1 2	State of Arkansas As Engrossed: S2/18/15 S2/26/15 90th General Assembly As Engrossed: S2/18/15 S2/26/15
3	Regular Session, 2015SENATE BILL 368
4	
5	By: Senators J. English, E. Cheatham, U. Lindsey, D. Sanders, E. Williams
6	By: Representatives C. Douglas, C. Armstrong, Cozart, Lampkin, Lowery, Wardlaw
7	
8	For An Act To Be Entitled
9	AN ACT TO CREATE A COMPREHENSIVE STATEWIDE WORKFORCE
10	DEVELOPMENT SYSTEM; TO RENAME THE STATE BOARD OF
11	CAREER EDUCATION; TO COORDINATE VARIOUS WORKFORCE
12	DEVELOPMENT PROGRAMS; TO CREATE A BOARD TO OVERSEE
13	CAREER EDUCATION AND WORKFORCE DEVELOPMENT IN
14	ARKANSAS; TO CREATE AN OFFICE OF SKILLS DEVELOPMENT;
15	TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
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17	
18	Subtitle
19	TO CREATE A COMPREHENSIVE STATEWIDE
20	WORKFORCE DEVELOPMENT SYSTEM; TO
21	COORDINATE VARIOUS WORKFORCE DEVELOPMENT
22	PROGRAMS; TO CREATE AN OFFICE OF SKILLS
23	DEVELOPMENT; AND TO DECLARE AN EMERGENCY.
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26	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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28	SECTION 1. DO NOT CODIFY. <u>Findings.</u>
29	The General Assembly finds that:
30	(1) Occupational, technical, and industrial training provides
31	unique opportunities to improve the lives of Arkansans while advancing the
32	state's economic development;
33	(2) Businesses seeking to begin operations in Arkansas look to
34	the level of education and skills in the workforce as a key factor in making
35	investment decisions;
36	(3) Currently, Arkansas workforce education proceeds in a



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1	variety of agencies, without coordination, often with significant
2	inefficiencies arising from overlapping and repeated programming and from
3	important programs being overlooked as presumably covered by another program;
4	and
5	(4) Bringing coordination of all state and federal career
6	education and workforce development programs will:
7	(A) Reduce duplication of programming;
8	(B) Ensure that every Arkansan who seeks occupational,
9	technical, and industrial training will find an appropriate education program
10	in this state;
11	(C) Bring consistency and efficiency to the state's career
12	education and workforce development efforts; and
13	(D) Alert industry to the commitment of the State of
14	Arkansas to economic development through career education and workforce
15	education.
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17	SECTION 2. Arkansas Code § 11-10-706(f)(1)(A), concerning the proceeds
18	of the stabilization tax under the Department of Workforce Services Law, is
19	amended to read as follows:
20	(f)(l)(A) Provided, however <u>However</u> , the proceeds of the stabilization
21	tax in the amount of two and one-half hundredths of one percent (.025%) of
22	taxable wages collected during the period July 1, 2007, through June 30, <del>2015</del>
23	$\underline{2019}$ , shall be deposited and credited to the Department of Workforce Services
24	Training Trust Fund, there to be used for worker training.
25	
26	SECTION 3. Arkansas Code § 11-10-706(f)(2)(A), concerning the proceeds
27	of the stabilization tax under the Department of Workforce Services Law, is
28	amended to read as follows:
29	(2)(A) However, the proceeds of the stabilization tax in the
30	amount of two and one-half hundredths of one percent (.025%) of taxable wages
31	collected during the period July 1, 2007, through June 30, <del>2015</del> <u>2019</u> , shall
32	be deposited and credited to the Department of Workforce Services
33	Unemployment Insurance Administration Fund, there to be used for operating
34	expenses of the unemployment insurance program necessary for the proper
35	administration of § 11-10-101 et seq., as determined by the Director of the
36	Department of Workforce Services.

