1	State of Arkansas <i>As Engrossed:</i> \$2/18/15 \$2/26/15 \$3/12/15 #3/18/15 A D:11
2	90th General Assembly A Bill
3	Regular Session, 2015 SENATE 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, Bentley, Blake,
7	Boyd, Bragg, Brown, Dotson, Drown, Eads, Eaves, D. Ferguson, L. Fite, Gillam, Gossage, M. Gray,
8	Harris, Hickerson, McNair, Petty, Pitsch, Richmond, Rushing, Sabin, Scott, Speaks, Tosh, Vaught,
9	Wallace
10	
11	For An Act To Be Entitled
12	AN ACT TO CREATE A COMPREHENSIVE STATEWIDE WORKFORCE
13	DEVELOPMENT SYSTEM; TO RENAME THE STATE BOARD OF
14	CAREER EDUCATION; TO COORDINATE VARIOUS WORKFORCE
15	DEVELOPMENT PROGRAMS; TO CREATE A BOARD TO OVERSEE
16	CAREER EDUCATION AND WORKFORCE DEVELOPMENT IN
17	ARKANSAS; TO CREATE AN OFFICE OF SKILLS DEVELOPMENT;
18	TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
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20	
21	Subtitle
22	TO CREATE A COMPREHENSIVE STATEWIDE
23	WORKFORCE DEVELOPMENT SYSTEM; TO
24	COORDINATE VARIOUS WORKFORCE DEVELOPMENT
25	PROGRAMS; TO CREATE AN OFFICE OF SKILLS
26	DEVELOPMENT; AND TO DECLARE AN EMERGENCY.
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29	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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31	SECTION 1. DO NOT CODIFY. <u>Findings.</u>
32	The General Assembly finds that:
33	(1) Occupational, technical, and industrial training provides
34	unique opportunities to improve the lives of Arkansans while advancing the
35	state's economic development;
36	(2) Businesses seeking to begin operations in Arkansas look to

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

1 expenses of the unemployment insurance program necessary for the proper 2 administration of § 11-10-101 et seq., as determined by the Director of the Department of Workforce Services. 3 4 SECTION 4. Arkansas Code Title 19, Chapter 6, Subchapter 8, is amended 5 6 to add an additional section to read as follows: 7 19-6-829. Skills Development Fund. 8 (a) There is created on the books of the Treasurer of State, the 9 Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Skills Development Fund". 10 11 (b) The Skills Development Fund shall consist of: 12 (1) Moneys obtained from private grants or other sources that are designated to be credited to the Skills Development Fund; and 13 14 (2) Any other revenues as may be authorized by law. 15 (c) The Skills Development Fund shall be used by the Department of 16 Career Education - Office of Skills Development as provided in § 25-30-109. 17 18 SECTION 5. Arkansas Code Title 25, Chapter 30, Subchapter 1, is 19 amended to read as follows: 20 Subchapter 1 - Career Education and Workforce Development 21 22 25-30-101. State Board of Career Education Career Education and 23 Workforce Development Board - Creation - Membership. (a) There is hereby created the State Board of Career Education, 24 25 hereinafter referred to as "the board" The Career Education and Workforce 26 Development Board is created. (b) The State Board of Vocational Education created by \$ 6-11-101 is 27 28 abolished and transferred to the State Board of Career Education by a type 3 transfer under § 25-2-106. 29 30 (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 31 32 Governor with advice and consent of the Senate: 33 (1) Seven (7) members appointed by the Governor subject to 34 confirmation by the Senate, one (1) member from each congressional district 35 and three (3) members from the state at large; and

