

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY.

DEPARTMENT _____
BOARD/COMMISSION _____
PERSON COMPLETING THIS STATEMENT _____
TELEPHONE NO. _____ **EMAIL** _____

To comply with Ark. Code Ann. § 25-15-204(e), please complete the Financial Impact Statement and email it with the questionnaire, summary, markup and clean copy of the rule, and other documents. Please attach additional pages, if necessary.

TITLE OF THIS RULE _____

1. Does this proposed, amended, or repealed rule have a financial impact?
Yes No

2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?
Yes No

3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes No

If no, please explain:

(a) how the additional benefits of the more costly rule justify its additional cost;

(b) the reason for adoption of the more costly rule;

(c) whether the reason for adoption of the more costly rule is based on the interests of public health, safety, or welfare, and if so, how; and

(d) whether the reason for adoption of the more costly rule is within the scope of the agency's statutory authority, and if so, how.

4. If the purpose of this rule is to implement a *federal* rule or regulation, please state the following:
(a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total _____

(b) What is the additional cost of the state rule?

Current Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total _____

5. What is the total estimated cost by fiscal year to any private individual, private entity, or private business subject to the proposed, amended, or repealed rule? Please identify those subject to the rule, and explain how they are affected.

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

6. What is the total estimated cost by fiscal year to a state, county, or municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes No

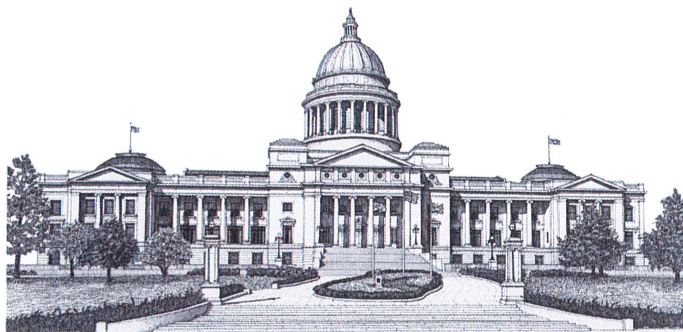
If yes, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
 - (a) justifies the agency's need for the proposed rule; and
 - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

ARKANSAS REGISTER

Transmittal Sheet

Use only for **FINAL** and **EMERGENCY RULES**



Secretary of State

John Thurston

500 Woodlane, Suite 026

Little Rock, Arkansas 72201-1094

(501) 682-5070

www.sos.arkansas.gov



For Office

Use Only:

Effective Date _____ Code Number _____

Name of Agency Office of Skills Development

Department Arkansas Department of Commerce

Contact Jake Windley, Director of Legislative Affairs & Policies E-mail jake.windley@arkansas.gov Phone 501-682-5355

Statutory Authority for Promulgating Rules Ark. Code Ann. 6-51-303

Rule Title: Rules for Secondary Technical Centers

Intended Effective Date

(Check One)

Date

☐ Emergency (ACA 25-15-204)

Legal Notice Published July 14-16, 2024

☒ 10 Days After Filing (ACA 25-15-204)

Final Date for Public Comment 8/11/2024

☐ Other _____
(Must be more than 10 days after filing date.)

Reviewed by Legislative Council 9/20/2024

Adopted by State Agency 9/20/2024

Electronic Copy of Rule e-mailed from: (Required under ACA 25-15-218)

Jake Windley

jake.windley@arkansas.gov

9/23/2024

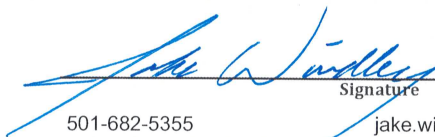
Contact Person

E-mail Address

Date

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with the Arkansas Administrative Act. (ACA 25-15-201 et. seq.)


Signature

501-682-5355

jake.windley@arkansas.gov

Phone Number

E-mail Address

Director of Legislative Affairs & Policies

Title

September 23rd, 2024

Date

RULES

FOR

SECONDARY TECHNICAL CENTERS

RULES FOR SECONDARY TECHNICAL CENTERS

I. Application/Approval

A. Secondary Technical Center Approval

1. An application for a new secondary technical center must be submitted to the Office of Skills Development (OSD) Associate Director in the Department of Commerce on or before **October 1**, prior to the school year in which the center is scheduled to open. Guidelines and application for a new secondary technical center may be obtained by contacting the Office of Skills Development at (501) 683-1152.
2. Priority shall be given to the following:
 - a region that is currently not being served by a center
 - program alignment with state and regional economic development strategies and workforce priorities.