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2	SECTION 4. Arkansas Code Title 19, Chapter 6, Subchapter 8, is amended
3	to add an additional section to read as follows:
4	19-6-829. Skills Development Fund.
5	(a) There is created on the books of the Treasurer of State, the
6	Auditor of State, and the Chief Fiscal Officer of the State a special revenue
7	fund to be known as the "Skills Development Fund".
8	(b) The Skills Development Fund shall consist of:
9	(1) Moneys provided by the Work Force 2020 Development Fund;
10	(2) Moneys obtained from private grants or other sources that
11	are designated to be credited to the Skills Development Fund; and
12	(3) Any other revenues as may be authorized by law.
13	(c) The Skills Development Fund shall be used by the Department of
14	Career Education — Office of Skills Development as provided in § 25-30-109.
15	
16	SECTION 5. Arkansas Code Title 25, Chapter 30, Subchapter 1, is
17	amended to read as follows:
18	Subchapter 1 — Career Education and Workforce Development
19	
20	25-30-101. State Board of Career Education Career Education and
21	<u>Workforce Development Board - Creation - Membership</u> .
22	(a) There is hereby created the State Board of Career Education,
23	hereinafter referred to as "the board" The Career Education and Workforce
24	Development Board is created.
25	(b) The State Board of Vocational Education created by § 6-11-101 is
26	abolished and transferred to the State Board of Career Education by a type 3
27	transfer under § 25-2-106.
28	(c)(b) The State Board of Career Education shall be composed as
29	follows board shall consist of the following members to be appointed by the
30	Governor with advice and consent of the Senate:
31	(1) Seven (7) members appointed by the Governor subject to
32	confirmation by the Senate, one (1) member from each congressional district
33	and three (3) members from the state at large; and
34	(2) The members shall be selected from among parents, business,
35	industry, labor, persons with disabilities, minorities, and other groups who
36	shall be representative of the many career opportunities available in the

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1	state such as:
2	(A) Administration, business, and finance management;
3	(B) Agriculture, forestry, and natural resources;
4	(C) Art, media, and communications;
5	(D) Construction and extractive;
6	(E) Education and training services;
7	(F) Health and medical services;
8	(G) Hospitality and tourism;
9	(H) Legal and protective services;
10	(I) Manufacturing, processing, and systems operations;
11	(J) Marketing, sales, and promotion;
12	(K) Mechanical and technical services and precision
13	<del>crafts;</del>
14	(L) Natural and applied science and engineering;
15	(M) Personal and commercial services; and
16	(N) Transportation and material moving.
17	(1) As voting members, from a list of recommendations by
18	industry and business associations:
19	(A) One (1) member to represent the agriculture industry;
20	(B) One (1) member to represent the construction industry;
21	(C) One (1) member to represent the energy industry;
22	(D) One (1) member to represent the healthcare industry;
23	(E) One (1) member to represent the information technology
24	industry;
25	(F) One (1) member to represent the manufacturing
26	industry;
27	(G) One (1) member to represent the financial services
28	industry;
29	(H) One (1) member to represent the hospitality industry;
30	(I) One (1) member to represent the transportation-
31	logistics industry; and
32	(J) One (1) member to represent the rehabilitation
33	<u>services industry;</u>
34	(2) As nonvoting members:
35	(A) The Commissioner of Education;
36	(B) The Director of the Department of Higher Education;

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1	(C) The Executive Director of the Arkansas Community
2	<u>Colleges;</u>
3	(D) The Director of the Arkansas Economic Development
4	Commission; and
5	(E) The Director of the Department of Workforce Services.
6	(d)(c)(l) The term of office of members shall be seven (7) years,
7	except that at the first meeting the members shall draw lots for staggered
8	terms so that no more than one (1) membership shall expire each year on June
9	30. The industry members shall serve three-year terms, except that the
10	initial appointees shall serve staggered terms determined by the Governor so
11	that two (2) members serve a one-year term, three (3) members serve a two-
12	year term, and two (2) members serve a three-year term.
13	(2) A voting member may not serve more than two (2) consecutive
14	three-year terms.
15	(c)(d)(1) A person may not serve as a member of the State Board of
16	Career Education unless he or she is a qualified elector of this state. $\underline{A}$
17	majority of the membership of the board shall constitute a quorum.
18	(2) A majority vote of those members present shall be required
19	for any action of the board.
20	(f)(e) A candidate for or holder of a public office in the state,
21	Director of the Department of Education or Director of the Department of
22	Higher Education, employee of a public school district, employee of a
23	postsecondary or higher education institution, or member of any board of
24	directors or board of trustees of any postsecondary or higher education
25	institution in this state shall not serve as a member of the State Board of
26	Gareer Education. A vacancy on the board due to death, resignation, removal,
27	or other cause shall be filled by appointment by the Governor for the
28	unexpired portion of the term.
29	(g)(f) When a vacancy occurs in the membership of the board, a
30	successor will be appointed in the same manner as the person succeeded and
31	will serve the person's unexpired term, subject to all other provisions of
32	this subchapter. The Governor may remove a voting member of the board before
33	the expiration of his or her term for cause only, after notice and hearing in
34	accordance with §§ 25-17-210 and 25-17-211.
35	(h)(g) The members of the State Board of Career Education shall serve
36	without remuneration, except as specified in § 25-16-901 et seq. for the

