Report on Boards & Commissions

Department: <u>COMMERCE</u>

Secretary: ______MIKE PRESTON

The purpose of this report is 1) prompt an analysis of the Boards & Commissions in your Department and to identify efficiency (cost savings) and effectiveness (better results) opportunities and 2) to propose and develop to deliver efficiency and effectiveness improvements.

Boards & Commissions Project Proposal					
1.1. List all boards, commissions, etc. within your department.					
		Arkansas Economic Development Commission:			
		i. Arkansas Economic Development Council – (ACA 15-4-204)			
		ii. Science and Technology Board – (ACA 15-3-103)			
		iii. Rural Development Commission – (ACA 15-6-104)			
		iv. Governor's Military Affairs Committee – (Executive Order) [This Committee is not statutory,			
		although the Arkansas Economic Development Council can create sub-committees.]			
		v. Minority and Women-Owned Business Advisory Council – (ACA 15-4-307)			
	2.	Arkansas Development Finance Association Board (ACA 15-5-202)			
	3.	Arkansas Rehabilitation Services:			
	5.	i. State Rehabilitation Council (Executive Order 07-12)			
		ii. Governor's Commission on People with Disabilities (ACA 20-79-301 et seq.			
		iii. Alternative Financing Program board – ACA 20-79-301 et seq. [the Alternative Financing			
		Program Board is the d/b/a for the Technology Equipment Revolving Loan Fund Committee,			
		established in section 301])			
		iv. Increasing Capabilities Access Network Advisory Council – 29 USC 3001 et seq. (DHHS grant to			
		states)			
		v. Telecommunications Access Advisory Council – (ACA 20-79-401)			
	4.	Arkansas Wine Producers Council – (ACA 3-5-701)			
	5.	Arkansas Waterways Commission – (ACA 15-23-201)			
	6.	Arkansas Division of Aeronautics Commission – (ACA 27-115-101; 27-115-103)			
	7.	Arkansas Division for Services for the Blind Board – (ACA 25-10-205)			
	8.	Arkansas State Bank Division - (There are no boards or commissions under the Bank Division. However,			
		the Bank Division works with the State Banking Board, which is independent and tasked with approving			
		certain banking-related applications with the Bank Commissioner's concurrence. ACA 23-46-301 et seq.)			
	9.	Arkansas Insurance Division:			
		i. State Board of Embalmers, Funeral Directors, Cemeteries and Burial Services – (ACA 23-61-			
		1102)			
		ii. Arkansas Governmental Bonding Board – (ACA 21-2-705)			
		iii. Rural Risk Underwriting Association – (ACA 23-88-306)			
		iv. Arkansas Earthquake Authority Board – (ACA 23-102-105)			
	10.	Arkansas Office of Skills Development:			
		i. Career Education and Workforce Development Board – (ACA 25-30-102)			
	11.	Arkansas Division of Workforce Services:			
		i. Arkansas Workforce Development Board – (ACA 15-4-3704)			
		ii. Arkansas Board of Review – (ACA 11-10-523)			
		iii. Arkansas Deaf and Hearing Impaired Telecommunications Services Board - (ACA 25-29-101)			
1.2.	Wh	at state resources support each board, commission, etc.? What is the total cost associated with each			
	board, commission, etc., broken down by general revenue and by all other sources?				
		Arkansas Economic Development Commission:			
	-	i. Arkansas Economic Development Council – (ACA 15-4-204): This board is supported by general			
		revenue. For the fiscal year 2019 the Council received \$11,595.97 in expenses from the general			
		revenue of AEDC. There are no other resources responsible for the expenses.			