A center will not be approved within 25 miles of an existing center unless it can be demonstrated that the creation of a new center will not adversely impact adjoining centers.

3. A sponsoring institution/entity (public high school, postsecondary technical institute, two-year college, or education service cooperative) that has been approved by the Career Education and Workforce Development Board (CEWDB) as a secondary technical center must begin operation with **three occupational specific programs. Only occupational specific programs will be eligible for secondary technical center funding.**
4. A secondary technical center or satellite that is approved by the CEWDB must serve multiple high schools to qualify for secondary technical center funding.
5. A secondary technical center that closes and desires to resume operation must submit a new application to the CEWDB for approval. A center that is approved by CEWDB for start-up but fails to begin operation within a two-year period shall be considered null and void and must reapply.

B. New or Expanded Programs

1. For new or expanded program approval, the secondary technical center shall submit a proposal for new program start-up by **October 1** of the preceding year in which the program(s) is to be implemented. The application is available by contacting the Office of Skills Development at (501) 683-1152.
2. Newly approved programs must be authorized by the Director of OSD to receive secondary technical center funding.

3. Programs of study offered at the centers must be selected from a list of approved programs as defined by the Department of Education, Division of Career and Technical Education.

C. Satellite Programs

1. An existing secondary technical center or proposed center, approved by the CEWDB, may provide satellite location(s) to school districts that are located **outside the 25 miles or 30 minutes of driving time**. Satellite locations must be shared by **more than one school district**. Satellite locations will be eligible for funding in the same manner as center programs.
2. A Memorandum of Understanding (MOU) shall be completed, signed by cooperating parties, and on file in the secondary technical center director's office concerning the operation of satellite locations.
3. All applications for a satellite location require the approval of the CEWDB.
 - a. The secondary technical center must complete an application to open a satellite program(s). The application shall be submitted to OSD along with all required documentation of support.
 - b. All satellite locations will be approved by the CEWDB prior to startup of the satellite.
 - c. Documentation from the secondary technical center's administration that indicates interest and approval in opening a satellite program is required. This documentation should include at a minimum (1) a letter from the center director to OSD stating the center's intent to open the location; (2) minutes from the secondary technical center's board of directors meeting showing the board's support; and (3) minutes from the secondary technical center's sponsoring entity showing the sponsoring entity's support.
 - d. Documentation from the participating schools indicating their support of the satellite program(s) is required. This should be in the form of (1) minutes from the participating school's board meetings indicating the school will support the program(s) at the satellite location; (2) a letter from each school's superintendent indicating the school district's support of the program(s).
 - e. The secondary technical center must show a need for the satellite program(s) through documentation including surveys of area business and industry, job outlook forecasts, projected enrollment, etc.
 - f. The host school agrees to provide the following: (1) facilities including classroom(s), lab(s), utilities, maintenance, and janitorial services; (2) handle immediate issues involving discipline until the center director can address the situation; and (3) statement allowing the participation of other school districts.
 - g. The secondary technical center agrees to: (1) furnish the classroom(s) and lab(s) with equipment, furniture, etc.; (2) furnish supplies for the program; (3) handle discipline matters under the center's guidelines in a timely fashion; and (4) employ instructor(s) for approved center programs of study.
 - h. Each participating high school shall be guaranteed seats at the satellite program. The individual school's percentage of 10th grade enrollment calculated from the total 10th grade enrollment of all participating high schools shall be the method used to determine available seats.

4. Existing Satellite Programs

All existing satellite programs shall be required to submit an MOU identifying the program, location, participating schools, and projected enrollment from participating schools. Host schools will be required to submit a letter of support for the satellite program. Existing satellite programs will be subject to the same guidelines as new satellite programs to be reviewed at the end of a five-year period.

5. Consolidation

All satellite program(s) affected by school consolidation that are reduced to single school status will be re-evaluated as to the status of a satellite program(s).

