

MINUTES
HOUSE COMMITTEE ON PUBLIC TRANSPORTATION
HOUSE COMMITTEE ON AGRICULTURE, FORESTRY AND ECONOMIC DEVELOPMENT
APRIL 22, 2014

The House Interim Committees on Public Transportation and Agriculture, Forestry and Economic Development met Tuesday, April 22, 2014, at 8:15 a.m., in Rogers, Arkansas.

Committee members in attendance: Representatives Jonathan Barnett, Chair, Public Transportation Committee; Matthew Shepherd, Chair, Agriculture, Forestry and Economic Development; Charles Armstrong, Bob Ballinger, Jim Dotson, Charlotte Vining-Douglas, Dan Douglas, Jeremy Gillam, David Hillman, Mike Holcomb, Lane Jean, Greg Leding, Walls McCrary, Stephen Meeks, Betty Overbey, John Payton, and Tommy Thompson.

Other legislators in attendance: Senator Jim Hendren; Representatives Duncan Baird, Debra Hobbs, Charlene Fite, Stephanie Malone, Sue Scott, Mary Lou Slinkard, and David Whitaker,

Representative Matthew Shepherd called the meeting to order.

Discussion of Interim Proposal 2013-184 – “An Act to Establish a Revenue Neutral New Jobs Training Program; and for other Purposes,” Representative Greg Leding, Sponsor (Exhibit B)

Representative Leding spoke on the interim study proposal which will create training programs similar to existing programs in Iowa community colleges that began in 1983. He provided the following information on the Iowa program:

- 15 community colleges have bonding authority
- employer presents a project to a community college to develop training for a large workforce
- the employer and community college enter an agreement to develop employee training
- bonds are issued to pay for training
- bonds are paid through reallocation of state withholding taxes generated by newly created jobs

Grant Tennille, Director, Arkansas Economic Development Commission, discussed attracting manufacturers to Arkansas, expanding the state’s economy by employing more Arkansans, and helping businesses already located in the state to grow. The Commission has increased its focus on workforce training, which needs to be a priority to grow the economy and help recruitment efforts. Arkansas needs to focus on providing opportunities for Arkansans to learn the skills businesses need, to grow and meet market demands. Mr. Tennille said 2012 was the single largest investment year in Arkansas, with companies investing in retooling to respond to the improving economy. The Commission is negotiating with existing companies to provide incentive packages to attract investments. Business and industry needs to partner with two-year institutions to provide opportunities for Arkansans to gain the skills they need.

Shane Broadway, Director, Arkansas Department of Higher Education (ADHE), discussed workforce training in Arkansas. He said plans are being developed to include all the educational and development agencies for workforce education, and training and development programs to be presented during the 2015 legislative session. Mr. Broadway said major challenges for high schools, colleges, and career and technical programs are funding and resources. ADHE is working to encourage school districts and colleges to work together to create secondary career centers. He described how ADHE is working to identify the availability of jobs in Arkansas, existing job openings, and the type of skills required to fill the jobs. Mr. Broadway provided data collected on non-credit enrollment and training hours at two-year and four-year institutions, programs offered by four-year institutions, and programs offering certificates and associate degrees at two-year institutions. When this data collection is completed, ADHE will compile the information in terms of job openings and actual skills needed, then make recommendations.

Update on North West Arkansas Economic Development and Transportation Challenges

Representative Douglas discussed the opportunities that exist, both in Arkansas and the U.S., to bring back jobs from China. He used the example of Redman and Associates, a manufacturer of injected molding products, returning jobs to Arkansas. Representative Douglas explained one of the company products, a riding toy, is bulky, and shipping it from China costs the company \$17 million annually. By eliminating the cost of shipping, the savings realized can be directed to labor costs and allow the company to remain competitive. Representative Douglas said Arkansas has a unique advantage being centrally located for companies shipping products nationwide. He said a challenge to growing the economy is learning the industry needs. He also discussed the opening of the Panama Canal and the opportunity Arkansas has to build a manufacturing base.

Mike Malone, President, Northwest Arkansas Council, was recognized. He discussed the Regional Economic Development Program the council is pursuing to build the region and advance the state. One aspect is the need to change the perception of the state's workforce talent to attract business. Mr. Malone stressed that investment in infrastructure grows jobs. Throughout the state, the challenges to grow the economy include:

- building better infrastructure, highways, and transit systems
- aligning workforce training with employer needs
- making airfares more competitive
- retaining diverse and young talent
- increasing the educational attainment rate
- preserving water quality
- lowering poverty rates/raising income levels
- building healthier communities
- increased cooperation between communities/regions/state

Mr. Malone described the council's economic development criteria:

- recruit new industry
- grow existing industry
- support start ups and entrepreneurs
- workforce attraction and retention

Highway Projects and Funding Issues

Scott Bennett, Director, Arkansas Highway Transportation Department (AHTD), said industry looks for a quality workforce, quality of life, cheap land, and accessible transportation. Over the past 20 years, the department has provided \$90 million to the University of Arkansas to maintain highways on and into the campus, providing research, contracts, and a transit system. AHTD established the Center for Training Transportation Professionals, with the university's civil engineering department, and has certified 10,000 employees in the construction industry since the program began in 1989. Mr. Bennett then discussed the Interstate Rehabilitation Program and the Connecting Arkansas Program. He stated the federal highway trust fund, which funds 70% of the department's construction program, is declining and expected to hit zero by August 2014.

The meeting adjourned at 10:00 a.m., at which time legislators attended a ribbon cutting of the first section of the Bella Vista Bypass, the future I-49. Legislators also toured the Northwest Arkansas Regional Airport.