

Title 25. State Government
Chapter II Office of Skills Development, Department of Commerce
Subchapter A. Generally
Part 5. Rules Related to the Office of Skills Development Grants

Codification Notes: This part as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"Act 892 of the 90th Arkansas General Assembly, 2015 Senate Bill 368 To Create a Comprehensive Statewide Workforce Development System To Coordinate Various Workforce Development Programs To Create an Office of Skills Development"

"The Department of Career Education (ACE), Office of Skills Development grants program (OSD Grants) is hereby established pursuant to Act 892 of 2015, as enacted by the 90th Arkansas General Assembly."

"This rule shall take effect and be in full force on and after ____."

Subpart 1. Generally

25 CAR § 5-101. Purpose.

- (a) The purpose of Office of Skills Development grants is to:
- (1) Strategically invest in all levels of the Arkansas workforce, from students to incumbent workers, raising education and skill levels, meeting the needs of companies operating in Arkansas, and balancing workforce and employer interests, leading to greater economic achievement for workers and companies;
 - (2) Create a strategic grants program that:
 - (A) Targets Arkansas businesses, educational institutions, and other stakeholders, funding economically relevant training and educational efforts;
 - (B) Incentivizes the foregoing to strategically align, partner, and propose solutions to quantified needs in the Arkansas workforce; and
 - (C) Through which the Governor's Workforce Cabinet and its members can proactively work with businesses, educational institutions, each other, and other stakeholders to design such strategic alignments and partnerships;
 - (3) Provide matching funds that leverage private sector investments in the Arkansas workforce; and
 - (4) Collaborate with the Career Education and Workforce Development Board, as well as the Governor's Workforce Cabinet and its individual members, to maximize effective and efficient use of all Arkansas workforce development programs and funds.
- (b) At the discretion of the Governor's Workforce Cabinet, deviations may be made from the following terms.

25 CAR § 5-102. Eligibility.

- (a)(1) Any for-profit or nonprofit registered, legal entity that has been in operation in Arkansas during the entire twelve-month period immediately preceding the date of proposal.
- (2) Exceptions may be considered on an individual basis.

(b) Entities applying for Office of Skills Development grants must be current on all state and federal tax obligations, and there must not currently exist any ongoing or pending litigation concerning a company's tax liability, either federal or state.

(c) Recipients of training under office grants must be United States citizens or legally authorized to work full-time without restriction in the United States.

(d) Trainees must be employed in or otherwise residents of Arkansas, or students at an Arkansas institution.

(e) Applicants must disclose all funding contributing to the success of the project/training.

(f)(1) A purpose of office grants is to increase the capacity of state-supported educational institutions and organizations to supply the ongoing training needs of Arkansas companies.

(2) Where practicable, office grant applicants shall use such state-supported educational institutions and organizations and leverage requested funding to increase the capacity of same to supply ongoing training needs.

(3) The office may request additional information, including documentation, regarding the credentials and employment status or other relationship of the training provider or consultant with a state-supported institution.

(g) Proposals must include a fiscal agent that will be responsible for managing grant funds, maintaining receipts and records, submitting the final report including financial details, and preparing for project assessments, reviews, and, as appropriate, audits.

(h)(1) Training that is mandated by any state or federal law, rule, or regulation is generally not eligible for funding by office grants.

(2) Certain safety training courses may be allowed if part and parcel to industry-specific, customized technical training.

(3) Notwithstanding the foregoing, at the discretion of the Governor's Workforce Cabinet, some training mandated by law, rule, or regulation may be fundable as Professional Development or Grow Our Own training per below.

(i)(1) Office grant funding priorities correspond to Arkansas economic development priorities.

(2) Examples of such priorities comprise:

- (A) Manufacturing and production;
- (B) Transportation and material moving;
- (C) Computer and information technology;
- (D) Healthcare and life sciences;
- (E) Agriculture and forestry;
- (F) Construction; and
- (G) STEM.

(j) Office grants are intended to support training that raises skill levels such that earning potential increases.

(k) Upon request, current documentation demonstrating that applicants meet the foregoing eligibility requirements must be provided.