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1	state board of vocational education. Voting members of the board may receive
2	expense reimbursement and stipends under § 25-16-902.
3	<del>(i)<u>(</u>h)</del> The <del>State Board of Career Education</del> <u>board</u> shall elect from its
4	own number a chair and <del>such</del> other officers <del>as may be deemed</del> necessary to
5	carry on its business.
6	(j) The State Board of Career Education shall meet at least one (1)
7	time during each calendar quarter and at such other times upon call of the
8	chair or any other three (3) members.
9	(k)(1) The State Board of Career Education shall appoint from its
10	membership a liaison officer to the State Board of Education, the Arkansas
11	Higher Education Coordinating Board, the Department of Human Services, the
12	Department of Workforce Services, and the Arkansas Economic Development
13	Commission.
14	(2) Liaison officers shall attend the board and council meetings
15	or other appropriate meetings as designated by the chair and shall represent
16	and articulate the policies of the State Board of Career Education to these
17	boards, councils, and agencies.
18	(1) The Director of the Department of Education and the Director of
19	the Department of Higher Education shall serve as ex officio nonvoting
20	members of the State Board of Career Education.
21	(m) The Director of the Department of Higher Education and the
22	Director of the Department of Career Education shall serve as ex officio
23	nonvoting members of the State Board of Education.
24	(n) The Director of the Department of Career Education and the
25	Director of the Department of Education shall serve as ex officio nonvoting
26	members of the Arkansas Higher Education Coordinating Board.
27	
28	25-30-102. Powers and duties of the State Board of Career Education
29	Career Education and Workforce Development Board.
30	(a) On April 24, 1997, the State Board of Career Education shall
31	become vested with and succeed to all the rights, titles, powers, interests,
32	obligations, duties, and responsibilities of the State Board of Vocational
33	Education.
34	(b)(a)(1) The State Board of Career Education Career Education and
35	Workforce Development Board shall develop and monitor a state plan for
36	vocational-technical education which shall include <u>at least</u> the establishment

1 of at least one (1) area vocational center in each education service 2 cooperative service area and in Pulaski County. (2) All policy issues affecting the public schools will be 3 4 developed by the State Board of Career Education Career Education and 5 Workforce Development Board after consultation with the State Board of 6 Education and implemented in coordination with the Department of Education or 7 the education service cooperatives, or both. 8 (c)(b)(1) The State Board of Career Education Career Education and 9 Workforce Development Board shall have general supervision of all programs 10 regarding vocational, technical, and occupational education. 11 (2) All of those programs and the funding of those programs 12 shall be subject to the approval of the board Career Education and Workforce 13 Development Board. 14 (d)(l)(c)(l) The responsibilities of the State Board of Career 15 Education Career Education and Workforce Development Board shall include, but not be limited to, all vocational, technical, and occupational education, 16 17 including without limitation the following: 18 (A) Establishing policies relating to plans and 19 specifications for facilities and instructional equipment; 20 (B) Prescribing standardized standards for programs and 21 teachers; 22 (C) Approving applied courses of related academic 23 instruction; and 24 (D) Other items relative to program quality and operation. 25 (2) The Career Education and Workforce Development Board shall: (A) Administer the career education and workforce 26 27 development programs administered by the Career Education and Workforce 28 Development Board; 29 (B) Adopt rules to administer the Career Education and 30 Workforce Development Board and the programs developed by the Career Education and Workforce Development Board, including the creation and 31 election of officers subsequent to the initial chair; 32 33 (C) Create a comprehensive statewide program of career 34 education and workforce development focused on educational opportunities and 35 retention with the goal of economic development; 36 (D) Coordinate programs and curricula for career education

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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. (c) 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.

36 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.

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6 25-30-105. Coordination with Arkansas Higher Education Coordinating
7 Board and Department of Higher Education.