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

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industry, labor, persons with disabilities, minorities, and other groups who
 1
    shall be representative of the many career opportunities available in the
 2
 3
    state such as:
 4
                      (A) Administration, business, and finance management;
                      (B) Agriculture, forestry, and natural resources;
 5
                      (C) Art, media, and communications;
 6
 7
                      (D) Construction and extractive;
8
                      (E) Education and training services;
9
                      (F) Health and medical services;
10
                      (G) Hospitality and tourism;
11
                      (H) Legal and protective services;
12
                      (I) Manufacturing, processing, and systems operations;
13
                      (J) Marketing, sales, and promotion;
14
                      (K) Mechanical and technical services and precision
15
    crafts:
16
                       (L) Natural and applied science and engineering;
17
                      (M) Personal and commercial services; and
18
                      (N) Transportation and material moving.
19
                (1) As voting members, from a list of recommendations by
20
     industry and business associations:
21
                      (A) One (1) member to represent the agriculture industry;
22
                      (B) One (1) member to represent the construction industry;
23
                       (C) One (1) member to represent the energy industry;
24
                       (D) One (1) member to represent the healthcare industry;
25
                      (E) One (1) member to represent the information technology
26
     industry;
27
                            One (1) member to represent the manufacturing
28
     industry;
29
                      (G) One (1) member to represent the financial services
30
    industry;
31
                      (H) One (1) member to represent the hospitality industry;
32
                      (I) One (1) member to represent the transportation-
33
    logistics industry;
34
                      (J) One (1) member to represent the rehabilitation
35
     services industry; and
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                       (K) At the discretion of the Governor, up to three (3)
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1	members representing industries not represented in subdivisions (b)(l)(A)
2	through (b)(1)(J) of this section; and
3	(2) As nonvoting members:
4	(A) The Commissioner of Education;
5	(B) The Director of the Department of Higher Education;
6	(C) The Executive Director of the Arkansas Community
7	<pre>Colleges;</pre>
8	(D) The Director of the Arkansas Economic Development
9	<pre>Commission;</pre>
10	(E) The Director of the Department of Workforce Services;
11	(F) One (1) member to represent the Arkansas Association
12	of Public Universities; and
13	(G) One (1) member to represent the Arkansas Association
14	of Educational Administrators.
15	$\frac{(d)(c)(1)}{(c)(1)}$ The term of office of members shall be seven (7) years,
16	except that at the first meeting the members shall draw lots for staggered
17	terms so that no more than one (1) membership shall expire each year on June
18	30. The industry members shall serve three-year terms, except that the
19	initial appointees shall serve staggered terms determined by the Governor so
20	that two (2) members serve a one-year term, three (3) members serve a two-
21	year term, and two (2) members serve a three-year term.
22	(2) A voting member may not serve more than two (2) consecutive
23	three-year terms.
24	(e)(d)(1) A person may not serve as a member of the State Board of
25	Career Education unless he or she is a qualified elector of this state. \underline{A}
26	majority of the membership of the board shall constitute a quorum.
27	(2) A majority vote of those members present shall be required
28	for any action of the board.
29	(f)(e) A candidate for or holder of a public office in the state,
30	Director of the Department of Education or Director of the Department of
31	Higher Education, employee of a public school district, employee of a
32	postsecondary or higher education institution, or member of any board of
33	directors or board of trustees of any postsecondary or higher education
34	institution in this state shall not serve as a member of the State Board of
35	Career Education. A vacancy on the board due to death, resignation, removal,
36	or other cause shall be filled by appointment by the Governor for the

unexpired portion of the term.

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- 2 (g)(f) When a vacancy occurs in the membership of the board, a
 3 successor will be appointed in the same manner as the person succeeded and
 4 will serve the person's unexpired term, subject to all other provisions of
- 5 this subchapter. The Governor may remove a voting member of the board before
- 6 the expiration of his or her term for cause only, after notice and hearing in
- 7 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.
 - (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.
- 30 (m) The Director of the Department of Higher Education and the
 31 Director of the Department of Career Education shall serve as ex officio
 32 nonvoting members of the State Board of Education.
- 33 (n) The Director of the Department of Career Education and the
 34 Director of the Department of Education shall serve as ex officio nonvoting
 35 members of the Arkansas Higher Education Coordinating Board.

1	25-30-102. Powers and duties of the State Board of Career Education
2	Career Education and Workforce Development Board.
3	(a) On April 24, 1997, the State Board of Career Education shall
4	become vested with and succeed to all the rights, titles, powers, interests,
5	obligations, duties, and responsibilities of the State Board of Vocational
6	Education.
7	(b)(a)(1) The State Board of Career Education Career Education and
8	Workforce Development Board shall develop and monitor a state plan for
9	vocational-technical education which shall include $\underline{\text{at least}}$ the establishment
10	of at least one (1) area vocational center in each education service
11	cooperative service area and in Pulaski County.
12	(2) All policy issues affecting the public schools will be
13	developed by the State Board of Career Education Career Education and
14	Workforce Development Board after consultation with the State Board of
15	Education and implemented in coordination with the Department of Education or
16	the education service cooperatives, or both.
17	(c)(b)(1) The State Board of Career Education Career Education and
18	Workforce Development Board shall have general supervision of all programs
19	regarding vocational, technical, and occupational education.
20	(2) All of those programs and the funding of those programs
21	shall be subject to the approval of the board <u>Career Education and Workforce</u>
22	Development Board.
23	$\frac{(d)(1)(c)(1)}{(d)(d)}$ The responsibilities of the State Board of Career
24	Education Career Education and Workforce Development Board shall include, but
25	not be limited to, all vocational, technical, and occupational education,
26	including without limitation the following:
27	(A) Establishing policies relating to plans and
28	specifications for facilities and instructional equipment;
29	(B) Prescribing standardized standards for programs and
30	teachers;
31	(C) Approving applied courses of related academic
32	instruction; and
33	(D) Other items relative to program quality and operation.
34	(2) The Career Education and Workforce Development Board shall:
35	(A) Administer the career education and workforce
36	development programs administered by the Career Education and Workforce