25 CAR § 5-103. Grant categories.

(a)(1) Office of Skills Development grants provide matching funds to support education and training that enhances skills in the workforce, as informed by employer needs and increased earning potential.

(2) The following terms apply to four (4) Office of Skills Development grants categories, as detailed below:

- (A) Skills Gap;
- (B) Customized Technical;
- (C) Professional Development; and
- (D) Grow Our Own.

(3) The Office of Skills Development shall have sole responsibility, with inputs from stakeholders, for categorizing particular projects.

(4) Applicants requiring and qualifying for confidential treatment of information may request and receive such treatment according to standard Arkansas state government confidentiality terms.

(5)(A) Proposals will be vetted and presented to the Governor's Workforce Cabinet, or a specially designated, inter-agency subunit thereof.

(B) The Governor's Workforce Cabinet, at its discretion, possesses final decision-making authority regarding funding.

(6) For training provided by an employee of one (1) or more company/business applicants (i.e., an internal trainer), regardless of the type of training or grant, the amount of reimbursement will be in the range of twenty-five percent (25%) to fifty percent (50%) of the total cost directly attributable to training time.

(7) Proposed projects and solutions must be implemented and in ongoing mode, if not complete, within three (3) months of the Office of Skills Development affirmatively accepting a proposal.

(8) The Office of Skills Development or its representative or representatives may assess the status of the project at any time, including via audit, after the applicant-designated project start date.

(9)(A) A final report, including a detailed, itemized invoice, shall be submitted to the Office of Skills Development within thirty (30) days of the completion date identified in the funded proposal, unless the completion date is extended at the discretion of the Office of Skills Development.

(B) The Office of Skills Development shall supply the template for the final report.

(10)(A) Office of Skills Development grant payments will be reimbursements, submitted within thirty (30) days of receipt of an itemized invoice and adequate documentation as specified by the Office of Skills Development.

(B) Final payments will be submitted based upon receipt of a complete final report.

(11) The Office of Skills Development shall have discretion to assess completeness of a final report and request and receive additional information.

(b)(1)(A) Skills Gap: addresses skills gaps relevant within a:

- (i) Region;
- (ii) Industry sector; or
- (iii) Workforce segment.

(B) Though there could be exceptional cases, as determined by the Governor's Workforce Cabinet, Skills Gap funding would typically not be applicable to a single employer or a proposal that will not impact a shortage of critical, technical skills.

(2) Submit an initial inquiry to the Office of Skills Development grants.

(3) The Office of Skills Development will respond to the initial inquiry within ten (10) business days, after which the applicant may submit a full proposal.

(4)(A) Proposals are due by the fifteenth of each month.

(B) An alternative timeline may be requested, approval of which shall be at the discretion of the Office of Skills Development and the Governor's Workforce Cabinet.

(5)(A) Where the proposal is received by the fifteenth of the month and the amount of funding requested is two hundred thousand dollars (\$200,000) or less, the Office of Skills Development will dis/approve by the end of the month within which the proposal is received.

(B) The Office of Skills Development may request additional information or provide direction, such as one (1) or more conditions, while a decision is pending, in which case the applicant must satisfy or otherwise agree to the request or condition within five (5) business days in order for the end-of-month dis/approval time period to remain in effect.

(6)(A) Where the amount of funding requested is more than two hundred thousand dollars (\$200,000), the Governor's Workforce Cabinet must convene in order to dis/approve.

(B) At its discretion, the Office of Skills Development may request additional information or provide direction, such as one (1) or more conditions, while a decision is pending.

(7) The level of funding/reimbursement/investment will be a maximum of seventy-five percent (75%) of the total project budget.

(8) The quarterly maximum funding amount per applicant location for Skills Gap projects shall be two hundred fifty thousand dollars (\$250,000).

(9) Applicant contributions to the total project budget may be in cash and/or in-kind.

(c)(1) Customized Technical: addresses the need for:

(A) Industry-specific, technical training such as training specific to a:

- (i) Company;
- (ii) Specialized technical skill; and/or
- (iii) Specialized equipment; or

(B) More generalized, advanced technical training such as training related to:

- (i) Hydraulics;
- (ii) Programmable logic controllers; or
- (iii) Quality improvement.

