding calendar year.

(d) The office shall consult with the Arkansas Economic Development Commission in reviewing applications for workforce training grants under this section.

SECTION 6. Arkansas Code § 25-30-202 is amended to read as follows:
25-30-202. Scope of authority.

(a) All authorities and responsibilities defined in § 20-79-201 et seq. shall be administered by the Arkansas Rehabilitation Services under the direction of the ~~State Board of Workforce Education and Career Opportunities~~ Career Education and Workforce Development Board, except those transferred to the Division of State Services for the Blind of the Department of Human Services by § 25-10-201 et seq.

(b) Any and all statutory authority, powers, duties, functions, records, authorized positions, property, unexpended balances of appropriations, allocations, or other funds transferred from the Division of Rehabilitation Services to the Department of Human Services by Acts 1985, No. 348, are hereby transferred to the Arkansas Rehabilitation Services of the ~~Department of Workforce Education~~ Department of Career Education.

SECTION 7. DO NOT CODIFY. (a) The Governor shall call the first meeting of the Career Education and Workforce Development Board within ninety (90) days after the appointment of the industry members.

(b) The Governor shall appoint a voting member as chair of the board to serve a one-year term.

SECTION 8. EMERGENCY CLAUSE. It is found and determined by the

General Assembly of the State of Arkansas that Arkansas workforce education operates within a variety of agencies without coordination, often with significant inefficiencies arising from overlapping and repeated programming; that this act will bring workforce education programs together under a single umbrella agency; and that this act is immediately necessary because the effectiveness of this act is essential to the operation of the programs for which appropriations will be provided, and that in the event of an extension of the legislative session, the delay in the effective date of this act could work irreparable harm upon the proper administration and provision of essential governmental programs. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/J. English