1	State of Arkansas As Engrossed: $S2/18/15$ $S2/26/15$ $S3/12/15$ 90th General Assembly $As$ $Bill$
2	
3 4	Regular Session, 2015 SENATE BILL 368
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.
16	
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.
24	
25	
26	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
27	
28	SECTION 1. DO NOT CODIFY. Findings.
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	<pre>investment decisions;</pre>
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	<u>and</u>
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.
16	
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 However, 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, $\frac{2015}{2}$
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, $\frac{2015}{2019}$ , 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

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

1	(A) Administration, business, and finance management;
2	(B) Agriculture, forestry, and natural resources;
3	(C) Art, media, and communications;
4	(D) Construction and extractive;
5	(E) Education and training services;
6	(F) Health and medical services;
7	(G) Hospitality and tourism;
8	(H) Legal and protective services;
9	(I) Manufacturing, processing, and systems operations;
10	(J) Marketing, sales, and promotion;
11	(K) Mechanical and technical services and precision
12	<del>crafts;</del>
13	(L) Natural and applied science and engineering;
14	(M) Personal and commercial services; and
15	(N) Transportation and material moving.
16	(1) As voting members, from a list of recommendations by
17	industry and business associations:
18	(A) One (1) member to represent the agriculture industry;
19	(B) One (1) member to represent the construction industry;
20	(C) One (1) member to represent the energy industry;
21	(D) One (1) member to represent the healthcare industry;
22	(E) One (1) member to represent the information technology
23	industry;
24	(F) One (1) member to represent the manufacturing
25	industry;
26	(G) One (1) member to represent the financial services
27	industry;
28	(H) One (1) member to represent the hospitality industry;
29	(I) One (1) member to represent the transportation-
30	logistics industry;
31	(J) One (1) member to represent the rehabilitation
32	services industry; and
33	(K) At the discretion of the Governor, up to three (3)
34	members representing industries not represented in subdivisions (b)(l)(A)
35	through $(b)(1)(J)$ of this section; and
36	(2) As nonvoting members:

1	(A) The Commissioner of Education;
2	(B) The Director of the Department of Higher Education;
3	(C) The Executive Director of the Arkansas Community
4	<pre>Colleges;</pre>
5	(D) The Director of the Arkansas Economic Development
6	<pre>Commission;</pre>
7	(E) The Director of the Department of Workforce Services;
8	(F) One (1) member to represent the Arkansas Association
9	of Public Universities; and
10	(G) One (1) member to represent the Arkansas Association
11	of Educational Administrators.
12	(d)(c)(1) The term of office of members shall be seven (7) years,
13	except that at the first meeting the members shall draw lots for staggered
14	terms so that no more than one (1) membership shall expire each year on June
15	30. The industry members shall serve three-year terms, except that the
16	initial appointees shall serve staggered terms determined by the Governor so
17	that two (2) members serve a one-year term, three (3) members serve a two-
18	year term, and two (2) members serve a three-year term.
19	(2) A voting member may not serve more than two (2) consecutive
20	three-year terms.
21	(e)(d)(1) A person may not serve as a member of the State Board of
22	Career Education unless he or she is a qualified elector of this state. $\underline{A}$
23	majority of the membership of the board shall constitute a quorum.
24	(2) A majority vote of those members present shall be required
25	for any action of the board.
26	(f)(e) A candidate for or holder of a public office in the state,
27	Director of the Department of Education or Director of the Department of
28	Higher Education, employee of a public school district, employee of a
29	postsecondary or higher education institution, or member of any board of
30	directors or board of trustees of any postsecondary or higher education
31	institution in this state shall not serve as a member of the State Board of
32	Gareer Education. A vacancy on the board due to death, resignation, removal,
33	or other cause shall be filled by appointment by the Governor for the
34	unexpired portion of the term.
35	(g)(f) When a vacancy occurs in the membership of the board, a
36	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
  - 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.
- 9 (i)(h) The State Board of Career Education board shall elect from its
  10 own number a chair and such other officers as may be deemed necessary to
  11 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.
    - (1) 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.
- 36 (a) On April 24, 1997, the State Board of Career Education shall