(2) Where the amount of funding requested is more than fifty thousand dollars (\$50,000), submit an initial inquiry to Office of Skills Development grants.

(3) The Office of Skills Development will respond to the initial inquiry within ten (10) business days, after which the applicant may submit a full proposal.

(4) Where the amount of funding requested is fifty thousand dollars (\$50,000) or less, the following apply:

(A) Proposals may be submitted at any time, at least fifteen (15) business days in advance of the start of training; and

(B) Notification of acceptance, denial, or partial acceptance shall be provided within ten (10) business days of receipt of a proposal.

(5)(A) For training with costs totaling more than fifty thousand dollars (\$50,000), proposals are due by the fifteenth of each month.

(B) An alternative timeline may be requested, approval of which shall be at the discretion of the Office of Skills Development and the Governor's Workforce Cabinet.

(6)(A) Where the proposal is received by the fifteenth of the month and the amount of funding requested is more than fifty thousand dollars (\$50,000) and two hundred

thousand dollars (\$200,000) or less, the Office of Skills Development will dis/approve by the end of the month within which the proposal is received.

(B) The Office of Skills Development may request additional information or provide direction, such as one (1) or more conditions, while a decision is pending, in which case the applicant must satisfy or otherwise agree to the request or condition within five (5) business days in order for the end-of-month dis/approval time period to remain in effect.

(7)(A) Where the proposal is received by the fifteenth of the month and the amount of funding requested is more than two hundred thousand dollars (\$200,000), the Governor's Workforce Cabinet must convene in order to dis/approve.

(B) At its discretion, the Office of Skills Development may request additional information or provide direction, such as one (1) or more conditions, while a decision is pending.

(8) The level of funding/reimbursement/investment will be a maximum of seventy-five percent (75%) of the total project budget.

(9) The annual maximum funding amount per applicant location for Customized Technical projects shall be two hundred fifty thousand dollars (\$250,000).

(10) Applicant contributions to the total project budget may be in cash and/or in-kind.

(d)(1)(A) Professional Development: addresses the need for basic and soft skill training, particularly classroom type training and training applicable to a majority of:

- (i) Employees;
- (ii) Supervisors; or
- (iii) Managers.

(B) Examples comprise training related to:

- (i) Leadership;
- (ii) Teamwork;
- (iii) Professionalism;
- (iv) Certain safety topics;
- (v) Microsoft Office products;
- (vi) Conflict resolution;
- (vii) Core competency assessments and upgrades; and
- (viii) Company policies and procedures.

(2) Submit an initial inquiry to Office of Skills Development grants.

(3) As appropriate, certain basic and soft skill training requests may be referred to the Adult Education Section.

(4) The Office of Skills Development will respond to the initial inquiry within ten (10) business days, after which the applicant may submit a full proposal.

(5)(A) Proposals may be submitted at any time, at least fifteen (15) business days in advance of the start of training.

(B) Notification of acceptance, denial, or partial acceptance shall be provided within ten (10) business days of receipt of a proposal.

(6) The level of funding/reimbursement/investment will be a maximum of fifty percent (50%) of the total project budget.

(7) The annual maximum funding amount per applicant location for Professional Development projects shall be fifty thousand dollars (\$50,000).

(e)(1) Grow Our Own: addresses the needs of companies that are headquartered in Arkansas and have two hundred fifty (250) or fewer full-time employees in the entire

company (at least thirty (30) hours per week, twenty-six (26) consecutive weeks per year) or otherwise may be deemed appropriate for treatment as a small business in Arkansas according to additional considerations.

(2) Submit an initial inquiry to Office of Skills Development grants.

(3) The Office of Skills Development will respond to the initial inquiry within ten (10) business days, after which the applicant may submit a full proposal.

(4)(A) Proposals are due by the fifteenth of each month.

(B) An alternative timeline may be requested, approval of which shall be at the discretion of the Office of Skills Development and the Governor's Workforce Cabinet.

(5)(A) Where the proposal is received by the fifteenth of the month and the amount of funding requested is two hundred thousand dollars (\$200,000) or less, the Office of Skills Development will dis/approve by the end of the month within which the proposal is received.

