

# STATE OF ARKANSAS



## Department of Career Education

Asa Hutchinson  
*Governor*

Charisse Childers, Ph.D.  
*Director*

October 1, 2017

### MEMORANDUM

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

FROM: Arkansas Department of Career Education  
Office of Skills Development

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

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

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

For purposes of this report, the preceding calendar year through the end of fiscal year 2016 was reported on October 1, 2016. The information provided in this report and reports going forward align with the state fiscal year of July 1, 2016 through June 30, 2017.

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 (OSD) 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, 2016 - December 31, 2016

Additional information provided for Fiscal Year 2017 through June 30, 2017:  
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.
2. Created specifications within the four specific grant categories in order to further meet statewide strategic workforce training goals and initiatives.
3. Developed 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.
4. FY 16-17 Office of Skills Development grant outcomes: The Office of Skills Development received 185 total grant submissions across all four grant categories during FY16-17. The Office of Skills Development grant review committee, made up of representatives of the Governor's Workforce Cabinet (GWC), approved 154 of the 185 grants that were submitted during this timeframe. The total dollar amount that was approved for reimbursement during the FY16-17 totaled \$1,801,314.00
5. The Career Education Workforce Development Board approved two 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 two 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.

FINANCIAL DATA:

Following is a summary of the sources of funds comprising the FY 2017 Budget:

\$20,523,263.77	Fund Balance 7/1/16 (carryover FY16 revenue less expenditures)
\$ 1,301,233.00	Stabilized General Revenue
\$ 2,500,000.00	DWS Training Trust Fund
\$ 3,130,636.00	Workforce Development Fund
\$ <u>516,688.00</u>	Education Excellence Trust Fund
<b>\$27,971,820.77</b>	<b>Total Budget</b>

| As of June 30, 2017, the following were the expenditures from the Skills Development Fund:

\$ 157,292.63	Salaries and Benefits
\$ 39,871.43	Operating Expenses
<u>\$6,716,591.54</u>	Grants/Aid
<b>\$6,913,755.60</b>	<b>Total Expenditures</b>