8 <u>(a)</u> The State Board of Workforce Education and Career Opportunities 9 <u>Career Education and Workforce Development Board</u> and the Arkansas Higher 10 Education Coordinating Board shall coordinate their activities to ensure that 11 secondary and postsecondary career preparation is connected to create 12 opportunities for a strong comprehensive education regardless of the 13 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.

17 (c) The distribution shall be pursuant to written agreement between 18 the two (2) boards.

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25-30-106. Department of Career Education.

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

23 (b) The Vocational and Technical Education Division of the Department 24 of Education created by § 25-6-101, the Governor's Commission on Adult 25 Literacy created by § 6-44-201 [repealed], and the Advisory Council for 26 Vocational Technical Education created by § 6-50-601 [repealed] are abolished 27 and transferred to the Department of Career Education by a type 3 transfer 28 under § 25-2-106.

29 (c)(b)(1) The Arkansas Rehabilitation Services as an agency 30 responsible to the State Board of Career Education Career Education and 31 <u>Workforce Development Board</u> and as a part of the Department of Career 32 Education shall function as an agency in accordance with § 6-52-101 et seq. 33 and § 25-30-201 et seq.

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

1 (d)(c) The board Governor shall appoint a director of the Department 2 of Career Education who shall: (1) Be a member of the Governor's cabinet; 3 4 (2) Be confirmed by the Governor; and 5 (3) Serve at the pleasure of the Governor. 6 (e) (d) The director shall devote all of his or her time to the duties 7 of his or her office, shall act as agent of the board, and shall perform such 8 other duties as are designated by the board or by statute. 9 (f) (e) The director shall serve as the ex officio secretary of the 10 board without vote. 11 (g)(f) The person selected as director shall: 12 (1) Be of good moral character; (2) Be recognized as a leader in the field of vocational or 13 14 workforce education; 15 (3) Have a bachelor's degree from an accredited institution; and 16 (4) Be qualified technically and by experience to direct the 17 work of the Department of Career Education. 18 (h)(g) No person who is related within the fourth degree of 19 consanguinity or affinity to any member of the board shall be eligible to 20 serve as director of the Department of Career Education. 21 22 25-30-107. Powers and duties of the department Department of Career 23 Education. 24 (a) On April 24, 1997, the Department of Workforce Education shall 25 become vested with and succeed to all the rights, titles, powers, interests, 26 obligations, duties, and responsibilities of the Vocational and Technical 27 Education Division of the Department of Education. 28 (b)(a)(1) All personnel of the Department of Workforce Education 29 Department of Career Education shall be employed by and serve at the pleasure 30 of the Director of the Department of Workforce Education Department of Career 31 Education. 32 (2) Provided, nothing in this section shall be so construed as 33 to <u>However</u>, this section does not reduce any rights or benefits of employees, 34 including retirement benefits, that they had when employed by the Vocational and Technical Division of the Department of Education Department of Career 35 36 Education.

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1	(c)(l) The authority and responsibility of the State Board of
2	Workforce Education and Career Opportunities Career Education and Workforce
3	Development Board and the <del>Department of Workforce Education</del> department shall
4	include general control and supervision of all programs of vocational,
5	technical, and occupational education in secondary institutions.
6	(2) This authority shall apply to programs in:
7	(1)(A) State technical institutes;
8	(2)(B) State postsecondary vocational schools;
9	(3)(C) State area vocational high school centers;
10	(4)(D) State public schools; and
11	(5)(E) Any other public educational facility or
12	institution now in existence or hereafter established in the state with the
13	exception of technical colleges, community colleges, universities, and
14	colleges.
15	(d) All references in the laws of this state to the Vocational and
16	Technical Education Division of the Department of Education shall be
17	construed to refer to the Department of Workforce Education.
18	
19	25-30-108. Authority of Director of the <del>Department of Workforce</del>
20	Education Department of Career Education to enter into contracts.
21	The Director of the <del>Department of Workforce Education is authorized to</del>
22	Department of Career Education may enter into contracts with private
23	organizations licensed by the State Board of Education or the <del>State Board of</del>
24	Workforce Education and Career Opportunities Department of Career Education
25	in order to provide vocational-technical training to needy citizens of the
26	State of Arkansas.
27	
28	25-30-109. Transfer of powers to Arkansas Economic Development
29	Commission and Department of Economic Development. <u>Office of Skills</u>
30	Development - Created - Duties.
31	All powers, functions, and duties heretofore vested in and exercised by
32	the Department of Workforce Education with respect to the Arkansas Industry
33	Training Program are hereby transferred to and shall hereafter be vested in
34	the Arkansas Economic Development Commission and the Department of Economic
35	Development.
36	(a)(1) There is created within the Department of Career Education

