

State of Arkansas
84th General Assembly
Regular Session, 2003

A Bill

SENATE BILL 190

By: Senator Wooldridge

For An Act To Be Entitled

AN ACT TO AMEND THE ARKANSAS EXISTING WORKFORCE
TRAINING ACT TO CLARIFY DEFINITIONS; TO CHANGE
THE INSTRUCTIONAL HOUR RATE; AND FOR OTHER
PURPOSES.

Subtitle

AN ACT TO AMEND THE ARKANSAS EXISTING
WORKFORCE TRAINING ACT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

6-50-702. Definitions.

As used in this subchapter, unless the context otherwise requires:

(1) "Basic skills training" means those math, reading, English, listening, oral, and written communication, and computer literacy skills that a person can reasonably be expected to have attained by the end of the twelfth grade;

(2) "Classroom training" means instructor-led training that is provided outside of the process of the production of goods or the delivery of a service;

(3) "Company" means an entity currently operating in the state that has filed a corporate income tax return for the year prior to the year in which the application was submitted and that is classified in one (1) of the following ways:

(A) Manufacturers classified in ~~Standard Industrial Classification codes 20-39~~ North American Industry Classification System codes 31-33, as in effect January 1, 2003, including semiconductor and



1 microelectronic manufacturers;

2 (B)(i) Computer firms primarily engaged in providing
3 computer programming services; the design and development of or in designing
4 and developing prepackaged software; businesses engaged in digital content
5 production; computer processing and data preparation services; information
6 retrieval services; computer and data processing consultants and developers.

7 (ii) All firms in this group must derive at least
8 ~~sixty percent (60%)~~ seventy five percent (75%) of their revenue from out-of-
9 state sales and not be engaged in retail sales to the general public; or

10 (C) Firms primarily engaged in commercial physical and
11 biological research, ~~Standard Industrial Classification 8731~~ North American
12 Industry Classification System code 541710, as in effect January 1, 2003.

13 (4)(A) "Consortium" means a group of companies which includes at
14 least three (3) eligible companies as defined in subdivision (3) of this
15 section and which for fiscal purposes is either a private, not-for-profit
16 corporation or an organized group that has a coordinating board or committee
17 and a mission statement, that has or is in the process of developing bylaws,
18 and that is establishing a bank account requiring at least two (2) consortium
19 member's signatures.

20 (B) Consortia may have members which are not eligible
21 companies so long as at least three (3) of the consortium member companies
22 are eligible companies.

23 (C) Fifty percent (50%) of companies completing each
24 course must be eligible companies;

25 (5) "Eligible recipient" means a full-time permanent employee of
26 an Arkansas company or consortium who is subject to the Arkansas personal
27 income tax;

28 (6) "Governing council" means the directors or their designees
29 of the Department of Economic Development, the Department of Higher
30 Education, and the Department of Workforce Education;

31 (7) "Internal training" means classroom training provided to
32 company employees by company trainers who may be either full-time employees
33 of the company or consultants paid by the company; and

34 (8)(A) "State-supported educational institution" means a
35 secondary or postsecondary Arkansas educational institution that receives the
36 majority of its funding from state or local tax revenues.

(B) ~~except that~~ However for purposes of this subchapter,

(i) Texarkana College may be considered a state-supported educational institution for the purpose of delivering training services to eligible companies located in Miller County, Arkansas, ~~provided that if~~ Texarkana College continues to waive out-of-state tuition for residents of Arkansas; and

(ii) The Arkansas Manufacturers Extension Network may be considered a state-supported educational institution when delivering training to eligible Arkansas companies.

SECTION 2. Arkansas Code 6-50-704(b), concerning the promulgation of rules for workforce training, is amended to read as follows:

(b) Rules and regulations shall include, but not be limited to, the following:

(1) Training shall be conducted for the purpose of meeting specific business goals and performance objectives;

(2) As part of the application process, a company or consortium shall be responsible for determining that participants involved in the training program possess the appropriate prerequisite literacy skills;

(3)(A) The amount of financial support a company or consortium receives shall be determined by the department, approved by the governing council, and set forth in writing prior to any funds' being committed and distributed or prior to any tax credit's being approved.

(B) For companies or consortia that use state-supported educational institutions to deliver classroom training to their employees, the amount of support shall be the lesser of:

(i) One-half (1/2) of the amount paid by the company to the state-supported educational institution for the training; or

(ii)(a) The instructional hour rate established by the governing council, not to exceed ~~fifty dollars (\$50.00)~~ sixty dollars (\$60.00) per instructional hour, times the number of instructional hours delivered.

(b) For companies that use company employees or company-paid consultants to deliver classroom training to their employees, the amount of the tax credit shall not be more than fifteen dollars (\$15.00) per instructional hour.

1 (c) The minimum class size needed to receive
2 full benefits is five (5) trainees. For classes smaller than five (5), the
3 amount of support will be reduced proportionally;

4 (4) Training delivered by means other than traditional classroom
5 training may be considered by the governing council. For approved training
6 delivered by means other than traditional classroom training, a flat rate of
7 reimbursement will be established by the governing council;

8 (5) Applications for tax credits afforded by this subchapter
9 shall be available on and after January 1, 2000;

10 (6) The maximum amount of total tax credits allowed by the
11 department pursuant to this subchapter shall not exceed four hundred fifty
12 thousand dollars (\$450,000) per year;

13 (7) Neither grant funds nor tax credits shall be used to support
14 any training, including remedial basic skills training, that is authorized
15 under any other state or federal program; ~~and~~

16 (8) Neither grant funds nor tax credits shall be used to support
17 any training that is mandated by any state or federal law or regulation
18 ~~without a unanimous vote of the governing council.; and~~

19 (9) Neither grant funds nor tax credits shall be used to conduct
20 safety training, except train-the-trainer courses to develop internal
21 trainers.