II. Finance

A. Funding

1. Vocational center aid shall be calculated by OSD and distributed by the Department of Education based upon each secondary technical center's eligible student FTE count, once verified by OSD. The Department of Education will distribute one payment, during the fall and spring semesters, to each secondary center.
2. A three-tiered funding system shall be established by OSD and approved by the CEWDB to determine the amount of vocational center aid for each program of study. Program of study tier placement shall take into account the different funding needs and costs of individual programs of study, along with the workforce needs of the State of Arkansas.
3. Vocational center aid received by a secondary career center not expended in accordance with ACA 6-51-305 shall be carried forward into the succeeding year. Beginning with fiscal year 2022, and at the close of each fiscal year thereafter, any secondary career center that has a fund balance which exceeds twenty percent (20%) of the current year tiered revenue, shall have its fall VCA payment reduced by the amount of carryover exceeding 20%. Vocational Center aid (VCA) received by a secondary center not expended in accordance with ACA 6-51-305 shall be carried forward into the succeeding year for the purpose of conducting summer programs and community-based education centers or supporting secondary technical center operations in succeeding years.
4. The amount of vocational center aid, determined by multiplying the verified FTE enrollment by the applicable tiers, may be greater than the funding available in a given fiscal year. In this scenario, the CEWDB may adjust the tiered funding rates as necessary to accommodate the funding shortfall.
5. The funding available in a given fiscal year may be greater than the amount of vocational center aid, determined by multiplying the verified FTE enrollment by the applicable tiers. OSD, in coordination

with ADE, would then recommend that the CEWDB take one of two actions: (1) disperse the excess funding based on need, or (2) carry forward the excess to the next fiscal year.

B. Supplemental Funds

1. Secondary technical centers may from time-to-time be eligible for federal funds. Department of Education, Division of Career and Technical Education will inform secondary center directors of these as they become available.
2. Secondary technical centers may apply for and receive on their own merit any special grant funds from other agencies. All revenue shall be disclosed on the revenue page of the annual expenditure report. Funding of secondary centers is not limited to state funding as described above.

III. Reports

A. Semester Reports

1. The Course/Instructor Reporting Form shall be submitted to OSD each fall and spring. The Course Instructor/Reporting Form is available at arkansasosd.com.
2. Enrollment reports shall be submitted to OSD each semester. Enrollment will then be verified by OSD using Arkansas Department of Education eSchool enrollment data. OSD will distribute the enrollment report forms to each center director annually.

B. Yearly Reports

1. The Annual Expenditure Report shall be completed and sent to OSD. The Annual Expenditure Report is available at arkansasosd.com.
2. The Annual Concurrent Credit and Industry Credentials Report shall be completed and sent to OSD. The Annual Concurrent Credit and Industry Credentials Report is available at arkansasosd.com.
3. The Annual Proposed Budget shall be completed and sent to OSD. The Budget Template is available at arkansasosd.com.

IV. Operations

A. Secondary Technical Center Responsibility

1. The management, maintenance, and operation of a secondary technical center shall be the financial responsibility of the sponsoring institution or entity in accordance with the policies established by the CEWDB. Expenses associated with the maintenance and operations of a secondary technical center/satellite shall not be paid with vocational center aid funding, however, a secondary technical center/satellite that is physically detached from a public school district or state-supported institution of higher education may use vocational center aid funding for the management, maintenance,

and operation of the secondary technical center/satellite. Failure to comply with this policy may result in a reduction of vocational center aid to the secondary technical center.

2. Failure to properly maintain and operate a secondary center may result in, by recommendation to the CEWDB, closure of the center.
3. Each participating high school shall be guaranteed seats in each program. The individual school's percentage of 10th grade enrollment calculated from the total 10th grade enrollment of all participating high schools shall be the method used to determine available seats. Any school not fulfilling its quota shall relinquish the unfilled seats to other schools.

B. Designation of Secondary Technical Center Director

1. Each secondary technical center, regardless of location, must employ a secondary technical center director on full-time basis.
2. Secondary technical centers that are not located on the campus of a secondary school may, but need not, employ directors who hold a secondary technical center 175 endorsement.
3. The secondary technical center director should have a minimum of 3 years' experience (in areas including, but not limited to, teaching, supervision, and administration) at the secondary or post-secondary levels. However, subject to the requirements for secondary technical center directors stated elsewhere in these rules, equivalent experience may be substituted on a case by case basis.

C. Secondary Technical Center Council

1. Each secondary technical center shall have an active secondary technical center council. The council shall meet twice annually, and minutes, sign-in sheets, agendas, and any other supporting documentation shall be kept. The council shall be comprised of superintendents of the sponsoring and local school districts participating in the secondary technical center along with the director of the center. When a postsecondary institution is designated as a secondary technical center, the director or president/chancellor of that institution shall be a member. Additionally, where secondary technical centers are sponsored by an education service cooperative, the director shall be a member of the council. The secondary technical center council shall serve in an advisory capacity for the secondary technical center in all areas of administration and operation, e.g., scheduling, student discipline, program design, etc. The center council may also assist with determining the capacity of a center.
2. The council serves in advisory capacity only. The local board of the host institution serves as the governing authority of the secondary technical center.

