House Engrossed Senate Bill

FILED

JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

CHAPTER 293

SENATE BILL 1571

AN ACT

AMENDING SECTIONS 41-1542 AND 41-1544, ARIZONA REVISED STATUTES; AMENDING LAWS 2000, CHAPTER 383, SECTION 10, AS AMENDED BY LAWS 2002, CHAPTER 264, SECTION 4; RELATING TO THE ARIZONA JOB TRAINING PROGRAM AND FUND.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 41-1542, Arizona Revised Statutes, is amended to read:

41-1542. Governor's council on workforce policy; duties

A. The governor by executive order may establish a governor's council on workforce policy. If the governor establishes a governor's council on workforce policy, the council shall include at least the following members:

1. The director of the department of commerce or the director's designee.

2. The director of the department of economic security or the director's designee.

3. The superintendent of public instruction or the superintendent's designee.

4. One representative from a rural community college district who is appointed by the governor.

5. One representative from an urban community college district who is appointed by the governor.

6. One representative from organized labor who is appointed by the governor.

7. Representatives from ~~small and~~ large businesses who are appointed by the governor and who shall compose at least ~~fifty-one~~ THIRTY per cent of the total membership of the council.

8. REPRESENTATIVES FROM SMALL BUSINESSES WHO ARE APPOINTED BY THE GOVERNOR AND WHO SHALL COMPOSE AT LEAST TWENTY-FIVE PER CENT OF THE TOTAL MEMBERSHIP OF THE COUNCIL.

B. The governor's council on workforce policy that is established by executive order shall develop program guidelines for selection criteria and program operations. These guidelines shall include the following areas:

1. Project application procedures.

2. Categories of allowable and excluded project costs.

3. Limitations relating to partial or total project costs and interim and end of project reporting requirements.

4. Procedures to assure that both urban and rural economic interests are addressed.

5. Criteria to evaluate effective use of training monies.

6. Criteria to determine the annual qualifying wage rate per county so that the qualifying wage rate reflects current economic conditions and the needs of local businesses in the county.

C. The governor's council on workforce policy shall meet at least four times each year and shall submit a written annual report to the governor, the president of the senate, the speaker of the house of representatives and the joint legislative budget committee by September 1 of each year. This report shall include:

1. The qualifying wage rate per county.
2. The number of businesses recruited.
3. The number of approved applicants.
4. The number of persons hired.
5. The number of incumbent workers trained.
6. The racial and ethnic background of persons trained.
7. The number of persons trained by job skill category.
8. The average salaries paid.
9. The breakdown of full-time and part-time jobs.
10. The information on the efforts to leverage other training resources.
11. A summary of the information considered pursuant to section 41-1543.
12. The number of grant applications denied due to either of the following:
(a) Insufficient available grant money.
(b) The inability to meet the qualifying wage requirements pursuant to subsection B, paragraph 6 of this section.
13. A summary of annual spending by state government on workforce development, including details on each state program that participates in workforce development in any state agency or community college. The report shall include:
(a) Actual expenditures from state, federal or other sources for the prior fiscal year, by fund, program and agency and in total.
(b) Estimated expenditures from state, federal or other sources for the current fiscal year, by fund, program and agency and in total.
(c) Federally mandated performance measure results by program, including measures for the previous two fiscal years and for the current fiscal year.
(d) Agency or statewide performance measure results as described in subsection E of this section by program, including measures for the previous two fiscal years and for the current fiscal year.
(e) A strategic plan that identifies:
(i) Each workforce development program in this state.
(ii) How the state programs met all performance measures in the previous fiscal year.
D. Each state agency and community college shall submit to the governor's council on workforce policy the information necessary to compile the report described in subsection C, paragraph 13 of this section by August 1 of each year.
E. The governor's council on workforce policy shall coordinate with state agencies and state community colleges to produce outcome-based performance measures for all state workforce development programs.

Sec. 2. Section 41-1544, Arizona Revised Statutes, is amended to read:

41-1544. Arizona job training fund; definitions

A. The Arizona job training fund is established consisting of legislative appropriations, monies deposited pursuant to section 23-769, gifts, grants and other monies. The department shall administer the fund. On notice from the department, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund. Before any monies are disbursed pursuant to this section, the legislature may appropriate monies in the Arizona job training fund to be used for the department of economic security's jobs program to provide job training for welfare clients.

