

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: H3/13/03

A Bill

SENATE BILL 190

5 By: Senator Wooldridge
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7

For An Act To Be Entitled

8 AN ACT TO AMEND THE ARKANSAS EXISTING WORKFORCE
9 TRAINING ACT TO CLARIFY DEFINITIONS; TO CHANGE
10 THE INSTRUCTIONAL HOUR RATE; AND FOR OTHER
11 PURPOSES.
12

Subtitle

13 AN ACT TO AMEND THE ARKANSAS EXISTING
14 WORKFORCE TRAINING ACT.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 *SECTION 1. Arkansas Code § 6-50-702 is amended to read as follows:*
22 *6-50-702. Definitions.*

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

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

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

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

35 (A) Manufacturers classified in ~~Standard Industrial~~
36 ~~Classification codes 20-39~~ North American Industry Classification System



1 codes 31-33, as in effect January 1, 2003, including semiconductor and
2 microelectronic manufacturers;

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

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

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

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

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

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

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

29 (6) "Full time instructor or trainer" means a person who works a
30 minimum of thirty (30) hours per week on at least a nine-month contract
31 length and has the normal fringe benefit package available to any employee
32 the institution considers to be a full time employee;

33 ~~(7)~~ "Governing council" means the directors or their
34 designees of the Department of Economic Development, the Department of Higher
35 Education, and the Department of Workforce Education;

36 ~~(7)~~(8) "Internal training" means classroom training provided to

1 company employees by company trainers who may be either full-time employees
2 of the company or consultants paid by the company; and

3 ~~(8)(9)(A)~~ "State-supported educational institution" means a
4 secondary or postsecondary Arkansas educational institution that receives the
5 majority of its funding from state or local tax revenues~~;~~.

6 ~~(B) except that~~ However, for purposes of this subchapter,
7 *Texarkana College may be considered a state-supported educational institution*
8 *for the purpose of delivering training services to eligible companies located*
9 *in Miller County, Arkansas, ~~provided that~~ if Texarkana College continues to*
10 *waive out-of-state tuition for residents of Arkansas.*

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

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

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

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

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

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

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

30 (ii)(a) The instructional hour rate established by
31 the governing council, not to exceed ~~fifty dollars (\$50.00)~~ sixty dollars
32 (\$60.00) per instructional hour, times the number of instructional hours
33 delivered by a full time instructor or trainer with fifty percent (50%) or
34 more eligible participants completing the course.

35 (b) For companies that use company employees
36 or company-paid consultants to deliver classroom training to their employees,

1 the amount of the tax credit shall not be more than fifteen dollars (\$15.00)
2 per instructional hour.

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

6 (iii) The instructional hour rate, established by
7 the governing council, not to exceed fifty dollars (\$50.00) per instructional
8 hour times the number of instructional hours by adjunct or part time
9 instructors or trainers with fifty percent (50%) or more eligible
10 participants completing each course;

11 (iv) The instructional hour rate, established by the
12 governing council, not to exceed thirty-five dollars (\$35.00) per
13 instructional hour times the number of instructional hours for safety related
14 training; or

15 (v) The instructional hour rate, established by the
16 governing council, not to exceed thirty-five dollars (\$35.00) per
17 instructional hour times the number of instructional hours for all courses
18 with less than fifty percent (50%) eligible participants completing each
19 course.

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

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

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

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

32 (8) Neither grant funds nor tax credits shall be used to support
33 any training that is mandated by any state or federal law or regulation
34 without a unanimous vote of the governing council.

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36 /s/ Wooldridge

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