D. Instructor Qualifications

1. Technical instructors teaching at a college-based secondary technical center or a high-school based secondary technical center must have a minimum of a

technical permit in the area of instruction or an associate's degree within the area of instruction or related area. Tested experience may substitute for an earned credential or portions thereof. (Institutional (or HLC) requirement)

2. Technical instructors must have completed Arkansas State Police, FBI, and the Arkansas Child Maltreatment Registry background checks and meet all college accrediting standards for instructors. These background checks must be completed every five years. Instructors shall submit documentation of these records to their employer.
3. Instructors not meeting these requirements or instructors teaching non-concurrent credit classes must hold an Arkansas Teacher's License/Technical Permit.

E. Employee Policies

The sponsoring institution/entity shall adopt official employee policies and procedures, including a salary schedule, sick leave, inclement weather, grievance, benefits, and other policies. These must be adopted by the start of the second semester of operation.

F. Student Handbook

The sponsoring institution/entity shall adopt a student handbook outlining the rules and regulations relating to discipline, attendance, hand tools, textbooks, OCR Grievance Procedures, and other matters. These must be adopted by the start of the second semester of operation.

G. Class Periods

Class periods shall conform to the minimum class hours established by the Standards for Accreditation of Public Schools and AdvanceEd. Travel time shall not be counted in the time on task determination. In order to restructure a program of study, the secondary technical center may work with OSD and the Arkansas Department of Education, Division of Career and Technical Education to implement course designs and class lengths.

H. Instruction

1. Programs shall align with program of study standards and meet requirements as established for each program of study.
2. Concurrent credit classes offered for secondary career and technical credit in a college-based secondary technical center shall meet or exceed Department of Education, Division of Career and Technical Education standards. One 3-hour college course shall equate to one Carnegie unit.
3. An active **advisory committee** is required for each occupational program area. The committee shall meet twice annually and minutes, sign-in sheets, agendas, and any other supporting documentation shall be kept.

I. Transportation

The secondary technical center director and the administration of the local school

Rules for Secondary Technical Centers - Final 2024

district shall determine responsibility for transporting students to and from the local school to a secondary technical center.

J. Exceptions

Expansion of secondary technical centers into areas not being served is a priority of the OSD. The OSD Director may, upon request, make exceptions to the stated policies when such requests are supported by adequate justification.

V. Definitions

- **Access** is an attempt for every high school student in Arkansas to have the opportunity to participate in any of a minimum of three occupation-specific technical programs offered within 25 miles or 30 minutes of the home school.
- **Concurrent credit** is received by high school career and technical education students who take classes offered through an institution of higher education. These classes will be transcribed by the local high school for secondary credit and by the institution of higher education for college credit.
- **Eligible student** is a student enrolled in grades 10-12 and who is pursuing a program of study in a secondary technical center.
- **Full-Time Equivalent (FTE)** shall be considered the equivalent of one student attending class for six class periods per day per year, e.g., one student attending a three-period class the full year would be equal to one-half FTE. Travel time cannot be included in FTE count.
- **Local districts** are the districts in the locality, which are eligible to participate in secondary technical center programs.
- **Occupation-specific programs** are technical programs, which have paid employment in specific occupations as their objectives.
- **Satellite location** is the extension of a secondary technical center located outside the boundaries of an existing center (25 miles or 30 minutes of driving time) or to students in isolated areas. Satellite locations will be provided by an approved secondary technical center and must be shared by more than one school district. All satellite locations require the approval of the CEWDB.
- **Secondary technical center** is a public secondary or post-secondary institution organized for the specific purpose of educating high school students in specific occupational/technical programs. A center will serve students from more than one participating high school. Students eligible to attend a secondary technical center will generally come from a twenty-five (25) mile radius or thirty (30) minute driving time from the local school.
- **Sponsoring institution** is a comprehensive high school, a post-secondary technical institute, a two-year or community/technical college, an education service cooperative, or any other entity authorized by law that has been approved by the CEWDB. The sponsoring institution will function as the fiscal agent and will manage and administer the secondary technical center.

(Reference ACA 6-51-301 to 6-51-305)

- **Vocational center aid** is calculated and distributed by the Department of Education based upon each secondary technical center's eligible student FTE count.