1	become vested with and succeed to all the rights, titles, powers, interests,
2	obligations, duties, and responsibilities of the State Board of Vocational
3	Education.
4	(b)(a)(1) The State Board of Career Education Career Education and
5	Workforce Development Board shall develop and monitor a state plan for
6	vocational-technical education which shall include $\underline{\text{at least}}$ the establishment
7	of at least one (1) area vocational center in each education service
8	cooperative service area and in Pulaski County.
9	(2) All policy issues affecting the public schools will be
10	developed by the State Board of Career Education Career Education and
11	Workforce Development Board after consultation with the State Board of
12	Education and implemented in coordination with the Department of Education or
13	the education service cooperatives, or both.
14	(c)(b)(1) The State Board of Career Education Career Education and
15	Workforce Development Board shall have general supervision of all programs
16	regarding vocational, technical, and occupational education.
17	(2) All of those programs and the funding of those programs
18	shall be subject to the approval of the $\frac{1}{2}$ Career Education and $\frac{1}{2}$ Workforce
19	Development Board.
20	$\frac{(d)(1)}{(c)(1)}$ The responsibilities of the State Board of Career
21	Education Career Education and Workforce Development Board shall include, but
22	not be limited to, all vocational, technical, and occupational education,
23	<u>including without limitation</u> the following:
24	(A) Establishing policies relating to plans and
25	specifications for facilities and instructional equipment;
26	(B) Prescribing standardized standards for programs and
27	teachers;
28	(C) Approving applied courses of related academic
29	instruction; and
30	(D) Other items relative to program quality and operation.
31	(2) The Career Education and Workforce Development Board shall:
32	(A) Administer the career education and workforce
33	development programs administered by the Career Education and Workforce
34	Development Board;
35	(B) Adopt rules to administer the Career Education and
36	Workforce Development Board and the programs developed by the Career

1	Education and Workforce Development Board, including the creation and
2	election of officers subsequent to the initial chair;
3	(C) Create a comprehensive statewide program of career
4	education and workforce development focused on educational opportunities and
5	retention with the goal of economic development;
6	(D) Coordinate programs and curricula for career education
7	and workforce development;
8	(E) Review and approve program designs for career
9	education and workforce development;
10	(F) Review and approve curricula design for career
11	education and workforce development;
12	(G) Promote career education and workforce development
13	programs and curricula statewide; and
14	(H) Oversee the Office of Skills Development.
15	(2)(3)(A) The State Board of Career Education shall have the
16	authority to Career Education and Workforce Development Board may reorganize
17	and restructure current programs and personnel in the institutions covered in
18	this section.
19	(B) Any savings of appropriated funds effected thereby by
20	the reorganization and restructuring may be used by the board Career
21	Education and Workforce Development Board for other programs as it deems
22	appropriate.
23	(e) The State Board of Career Education shall be responsible for the
24	administration of all funds appropriated by the General Assembly for public
25	education based on the average daily membership of students enrolled in
26	vocational education programs in the public schools, and these funds shall be
27	administered through the Department of Education.
28	(f) All references in the laws of this state to the State Board of
29	Vocational Education shall be construed to refer to the State Board of Career
30	Education.
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32	25-30-103. Adult education funds.
33	The State Board of Workforce Education and Career Opportunities Career
34	Education and Workforce Development Board and the State Board of Education
35	shall remain the sole state agencies to administer any and all state and
36	federal adult education funds. The board shall distribute federal adult

1 education funds to participating institutions under the effective and 2 efficient funding formula as established by the board . 3 4 25-30-104. Coordination with State Board of Education and Department 5 of Education. 6 The State Board of Workforce Education and Career Opportunities Career 7 Education and Workforce Development Board and the State Board of Education 8 shall coordinate their activities to ensure that academic, workplace, and 9 technical skills create opportunities for a strong comprehensive education 10 regardless of the student's ultimate career choice. 11 12 25-30-105. Coordination with Arkansas Higher Education Coordinating 13 Board and Department of Higher Education. 14 (a) The State Board of Workforce Education and Career Opportunities 15 Career Education and Workforce Development Board and the Arkansas Higher 16 Education Coordinating Board shall coordinate their activities to ensure that 17 secondary and postsecondary career preparation is connected to create 18 opportunities for a strong comprehensive education regardless of the 19 student's ultimate career choice. 20 (b) In addition, the two (2) boards shall participate in a 21 collaborative planning process annually for the distribution of federal funds 22 for workforce education activities, including vocational-technical education. 23 (c) The distribution shall be pursuant to written agreement between 24 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".
- 29 (b) The Vocational and Technical Education Division of the Department
  30 of Education created by § 25-6-101, the Governor's Commission on Adult
  31 Literacy created by § 6-44-201 [repealed], and the Advisory Council for
  32 Vocational Technical Education created by § 6-50-601 [repealed] are abolished
  33 and transferred to the Department of Career Education by a type 3 transfer
  34 under § 25-2-106.
- 35 <del>(e)(b)(1)</del> The Arkansas Rehabilitation Services as an agency 36 responsible to the <del>State Board of Career Education</del> <u>Career Education and</u>