	Column and Taskersham Decade (ACA 15.2.102). This has a literation of the	
	ii. Science and Technology Board – (ACA 15-3-103): This board is supported by $\sum_{i=1}^{n} \frac{1}{2} \sum_{i=1}^{n} \frac{1}{2} \sum_{i=1$	
	For the fiscal year 2019 the Council received \$431.76 in expenses from the gen	eral revenue of
	AEDC. There are no other expenses or revenue sources for this board.	
	iii. Rural Development Commission – (ACA 15-6-104): This board is supported b	y general revenue.
	For the fiscal year 2019 the Council received \$3,319.68 in expenses from the g	eneral revenue of
	AEDC. There are no other expenses or revenue sources funding this commissi	on.
	iv. Governor's Military Affairs Committee – (Executive Order) [This committee is	
	however, the Arkansas Economic Development Council can create sub-commi	
	no expenses for this committee.	ttees.j. There are
	1	This board smands
	v. Minority and Women-Owned Business Advisory Council – (ACA 15-4-307):	This board spends
	approximately \$600 annually from general funds.	
2.		
	Board using revenue generated from programs that ADFA manages. The total cost for the Board is	
	stipend per member, as well as reimbursement for the actual expenses of each member.	
3.	Arkansas Rehabilitation Services Boards and Commission:	
	i. State Rehabilitation Council (Executive Order 07-12) – The SRC is supported b	y federal funding
	with a state-match component (78.7% federal to 21.3% state). Total cost approx	
	per year.	. ,
	ii. Governor's Commission on People with Disabilities (ACA 20-79-301) – special	revenue from
	parking fines, plus donations. Total cost approximately \$500 per year.	Tevenue from
	iii. Alternative Financing Program board – ACA 20-79-301 et seq. The Technology	Fauinment
	Revolving Loan Fund itself supports the AFP Board (federal dollars supplement	ed by interest
	payments from borrowers). Total cost approximately \$1,000 per year.	
	iv. Increasing Capabilities Access Network Advisory Council – 29 USC 3001 et se	q. (DHHS grant to
	states). No state funds are involved.	
	v. Telecommunications Access Advisory Council – (ACA 20-79-401). Special rev	
	Telecommunications Equipment Fund. Total cost approximately \$1,000 per year	
4.		
	the Wine Producers Council Fund under ACA 19-6-445. Total cost per year varies, but t	he WPC Fund
	receives \$5,000, per year for advertising, promotion, and operations.	
5.	Arkansas Waterways Commission - (ACA 15-23-201): The AWC is supported by generative	al revenue, as well
	as ad valorem taxes for barge transportation. Total cost approximately \$5,000 per year.	
6.	Arkansas Division of Aeronautics Commission – (ACA 27-115-101; 27-115-103): The Aeronautics	
	Commission Board is supported by special revenue, used to reimburse travel expenses for the	
	Commissioners. Total cost approximately \$4,800.00 per year.	
7.		
	federal funding. Total cost approximately \$8,500.00 per year.	*
8.		oard were
	\$1,761.23, the majority of which was for mileage reimbursement. The State Bank Depart	
	revenue agency which is entirely funded by assessments paid by state chartered banks an	1
	institutions regulated by the State Bank Department. The State Bank Department does no	
	General Revenue Funds, tax payer money, or funding from other sources. Members of th	
	Board may not be compensated for their service on the board under Ark. Code Ann. § 23	
	However, they are entitled to receive reimbursement out of State Bank Department funds travel and subject are supersed under Ark Code Arm $\frac{5}{22}$ 22 46 201(d)(2)	for their actual
<u>_</u>	travel and subsistence expenses under Ark. Code Ann. § 23-46-301(d)(2).	
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	i. State Board of Embalmers, Funeral Directors, Cemeteries and Burial Services –	
	1102): Supported by special revenues from licensing, fees, and penalties. Total	cost approximately
	\$11,000 per year.	
	ii. Arkansas Governmental Bonding Board – (ACA 21-2-705): Supported by prem	
	the Fidelity Bond Trust Fund, as paid by DF&A on behalf of participating entiti	
	year depends on mileage expenses incurred by any Board Member or Designee	traveling to
	quarterly meetings from outside of Pulaski County.	
	iii. Rural Risk Underwriting Association – (ACA 23-88-306): Supported by annual	fees assessed to
	members of the RRUA. Total cost per year approximately \$2,700.00.	