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

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

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7 25-30-104. Coordination with State Board of Education and Department 8 of Education.

9 The State Board of Workforce Education and Career Opportunities Career
10 Education and Workforce Development Board and the State Board of Education

11 shall coordinate their activities to ensure that academic, workplace, and

12 technical skills create opportunities for a strong comprehensive education

regardless of the student's ultimate career choice.

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- 25-30-105. Coordination with Arkansas Higher Education Coordinating Board and Department of Higher Education.
- 17 <u>(a)</u> The State Board of Workforce Education and Career Opportunities
 18 <u>Career Education and Workforce Development Board</u> and the Arkansas Higher
 19 Education Coordinating Board shall coordinate their activities to ensure that
- 20 secondary and postsecondary career preparation is connected to create
- 21 opportunities for a strong comprehensive education regardless of the
- 22 student's ultimate career choice.
- 23 <u>(b)</u> In addition, the two (2) boards shall participate in a 24 collaborative planning process annually for the distribution of federal funds 25 for workforce education activities, including vocational-technical education.
 - (c) The distribution shall be pursuant to written agreement between the two (2) boards.

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- 29 25-30-106. Department of Career Education.
- 30 (a) There is hereby created the Department of Career Education, 31 hereinafter referred to as "the department".
- 32 (b) The Vocational and Technical Education Division of the Department
 33 of Education created by § 25-6-101, the Governor's Commission on Adult
- 34 Literacy created by § 6-44-201 [repealed], and the Advisory Council for
- 35 Vocational-Technical Education created by § 6-50-601 [repealed] are abolished
- 36 and transferred to the Department of Career Education by a type 3 transfer

- 1 under § 25-2-106. 2 (c)(b)(1) The Arkansas Rehabilitation Services as an agency 3 responsible to the State Board of Career Education Career Education and 4 Workforce Development Board and as a part of the Department of Career 5 Education shall function as an agency in accordance with § 6-52-101 et seq. 6 and $\S 25-30-201$ et seq. 7 (2) This subchapter shall assure that the Arkansas 8 Rehabilitation Services functions organizationally at a level at least equal 9 to that of any division or entity of the Department of Career Education. 10 (d)(c) The board Governor shall appoint a director of the Department 11 of Career Education who shall: 12 (1) Be a member of the Governor's cabinet; 13 (2) Be confirmed by the Governor; and 14 (3) Serve at the pleasure of the Governor. 15 (e)(d) The director shall devote all of his or her time to the duties 16 of his or her office, shall act as agent of the board, and shall perform such 17 other duties as are designated by the board or by statute. 18 (f)(e) The director shall serve as the ex officio secretary of the 19 board without vote. 20 $\frac{g}{g}(f)$ The person selected as director shall: 21 (1) Be of good moral character; 22 (2) Be recognized as a leader in the field of vocational or 23 workforce education; 24 (3) Have a bachelor's degree from an accredited institution; and 25 (4) Be qualified technically and by experience to direct the work of the Department of Career Education. 26 27 (h)(g) No person who is related within the fourth degree of 28 consanguinity or affinity to any member of the board shall be eligible to 29 serve as director of the Department of Career Education. 30 31 25-30-107. Powers and duties of the department Department of Career 32 Education. (a) On April 24, 1997, the Department of Workforce Education shall 33
 - obligations, duties, and responsibilities of the Vocational and Technical
- 36 Education Division of the Department of Education.

