

STATE OF ARKANSAS



Department of  
Career Education

Asa Hutchinson  
*Governor*

Charisse Childers, Ph.D.  
*Director*

October 1, 2016

MEMORANDUM

TO: Senator Bill Sample, Co-Chair, Arkansas Legislative Council  
Representative David Branscum, Co-Chair, Arkansas Legislative Council

FROM: Arkansas Department of Career Education  
Office of Skills Development

RE: Office of Skills Development Report to Governor and Arkansas Legislative Council

Pursuant to Act 892 of the 90th General Assembly of 2015, A.C.A. § 25-30-109 (c), please find enclosed the report for the newly created Office of Skills Development within the Arkansas Department of Career Education.

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

For purposes of this report, the preceding calendar year is defined as the period from January 1, 2015 through December 31, 2015. Additional information is provided through the end of fiscal year 2016.

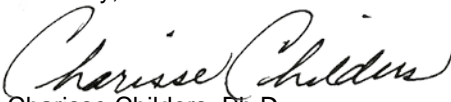
This office became operational in the first quarter of fiscal year 2016. Rules and Regulations for the Skills Development Fund were promulgated and finalized in February 2016. The Skills Development Fund provided funding for, and the Office of Skills Development administered, workforce training grants under the Arkansas Economic Development Commission Existing Worker Training Program and Department of Workforce Services Unemployment Insurance Training Trust Fund through the end of fiscal year 2016. The new Office of Skills Development (OSD) grants process was implemented starting in July 2016.

Responsibility for the State Apprenticeship Office, and operation and administration of statewide Secondary Vocational Area Centers (or Secondary Technical Centers) was added to the Office of Skills Development through fiscal year 2016.

Exhibit A is the report for the periods indicated above.

Through the continued support of Governor Asa Hutchinson, the Arkansas General Assembly, and the Governor's Workforce Cabinet, the Arkansas Department of Career Education and the Office of Skills Development are working diligently toward a statewide comprehensive workforce development system with the goal of economic development in the state of Arkansas. If you have any questions or need further information, please don't hesitate to call.

Sincerely,

  
Charisse Childers, Ph.D.  
Director

## **EXHIBIT A**

### **Summary of Act 892 of Regular Session 2015**

Enabling Legislation: Act 892 of the 90<sup>th</sup> General Assembly, Regular Session

Purpose: Requires the Arkansas Department of Career Education, Office of Skills Development to submit a report on or before October 1 of each year to the Governor and the co-chairs of the Legislative Council providing an account of the activities and expenditures of the offices during the preceding calendar year.

Reporting Period: Calendar Year January 1, 2015 - December 31, 2015

Additional information provided for Fiscal Year 2016 through June 30, 2016:  
activity and expenditures provided below

#### **ACTIVITIES**

1. Hiring the Deputy Director, Associate Director, and Administrative Specialist for the Office of Skills Development. The State Apprenticeship Office and business and administration functions of the Secondary Vocational Area Centers (or Secondary Technical Centers) within the Career and Technical Education Division were transferred to the Office of Skills Development Division.
2. Drafting, negotiating, and promulgating rules and regulations for administration of the Skills Development Fund. The rules and regulations were reviewed by, and input was received from, the Arkansas Department of Career Education - Career Education and Workforce Development Board, the Arkansas Economic Development Commission (AEDC), Arkansas Department of Workforce Services (DWS), and Governor Hutchinson's office.
3. For fiscal year 2016, the Office of Skills Development, along with the relevant representatives from the Arkansas Department of Workforce Services (DWS) and Arkansas Economic Development Commission (AEDC), administered more than 200 grant applications under the rules and regulations of the DWS Unemployment Insurance Training Trust Fund grants program and the AEDC Existing Worker Training (grants) Program. Almost \$3,500,000 was recommended by the agencies and approved by the Governor's Workforce Cabinet with funding being dispersed from the Skills Development Fund upon completion of the training.
4. Additional Office of Skills Development activities include ongoing organizational and operational setup of the Office, analytics related to Arkansas labor force dynamics, engaging with statewide stakeholders in Career and Technical Education and workforce development, and supporting the efforts of the Governor's office and Governor's Workforce Cabinet.
5. The new Office of Skills Development (OSD) Grants process was instituted under the new OSD Grants rules and regulations starting fiscal year 2017. A white paper regarding state funded training grants policy issues was presented to the Governor's office in March 2016. A new electronic grants signoff process using DocuSign was instituted starting spring 2016. Presentations regarding state funded workforce development grants and policies were made to statewide stakeholders including Arkansas Community Colleges, Arkansas Economic Developers, and the Career Education and Workforce Development Board.

## FINANCIAL DATA:

Following is a summary of the sources of funds comprising the FY 2016 Budget:

\$1,301,233	Stabilized General Revenue
\$2,500,000	DWS Training Trust Fund
\$4,862,870	Workforce Development Fund
<u>\$13,160,608</u>	Economic Development Commission Fund
\$21,824,711	Total Budget

As of **June 30, 2016**, the following were the expenditures from the Skills Development Fund:

\$21,040.45	Salaries and Benefits
\$9,197.86	Operating Expenses
<u>\$1,271,210.06</u>	Grants/Aid
\$1,301,448.37	Total Expenditures