B. The director may accept and expend federal monies and private grants, gifts and contributions to assist in carrying out the purposes of this article. All monies for the program shall be expended only for the costs related to training, except that the department of commerce shall reimburse the department of economic security for the development costs for establishing a system to collect the job training employer tax imposed pursuant to section 23-769 in an amount of not more than four hundred thousand dollars and for incremental costs incurred by the department of economic security relating to the collection of the job training employer tax imposed pursuant to section 23-769. Monies in the Arizona job training fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

C. The Arizona job training fund monies shall be spent on approval of the department at the direction of the director in accordance with the guidelines and procedures adopted by the governor's council on workforce policy.

D. A minimum of twenty-five per cent of the monies appropriated to the Arizona job training fund shall be used to provide training to small businesses employing fewer than one hundred employees. ~~, until June 15 of each fiscal year. After June 15 of each fiscal year, any unexpended monies may be made available to any qualified applicant.~~

E. A minimum of twenty-five per cent of the monies appropriated to the Arizona job training fund shall be used to provide training to businesses located in rural areas of the state. ~~, until June 15 of each fiscal year. After June 15 of each fiscal year, any unexpended monies may be made available to any qualified applicant.~~

F. If a business receives monies for training from the Arizona job training fund and the business employs fewer than one hundred employees and is located in a rural area of this state, the business shall be included in the minimum percentages prescribed in subsections D and E of this section.

G. No more than fifty per cent of the monies in the Arizona job training fund shall be used to provide incumbent worker training.

H. A single grant awarded pursuant to this article shall not be more than ten per cent of the estimated annual total of monies deposited in the Arizona job training fund.

I. THE DEPARTMENT SHALL NOT APPROVE GRANT MONIES FOR REIMBURSEMENT OF THE FOLLOWING EMPLOYER COSTS:

1. FRINGE BENEFITS, FOOD AND BEVERAGES, RECRUITMENT AND SIGNING BONUSES FOR TRAINEES AND TRAINERS.

2. EMPLOYER COSTS TO COMPLETE A PROGRAM APPLICATION.

3. EXCEPT FOR SMALL BUSINESSES, TRAINING EXPENSES FOR PARTNERS OR CORPORATE OFFICERS.

4. EMPLOYEE RELOCATION EXPENSES.

5. TRAINING OR COURSE DEVELOPMENT COSTS THAT ARE NOT PART OF THE EMPLOYER'S APPROVED TRAINING PLAN.

6. COSTS FOR ASSESSING THE TRAINING NEEDS OF EMPLOYEES.

7. DRUG OR OTHER TESTING COSTS FOR EMPLOYEE SCREENING OR PRESCREENING PURPOSES.

8. COSTS FOR TRADE SHOWS AND CONFERENCES OR SEMINARS THAT DO NOT RESULT IN A SKILL CERTIFICATE THAT IS EARNED BY AN EMPLOYEE.

9. OTHER COSTS PROHIBITED BY RULE.

~~I.~~ J. For the purposes of this section:

1. "Rural area" means either:

(a) A county with a population of less than four hundred thousand persons according to the most recent United States decennial census.

(b) A census county division with less than fifty thousand persons in a county with a population of four hundred thousand or more persons according to the most recent United States decennial census.

2. "Small business" means a concern, including its affiliates, that employs fewer than one hundred employees.

Sec. 3. Laws 2000, chapter 383, section 10, as amended by Laws 2002, chapter 264, section 4, is amended to read:

Sec. 10. Delayed repeal; reversion

A. Section 23-730.02, Arizona Revised Statutes, and title 23, chapter 4, article 5.2, Arizona Revised Statutes, are repealed from and after December 31, ~~2007~~ 2011.

B. Title 41, chapter 10, article 4, Arizona Revised Statutes, is repealed from and after December 31, ~~2007~~ 2011, at which time any unexpended or unencumbered monies in the Arizona job training fund attributable to the job training employer tax imposed pursuant to section 23-769, Arizona Revised Statutes, revert to the unemployment compensation fund established by section 23-701, Arizona Revised Statutes, and any unexpended or unencumbered monies in the Arizona job training fund not attributable to the job training employer tax imposed pursuant to section 23-769, Arizona Revised Statutes, revert to the state general fund.

1 Sec. 4. Department of commerce; rule revision
2 The department of commerce shall revise the Arizona job training
3 program rules that were adopted to administer title 41, chapter 10, article
4 4, Arizona Revised Statutes, to streamline the application and reimbursement
5 process for all types of employers, including the creation of a web-based
6 application, with particular attention on reducing the paperwork burden on
7 small business applicants.

APPROVED BY THE GOVERNOR JULY 2, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 2, 2007.