

STATE OF ARKANSAS



Department of Career Education

Asa Hutchinson
Governor

Charisse Childers, Ph.D.
Director

October 1, 2018

MEMORANDUM

TO: Senator Bill Sample, Co-Chair, Arkansas Legislative Council
Representative Jim Dotson, 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 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.

The information provided in this report align with the state fiscal year of July 1 2017, through June 30, 2018.

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 2017. The office of Skills Development grants process was implemented in July 2016 and is ongoing.

Responsibility for the State Apprenticeship Office and operation and administration of statewide Secondary Vocational Area Centers (or Secondary Technical Centers) is held within the Office of Skills Development.

Exhibit A is the report for the period 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,

A handwritten signature in cursive script that reads "Charisse Childers".

Charisse Childers, Ph.D.
Director

Exhibit A

Summary of Act 892 of Regular Session 2015

Enabling Legislation: Act 892 of the 90th 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, 2017 - December 31, 2017

Additional information provided for Fiscal Year 2018 through June 30, 2018:
activity and expenditures provided below

ACTIVITIES:

1. Streamlined the grant process by holding a standing committee meeting every other week in order to ensure we are meeting the needs of our stakeholders, as well as, sending an electronic grant summary in order to expedite the grant award process. Additionally, in the process of utilizing a CRM tool for a grants management process that will the Office of Skills Development more efficiently operate the program.
2. Office of Skills Development has been working to align career and technical education programs provided in the secondary career centers with regional and workforce development priorities. This initiative has resulted in the elimination of a few programs of study that did not meet those priorities and created a focus for which we have developed a new funding formula for funding secondary career centers through the vocational center aid fund.
3. Implemented a strategic marketing plan to promote the Office of Skills Development Workforce Training Grants Program by leveraging partnerships with local area Chambers of Commerce, Community Colleges, Planning & Development Districts, Economic Developers, and local Business & Industry. This strategy has created partnerships with two industry sectors that will create two skills gap grants that will be recommended during fiscal year 2019.
4. FY 17-18 Office of Skills Development grant outcomes: The Office of Skills Development received 247 total grant submissions across all four-grant categories during FY17-18. The Office of Skills Development grant review committee, made up of representatives of the Governor's Workforce Cabinet (GWC), approved 193 of the 247 grant submissions during this timeframe. The total dollar amount approved for reimbursement during the FY17-18 totaled \$2,782,247.75

5. The Career Education Workforce Development Board approved new secondary technical center locations across the state, which are listed below:
 - North Arkansas College Satellite location in Berryville, AR
 - College of the Ouachitas satellite location in Benton, AR (pending tax approval)
 - Monticello Occupational Education Center satellite location in Crossett, AR
 - University of Arkansas Community College Batesville for a Secondary Career Center

6. The Career Education Workforce Development Board approved 2 Pilot Secondary Career and Technical Education Center Programs in order to better understand the overall costs of operating a Secondary Career and Technical Education Center Program. The 2 programs that were created are located at Black River Technical College and Arkansas State University at Newport. These Pilot Programs are funded out of the Education Excellence Fund.

7. A task for the Office of Skills Development is to reduce the number of school districts without access to secondary career center. Since 2015, we have reduced the number of school districts without access down from 54 to 17. This is quite an accomplishment and the locations listed above have assisted in serving school districts that previously did not have access to a career center.

FINANCIAL DATA:

Following is a summary of the sources of funds comprising the FY 2018 Budget:

\$21,058,065.13	Fund Balance 7/1/17 (carryover FY17 revenue less expenditures)
\$ 1,301,233.00	Stabilized General Revenue
\$ 2,500,000.00	DWS Training Trust Fund
<u>\$ 560,882.00</u>	Education Excellence Trust Fund
\$25,420,180.13	Total Budget

As of June 30, 2018, the following were the expenditures from the Skills Development Fund:

\$ 178,079.64	Salaries and Benefits
\$ 52,658.45	Operating Expenses
<u>\$3,630,816.94</u>	Grants/Aid
\$3,861,555.03	Total Expenditures