(B) The Office of Skills Development may request additional information or provide direction, such as one (1) or more conditions, while a decision is pending, in which case the applicant must satisfy or otherwise agree to the request or condition within five (5) business days in order for the end-of-month dis/approval time period to remain in effect.

(6)(A) Where the amount of funding requested is more than two hundred thousand dollars (\$200,000), the Governor's Workforce Cabinet must convene in order to dis/approve.

(B) At its discretion, the Office of Skills Development may request additional information or provide direction, such as one (1) or more conditions, while a decision is pending.

(7) The level of funding/reimbursement/investment will be a maximum of seventy-five percent (75%) of the total project budget.

(8) The quarterly maximum funding amount per applicant location for Grow Our Own projects shall be two hundred fifty thousand dollars (\$250,000).

(9) Applicant contributions to the total project budget may be in cash and/or in-kind.

25 CAR § 5-104. Contact information.

(a) Means for electronic submittal and exchange of such information may be established.

(b) Main Division of Career and Technical Education telephone: 501-682-1500

(c) Web: <http://ace.arkansas.gov>

(d) Mailing address:

OSD Grants
Division of Career and Technical Education
Office of Skills Development
Three Capitol Mall
Little Rock, AR 72201

25 CAR § 5-105. Scoring of proposals.

(a)(1) Though the following factors shall be qualitatively considered in the disposition of all proposals for funding, quantified scoring according to these factors shall only be required of Skills Gap and Grow Our Own grant categories.

(2) Though none are singularly determinative, these factors affect prioritization of proposals and award of Office of Skills Development funds.

(3) Some factors may be repetitive as relevant to multiple scoring considerations.

(b) Need and impact.

(1) The extent to which the proposed solution addresses an impactful, strategic, quantifiable need, as evidenced by data and information presented in the proposal.

(2) Priority will be placed on solutions and training programs that:

(A) Will result in credits toward or issuance of a degree in and/or the most industry-valued certifications and licenses for the subject occupation, or significant progress towards such issuance;

(B) Have the most return on investment (ROI) to the state economy, such as by increasing wages and creating new jobs, as indicated in the proposal, including for the underemployed and unemployed;

(C) Satisfy a quantifiable need as indicated in the proposal by performance metrics, such as a quality metric, actual and projected;

(D) Are replicable, transferable, and sustainable;

(E) Increase the capacity of organizations located in Arkansas, such as secondary and postsecondary institutions, to meet similar, ongoing training needs in the field of interest throughout the state and region;

(F) Address skills that are career building and enhancing and that are durable and transferable, such as from employer to employer and industry sector to industry sector, and improve a worker's overall career path;

(G) Address an unmet need in the region; and

(H) Support increased sales and exports of products outside Arkansas. (c) **Plan.**

(1) The extent to which the proposal addresses goals, details activities, benchmarks best practices, acknowledges analogous programs and eliminates duplication of effort, and identifies measurable outcomes that comport with the spirit and purpose of the office grants program and demonstrate ROI.

(2) Priority will be placed on plans that:

(A) Create or enhance career pathways, to the extent each pathway clearly indicates a continuous pathway for the student, including milestones, income levels, and exit and reentry points, from K-12 through:

(i) Certifications;

(ii) Apprenticeship;

(iii) Licenses;

(iv) Degree credits;

(v) Associate's degree;

(vi) Bachelor's degree; and

(vii) Employment and subsequent professional advancements;

(B) Demonstrate that available certifications and licenses are those most recognized by the relevant industry sector, and that credits and skills are transferable;

(C) Maximize real-world, work, and/or hands-on experience during the course of the education/training program, such as via:

- (i) Internships;
- (ii) Part-time employment;
- (iii) Cooperative education;
- (iv) Field trips;
- (v) Tours;
- (vi) Shadowing; and
- (vii) Apprenticeship;

(D) Emulate best practices already existing in Arkansas and elsewhere, that leverage, enhance, build capacities, and invest in talent and expertise already existing in Arkansas, such as at Arkansas educational, technical, and governmental institutions, in order to maximize reliance on resources located in Arkansas for recurring support and sustainability, thus minimizing costs and “recreation of the wheel” for each programmatic and training need;

(E) Demonstrate that the specific need and request framed in the proposal aligns with broader, quantified workforce, economic, regional, state, national, and employer needs;

(F) Include a marketing, messaging, and/or promotional component that enhances the image and appeal of opportunities in the industry sector or sectors and occupations of interest, such as by targeting the general public, parents, and/or students; and

(G) Maximize leverage of free and cost-effective social and digital media tools, including videos and publications.