- 1 Workforce Development Board and as a part of the Department of Career
- 2 Education shall function as an agency in accordance with § 6-52-101 et seq.
- 3 and § 25-30-201 et seq.

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- 4 (2) This subchapter shall assure that the Arkansas
- 5 Rehabilitation Services functions organizationally at a level at least equal
- 6 to that of any division or entity of the Department of Career Education.
- 7 (d)(c) The board Governor shall appoint a director of the Department 8 of Career Education who shall:
  - (1) Be a member of the Governor's cabinet;
- 10 (2) Be confirmed by the Governor; and
- 11 (3) Serve at the pleasure of the Governor.
- 12 (e)(d) The director shall devote all of his or her time to the duties
  13 of his or her office, shall act as agent of the board, and shall perform such
  14 other duties as are designated by the board or by statute.
- 15  $\frac{\text{(f)}(e)}{\text{(e)}}$  The director shall serve as the ex officio secretary of the board without vote.
- 17  $\frac{(g)(f)}{(g)}$  The person selected as director shall:
- 18 (1) Be of good moral character;
- 19 (2) Be recognized as a leader in the field of vocational or 20 workforce education;
  - (3) Have a bachelor's degree from an accredited institution; and
- 22 (4) Be qualified technically and by experience to direct the 23 work of the Department of Career Education.
- 24 (h)(g) No person who is related within the fourth degree of
  25 consanguinity or affinity to any member of the board shall be eligible to
  26 serve as director of the Department of Career Education.
- 28 25-30-107. Powers and duties of the <del>department</del> <u>Department of Career</u> 29 Education.
- 30 (a) On April 24, 1997, the Department of Workforce Education shall
  31 become vested with and succeed to all the rights, titles, powers, interests,
  32 obligations, duties, and responsibilities of the Vocational and Technical
  33 Education Division of the Department of Education.
- 34 (b)(a)(1) All personnel of the <del>Department of Workforce Education</del>
  35 <u>Department of Career Education</u> shall be employed by and serve at the pleasure
  36 of the Director of the <del>Department of Workforce Education</del> <u>Department of Career</u>

1	Education.
2	(2) Provided, nothing in this section shall be so construed as
3	to However, this section does not reduce any rights or benefits of employees
4	including retirement benefits, that they had when employed by the <del>Vocational</del>
5	and Technical Division of the Department of Education Department of Career
6	Education.
7	(c)(1) The authority and responsibility of the State Board of
8	Workforce Education and Career Opportunities Career Education and Workforce
9	Development Board and the Department of Workforce Education department shall
10	include general control and supervision of all programs of vocational,
11	technical, and occupational education in secondary institutions.
12	(2) This authority shall apply to programs in:
13	(1)(A) State technical institutes;
14	(2)(B) State postsecondary vocational schools;
15	(3)(C) State area vocational high school centers;
16	(4)(D) State public schools; and
17	(5) (E) Any other public educational facility or
18	institution now in existence or hereafter established in the state with the
19	exception of technical colleges, community colleges, universities, and
20	colleges.
21	(d) All references in the laws of this state to the Vocational and
22	Technical Education Division of the Department of Education shall be
23	construed to refer to the Department of Workforce Education.
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25	25-30-108. Authority of Director of the Department of Workforce
26	Education Department of Career Education to enter into contracts.
27	The Director of the Department of Workforce Education is authorized to
28	Department of Career Education may enter into contracts with private
29	organizations licensed by the State Board of Education or the State Board of
30	Workforce Education and Career Opportunities Department of Career Education
31	in order to provide vocational-technical training to needy citizens of the
32	State of Arkansas.
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34	25-30-109. Transfer of powers to Arkansas Economic Development
35	Commission and Department of Economic Development. Office of Skills
36	<u>Development - Created - Duties.</u>