- iv. Arkansas Earthquake Authority Board (ACA 23-102-105): Supported by fees assessed to certain insurance carriers in Arkansas. Total cost per year depends on actual expenses incurred by any Board Member or Designee traveling to annual meetings.
- 10. Arkansas Office of Skills Development:
 - i. Career Education and Workforce Development Board (ACA 25-30-102): Supported by general revenue. Total cost approximately \$3,000 per year.
 - ii. Arkansas Apprenticeship Coordinating Steering Committee: Supported by general revenue. Total cost approximately \$7,500.00 per year.
 - iii. State Plumbing Apprenticeship Committee: Supported by special revenues. Total cost approximately \$2,000.00 per year.
 - iv. State Electrical Apprenticeship Committee: Supported by special revenues. Total cost approximately \$3,000.00 per year.
- 11. Arkansas Division of Workforce Services:
 - i. Arkansas Workforce Development Board (ACA 15-4-3704): No state funds are involved; the WDB is federally funded through Title I of the Workforce Innovation and Opportunity Act. Total cost approximately \$41,760 per year.
 - ii. Arkansas Board of Review (ACA 11-10-523): No state funds are involved; the Board of Review is funded through a U.S. Department of Labor grant issued to administer unemployment benefits appeals. Total cost approximately \$762,138.42 per year (includes salaries and benefits, rent, mileage, interpreters, transcription costs, and other expenses).
 - Arkansas Deaf and Hearing Impaired Telecommunications Services Board (ACA 25-29-101). The Board is supported by a surcharge assessed to landline and wireless carriers. Total cost approximately \$1,000.00 per year.
- 1.3 What are the key results, outcomes, performance indicators and/or success measures for each board, commission, etc.?
 - 1. Arkansas Economic Development Commission:
 - i. Arkansas Economic Development Council (ACA 15-4-204): Overseeing approvals of AEDC's bond guaranty program, monitoring fiscal health of bond guaranty fund, providing feedback to AEDC Executive Director regarding opportunities for economic development within the state.
 - ii. Science and Technology Board (ACA 15-3-103): Advising AEDC Executive Director on science and technology issues as they effect economic development, making recommendations for awarding grants related to AEDC science and technology programs.
 - iii. Rural Development Commission (ACA 15-6-104): Advising AEDC Executive Director on issues relating to rural development in the state, making recommendations for awarding grants related to AEDC rural development programs.
 - iv. Governor's Military Affairs Committee (ACA 15-4-204): As a non-statutory board, advising AEDC Executive Director on issues that could affect retention and expansion of military installations in the state, making recommendations for awarding grants under the Military Affairs Grant Program.
 - v. Minority and Women- Owned Business Advisory Council (ACA 15-4-307): Review reports and interpret each state agency's achievement of its goal under ACA 15-4-302(c). Advise Governor when a state agency has not reached its goal under ACA 15-4-302(c). Make annual reports to the Secretary of Commerce that include a summary of the state's performance with any improvements in relation to the goals stated in ACA 15-4-302(c). Make recommendations to state agency, division and the Office of State Procurement corrective actions to strengthen minority and womenowned business opportunities in the state. Conduct public hearings when necessary to obtain public input and support for council related programs.
 - 2. Arkansas Development Finance Association Board (ACA 15-5-202) The ADFA Board approves applications from eligible entities or persons seeking ADFA services. Key results are well-thought out funding and contract decisions with regard to those services.
 - 3. Arkansas Rehabilitation Services Boards and Commission:
 - i. State Rehabilitation Council (Executive Order 07-12): Reviewing, analyzing, and advising ARS regarding the performance of its responsibilities under Title I of the Rehabilitation Act as it relates to program eligibility (including order of selection) and the extent, scope, and effectiveness of services provided; in partnership with ARS, developing the Arkansas State Plan for the Vocational Rehabilitation Services Program; submitting an annual report to the Rehabilitation Services

Administration and the Governor that highlights vocational rehabilitation services goals and achievements and make the report available to the public; coordinating the relationship between ARS, the State Independent Living Council, and centers for independent living in the state; performing other functions consistent with the Title I of the Rehabilitation Act.