(d) Partnerships.

(1) The extent to which partner roles and contributions are defined that:

(A) Bridge gaps, such as those existing because of:

- (i) Tradition;
- (ii) Policies;
- (iii) Competition; or
- (iv) Geography; and

(B) Maximize impact, as well as effective and efficient use of resources across a region, industry, or workforce segment.

(2) For the sake of maximizing funding leverage, priority will be placed on applicants possessing partnership arrangements as demonstrated by letters of intent, organizational diagrams, articulation agreements, memorandums of understanding, and the like, that:

(A) Include representation from and integration of organizations representing the continuum of educational and skill level attainment, from secondary schools to apprenticeship programs, two-year colleges, four-year colleges, employers, and to other relevant partners;

(B)(i) Result in co-investments from multiple funding sources, such as from private, corporate, foundation, and public entities, including other government sources.

(ii) E.g., WIOA, Division of Workforce Services, Arkansas Economic Development Commission, Division of Higher Education, and Department of Education; and

(C) Maximize the number of trainees, such as by including multiple employers and/or inviting nonemployee students or other prospective employees to participate in and benefit from the training.

(e) **Budget.** The extent to which the budget provides details tied to project activities and makes most efficient use of resources to maximize impact for the workforce and ROI to the state economy, such as by:

(1) Investing in, building, leveraging, and utilizing resources, best practices, and expertise already existing in Arkansas;

(2) Maximizing the number of trainees per training dollar invested, such as by including multiple employers and/or inviting nonemployee students or other prospective employees to participate in and benefit from the training;

(3) Minimizing "recreation of the wheel"; and

(4) Maximizing sustainability and long-term efficiencies.

25 CAR § 5-106. Miscellaneous terms and conditions.

(a) Recipients of Office of Skills Development grant funds shall cooperate with, as appropriate, the office or other Governor's Workforce Cabinet members to survey, identify, quantify, and prioritize workforce education and training needs and solutions.

(b)(1) Final decisions regarding all aspects of the office grants program are subject to the Governor's Workforce Cabinet.

(2) More particularly, the office and the Governor's Workforce Cabinet have sole authority and discretion to determine whether a specific use of office grants is reasonable and allowable.

(c) The proposed training provider, its credentials and rates and references, and its relationship or relationships to other parties involved in the proposal must be provided by the applicant or applicants.

(d)(1) Training programs created with funding contributed by office grants must be fully disclosed to the Division of Career and Technical Education and are eligible to be replicated and reused at no additional cost by Arkansas state government agencies to support the noncommercial, not-for-profit purposes described herein.

(2) This subsection strictly prohibits sharing or using confidential or proprietary information other than for carrying out the narrow purposes specifically identified.

(e) All records related to office grants, financial and otherwise, shall be retained by funding recipients for a minimum of five (5) years and shall be made available for inspection and audit at the expense of the State of Arkansas, upon reasonable request.

(f) No person shall be excluded from receiving the benefits of office grants on the basis of:

(1) Gender;

(2) Race;

(3) Color;

(4) National origin;

(5) Age;

(6) Religion;

(7) Marital status;

(8) Sex or sexual orientation; or

(9) Disability.

(g) The following, at the sole discretion of the office and the Governor's Workforce Cabinet, may be cause for denial of a proposal for funding or termination, cancellation, or postponement of funding and support under the office grants program:

(1) Noncompliance with this part or the spirit or purpose of the office grants program;

(2) Labor dispute or strike that impacts the ability to accomplish the purposes described herein;

(3) An event or events not within the control of the applicants, the office, or the Governor's Workforce Cabinet that make performance hereunder impracticable; and

(4) Unavailability of funds.