1	All powers, functions, and duties heretofore vested in and exercised by
2	the Department of Workforce Education with respect to the Arkansas Industry
3	Training Program are hereby transferred to and shall hereafter be vested in
4	the Arkansas Economic Development Commission and the Department of Economic
5	Development.
6	(a)(1) There is created within the Department of Career Education
7	under the oversight of the Career Education and Workforce Development Board
8	an Office of Skills Development.
9	(2)(A) The Director of the Office of Skills Development shall be
10	appointed by the Director of the Department of Career Education in
11	consultation with the Career Education and Workforce Development Board.
12	(B) The Director of the Department of Career Education may
13	hire personnel necessary to carry out the duties of the office.
14	(3) The office shall have exclusive authority to award grants
15	under this section.
16	(b) The office shall:
17	(1)(A) Award grants to public and private organizations for the
18	development and implementation of workforce training programs.
19	(B) An organization that is awarded a grant under this
20	section may use the grant for the training of both new and incumbent
21	employees of businesses in this state.
22	(C) As a condition for receiving a grant under this
23	subsection, the office may require a public or private organization to
24	provide matching funds at a percentage to be determined by the office;
25	(2) Design procedures and criteria for awarding grants under
26	this section;
27	(3) Receive and review applications for grants under this
28	section;
29	(4) Prescribe the form, nature, and extent of the information
30	that shall be contained in an application for a grant under this section;
31	(5) Audit and inspect the records of grant recipients;
32	(6) Require reports from grant recipients; and
33	(7)(A) Use the Department of Workforce Services and other
34	available labor market information systems to collect, analyze, and
35	disseminate information on current and projected employment opportunities in
36	this state and other appropriate information relating to labor market

1	dynamics as determined by the office.
2	(B) The office shall make the information contained in the
3	labor market information system available on the department's website.
4	(c) On or before October 1 of each year, the office shall submit a
5	report to the Governor and the cochairs of the Legislative Council providing
6	an account of the activities and expenditures of the office during the
7	preceding calendar year.
8	(d) The office shall consult with the Arkansas Economic Development
9	Commission in reviewing applications for workforce training grants under this
10	section.
11	
12	SECTION 6. Arkansas Code § 25-30-202 is amended to read as follows:
13	25-30-202. Scope of authority.
14	(a) All authorities and responsibilities defined in § 20-79-201 et
15	seq. shall be administered by the Arkansas Rehabilitation Services under the
16	direction of the <del>State Board of Workforce Education and Gareer Opportunities</del>
17	Career Education and Workforce Development Board, except those transferred to
18	the Division of State Services for the Blind of the Department of Human
19	Services by § 25-10-201 et seq.
20	(b) Any and all statutory authority, powers, duties, functions,
21	records, authorized positions, property, unexpended balances of
22	appropriations, allocations, or other funds transferred from the Division of
23	Rehabilitation Services to the Department of Human Services by Acts 1985, No.
24	348, are hereby transferred to the Arkansas Rehabilitation Services of the
25	Department of Workforce Education Department of Career Education.
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27	SECTION 7. DO NOT CODIFY. (a) The Governor shall call the first
28	meeting of the Career Education and Workforce Development Board within ninety
29	(90) days after the appointment of the industry members.
30	(b) The Governor shall appoint a voting member as chair of the board
31	to serve a one-year term.
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operates within a variety of agencies without coordination, often with

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

General Assembly of the State of Arkansas that Arkansas workforce education

significant inefficiencies arising from overlapping and repeated programming;

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1	that this act will bring workforce education programs together under a single
2	umbrella agency; and that this act is immediately necessary because the
3	effectiveness of this act is essential to the operation of the programs for
4	which appropriations will be provided, and that in the event of an extension
5	of the legislative session, the delay in the effective date of this act could
6	work irreparable harm upon the proper administration and provision of
7	essential governmental programs. Therefore, an emergency is declared to
8	exist, and this act being immediately necessary for the preservation of the
9	public peace, health, and safety shall become effective on:
10	(1) The date of its approval by the Governor;
11	(2) If the bill is neither approved nor vetoed by the Governor,
12	the expiration of the period of time during which the Governor may veto the
13	bill; or
14	(3) If the bill is vetoed by the Governor and the veto is
15	overridden, the date the last house overrides the veto.
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17	/s/J. English
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