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become vested with and succeed to all the rights, titles, powers, interests,

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

1	23-30-109. Iransier of powers to Arkansas Economic Development
2	Commission and Department of Economic Development. Office of Skills
3	<u>Development - Created - Duties.</u>
4	All powers, functions, and duties heretofore vested in and exercised by
5	the Department of Workforce Education with respect to the Arkansas Industry
6	Training Program are hereby transferred to and shall hereafter be vested in
7	the Arkansas Economic Development Commission and the Department of Economic
8	Development.
9	(a)(1) There is created within the Department of Career Education
10	under the oversight of the Career Education and Workforce Development Board
11	an Office of Skills Development.
12	(2)(A) The Director of the Office of Skills Development shall be
13	appointed by the Director of the Department of Career Education in
14	consultation with the Career Education and Workforce Development Board.
15	(B) The Director of the Department of Career Education may
16	hire personnel necessary to carry out the duties of the office.
17	(3) The office shall have exclusive authority to award grants
18	under this section.
19	(b) The office shall:
20	(1)(A) Award grants to public and private organizations for the
21	development and implementation of workforce training programs.
22	(B) An organization that is awarded a grant under this
23	section may use the grant for the training of both new and incumbent
24	employees of businesses in this state.
25	(C) As a condition for receiving a grant under this
26	subsection, the office may require a public or private organization to
27	provide matching funds at a percentage to be determined by the office;
28	(2) Design procedures and criteria for awarding grants under
29	this section;
30	(3) Receive and review applications for grants under this
31	section;
32	(4) Prescribe the form, nature, and extent of the information
33	that shall be contained in an application for a grant under this section;
34	(5) Audit and inspect the records of grant recipients;
35	(6) Require reports from grant recipients; and
36	(7)(A) Use the Department of Workforce Services and other

- l available labor market information systems to collect, analyze, and
- 2 disseminate information on current and projected employment opportunities in
- 3 this state and other appropriate information relating to labor market
- 4 dynamics as determined by the office.
- 5 <u>(B) The office shall make the information contained in the</u>
- 6 <u>labor market information system available on the department's website.</u>
- 7 (c) On or before October 1 of each year, the office shall submit a
- 8 report to the Governor and the cochairs of the Legislative Council providing
- 9 an account of the activities and expenditures of the office during the
- 10 preceding calendar year.
- 11 (d) The office shall consult with the Arkansas Economic Development
- 12 <u>Commission in reviewing applications for workforce training grants under this</u>
- 13 <u>section</u>.

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- 15 SECTION 6. Arkansas Code § 25-30-202 is amended to read as follows:
- 16 25-30-202. Scope of authority.
- 17 (a) All authorities and responsibilities defined in § 20-79-201 et
- 18 seq. shall be administered by the Arkansas Rehabilitation Services under the
- 19 direction of the State Board of Workforce Education and Career Opportunities
- 20 Career Education and Workforce Development Board, except those transferred to
- 21 the Division of State Services for the Blind of the Department of Human
- 22 Services by § 25-10-201 et seq.
- 23 (b) Any and all statutory authority, powers, duties, functions,
- 24 records, authorized positions, property, unexpended balances of
- 25 appropriations, allocations, or other funds transferred from the Division of
- 26 Rehabilitation Services to the Department of Human Services by Acts 1985, No.
- 27 348, are hereby transferred to the Arkansas Rehabilitation Services of the
- 28 Department of Workforce Education Department of Career Education.

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- 30 SECTION 7. DO NOT CODIFY. (a) The Governor shall call the first
- 31 <u>meeting of the Career Education and Workforce Development Board within ninety</u>
- 32 (90) days after the appointment of the industry members.
- 33 (b) The Governor shall appoint a voting member as chair of the board
- 34 to serve a one-year term.

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

1	General Assembly of the State of Arkansas that Arkansas workforce education
2	operates within a variety of agencies without coordination, often with
3	significant inefficiencies arising from overlapping and repeated programming;
4	that this act will bring workforce education programs together under a single
5	umbrella agency; and that this act is immediately necessary because the
6	effectiveness of this act is essential to the operation of the programs for
7	which appropriations will be provided, and that in the event of an extension
8	of the legislative session, the delay in the effective date of this act could
9	work irreparable harm upon the proper administration and provision of
10	essential governmental programs. Therefore, an emergency is declared to
11	exist, and this act being immediately necessary for the preservation of the
12	public peace, health, and safety shall become effective on:
13	(1) The date of its approval by the Governor;
14	(2) If the bill is neither approved nor vetoed by the Governor,
15	the expiration of the period of time during which the Governor may veto the
16	bill; or
17	(3) If the bill is vetoed by the Governor and the veto is
18	overridden, the date the last house overrides the veto.
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20	/s/J. English
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