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1	under the oversight of the Career Education and Workforce Development Board
2	an Office of Skills Development.
3	(2)(A) The Director of the Office of Skills Development shall be
4	appointed by the Director of the Department of Career Education in
5	consultation with the Career Education and Workforce Development Board.
6	(B) The Director of the Department of Career Education may
7	hire personnel necessary to carry out the duties of the office.
8	(3) The office shall have exclusive authority to award grants
9	under this section.
10	(b) The office shall:
11	(1)(A) Award grants to public and private organizations for the
12	development and implementation of workforce training programs.
13	(B) An organization that is awarded a grant under this
14	section may use the grant for the training of both new and incumbent
15	employees of businesses in this state.
16	(C) As a condition for receiving a grant under this
17	subsection, the office may require a public or private organization to
18	provide matching funds at a percentage to be determined by the office;
19	(2) Design procedures and criteria for awarding grants under
20	this section;
21	(3) Receive and review applications for grants under this
22	section;
23	(4) Prescribe the form, nature, and extent of the information
24	that shall be contained in an application for a grant under this section;
25	(5) Audit and inspect the records of grant recipients;
26	(6) Require reports from grant recipients; and
27	(7)(A) Use the Department of Workforce Services and other
28	available labor market information systems to collect, analyze, and
29	disseminate information on current and projected employment opportunities in
30	this state and other appropriate information relating to labor market
31	dynamics as determined by the office.
32	(B) The office shall make the information contained in the
33	labor market information system available on the department's website.
34	(c) On or before October 1 of each year, the office shall submit a
35	report to the Governor and the cochairs of the Legislative Council providing
36	an account of the activities and expenditures of the office during the

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1	preceding calendar year.
2	(d) The office shall consult with the Arkansas Economic Development
3	Commission in reviewing applications for workforce training grants under this
4	section.
5	
6	SECTION 6. Arkansas Code § 25-30-202 is amended to read as follows:
7	25-30-202. Scope of authority.
8	(a) All authorities and responsibilities defined in § 20-79-201 et
9	seq. shall be administered by the Arkansas Rehabilitation Services under the
10	direction of the State Board of Workforce Education and Career Opportunities
11	Career Education and Workforce Development Board, except those transferred to
12	the Division of State Services for the Blind of the Department of Human
13	Services by § 25-10-201 et seq.
14	(b) Any and all statutory authority, powers, duties, functions,
15	records, authorized positions, property, unexpended balances of
16	appropriations, allocations, or other funds transferred from the Division of
17	Rehabilitation Services to the Department of Human Services by Acts 1985, No.
18	348, are hereby transferred to the Arkansas Rehabilitation Services of the
19	Department of Workforce Education Department of Career Education.
20	
21	SECTION 7. DO NOT CODIFY. <u>(a) The Governor shall call the first</u>
22	meeting of the Career Education and Workforce Development Board within ninety
23	(90) days after the appointment of the industry members.
24	(b) The Governor shall appoint a voting member as chair of the board
25	to serve a one-year term.
26	
27	SECTION 8. EMERGENCY CLAUSE. It is found and determined by the
28	General Assembly of the State of Arkansas that Arkansas workforce education
29	operates within a variety of agencies without coordination, often with
30	significant inefficiencies arising from overlapping and repeated programming;
31	that this act will bring workforce education programs together under a single
32	umbrella agency; and that this act is immediately necessary because the
33	effectiveness of this act is essential to the operation of the programs for
34	which appropriations will be provided, and that in the event of an extension
35	of the legislative session, the delay in the effective date of this act could
36	work irreparable harm upon the proper administration and provision of

1	essential governmental programs. Therefore, an emergency is declared to
2	exist, and this act being immediately necessary for the preservation of the
3	public peace, health, and safety shall become effective on:
4	(1) The date of its approval by the Governor;
5	(2) If the bill is neither approved nor vetoed by the Governor,
6	the expiration of the period of time during which the Governor may veto the
7	bill; or
8	(3) If the bill is vetoed by the Governor and the veto is
9	overridden, the date the last house overrides the veto.
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11	/s/J. English
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