- ii. Governor's Commission on People with Disabilities (ACA 20-79-301 et seq.): reviewing and awarding annual scholarships using the special revenue raised from parking fines; advising and assisting the Governor in developing policies designed to meet the needs of citizens with disabilities as well as helping coordinate state and private programs relating to people with disabilities, to include cooperating with state agencies and private providers to assure the services which the Governor and the Arkansas General Assembly have authorized for people with disabilities are provided, and assisting state and local governments in eliminating obstacles to dignity and achievement which people with disabilities may face due to government and society insensitivity to their needs
- iii. Alternative Financing Program board (ACA 20-79-301 et seq.): providing loans to qualified individuals with disabilities (extended-term, at or below market-rate) to purchase assistive technology to enhance independence, productivity, and full participation in the community.
- iv. Increasing Capabilities Access Network Advisory Council (29 USC 3001 et seq.): better providing free, assistive technology to Arkansans with disabilities.
- v. Telecommunications Access Advisory Council (ACA 20-79-401): supporting and giving insight into the growth and development of the telecommunications access program, by advising on activities and areas of focus, and ensuring that rules and regulations established for the program are followed.
- 4. Arkansas Wine Producers Council (ACA 3-5-701): promoting research into the production of wine grapes and the manufacture of wine in Arkansas, and taking other action deemed necessary or appropriate to promote and support the Arkansas native wine industry.
- 5. Arkansas Waterways Commission (ACA 15-23-201): Increased tonnage totals on the river systems, maximizing receipt of federal funds; effective responses to surveys sent to ports for input on facilitating projects and economic development.
- 6. Arkansas Division of Aeronautics Commission (ACA 27-115-101; 27-115-103): Effectively allocating resources to grantees based on applications submitted by airport operators across the state.
- Arkansas Division for Services for the Blind Board (ACA25-10-205): Increase employment opportunities for the blind or vision impaired; increase pre-employment transition services; expand outreach efforts to the general public.
- 8. Arkansas State Bank Division: Efficiency and effectiveness in approving or disapproving applications for the merger of state banks; approving or disapproving the relocation of a state bank's main office; approving or disapproving rules proposed for promulgation by the Bank Commissioner.
- 9. Arkansas Insurance Division:
 - i. State Board of Embalmers, Funeral Directors, Cemeteries and Burial Services (ACA 23-61-1102): Effectiveness in regulating most funeral home and burial association operations in this State, thereby protecting the public while advancing the profession within the police powers vested in the Board by the Legislature of the State of Arkansas.
 - ii. Arkansas Governmental Bonding Board (ACA 21-2-705): administering the Self Insured Fidelity Bond Program in order to compensate participating agencies and municipalities following a covered fraud-related loss.
 - iii. Rural Risk Underwriting Association (ACA 23-88-306): providing funds needed to pay claims and expenses resulting from certain property losses to members of the association.
 - iv. Arkansas Earthquake Authority Board (ACA 23-102-105): assisting with the underwriting and availability of earthquake coverage in the state.
- 10. Arkansas Office of Skills Development:
 - i. Career Education and Workforce Development Board (ACA 25-30-102): effectiveness in bringing together business leaders, industry leaders, education leaders, state agencies, training providers, and other workforce development stakeholders in order to develop a strategic plan and road map for meeting current and future workforce demands for submission by July 2020; designing and creating a website that exhibits all aspects of workforce development education; developing a catalogue of nationally recognized credentials that are widely adopted by the respective industries and related to the applicable programs of instruction at each high school, community college, or technical institute or vocational-technical school.

- ii. Arkansas Apprenticeship Coordinating Steering Committee: developing and overseeing a comprehensive apprenticeship office.
- iii. State Plumbing Apprenticeship Committee: assisting those, other than journeymen or master plumbers, who are engaged in learning the installation of plumbing and drainage and enrolled in a state-approved apprentice program.
- iv. State Electrical Apprenticeship Committee: assisting those, other than journeymen or master electricians, who are engaged in learning the installation of plumbing and drainage and enrolled in a state-approved apprentice program.
- 11. Arkansas Division of Workforce Services:
 - i. Arkansas Workforce Development Board (ACA 15-4-3704): The WDB is measured by its ability to assist the Governor in the strategic conversations, policies, and programs that align across workforce development, economic development, and education. More broadly, the WDB supports Titles I (Adult, Youth, and Dislocated Workers) and III (Employment Services) of the Workforce Innovation and Opportunity Act. These Titles have performance indicators including employment in the second and fourth quarters after exit, median earnings of participants after exit, and employer-effectiveness measures such as job retention and business penetration rate.
 - Arkansas Board of Review (ACA 11-10-523): The Board's key results and outcomes involve striving for correct decisions in the review of awards or denials of unemployment insurance benefits. This review may impact employers' tax liability in paying unemployment insurance benefits. The Board endeavors to hold fair and impartial unemployment hearings and to make sure that the decisions issued by the lower levels are adequately reviewed.
 - iii. Arkansas Deaf and Hearing Impaired Telecommunications Services Board (ACA 25-29-101): effectiveness in enabling the Telecommunications Services Corporation to provide traditional relay and analog caption services for persons who are deaf, hearing impaired, deaf and blind, or severely speech impaired.

1.4 After a thorough analysis of boards, commissions, etc. within your department, identify key opportunities you would propose for more effective operations, improved services, and/or efficiencies.

One opportunity for effective operations would be to consolidate the Arkansas Economic Development Council bond guaranty program into the Arkansas Development Finance Authority bond guaranty program.

There are other boards or board powers that have the potential for consolidation, which are still being explored.

Generally, boards and commissions could reduce expenses by minimizing the number of annual meetings (consistent with applicable law); increasing the number of call-in or video meetings; and holding meetings in state-owned facilities.

1.5 Identify any obstacles to the implementation of these proposals.

The only obstacle to implementing the proposal is legislation. Laws will have to be changed.

1.6 What would be key action steps for these proposals?

Drafting new or amended statutes, vetting those statutes, and securing a sponsor for the proposed legislation.

Additional thoughts/comments: