

State of Arizona
House of Representatives
Forty-fifth Legislature
Second Regular Session
2002

CHAPTER 264

HOUSE BILL 2265

AN ACT

AMENDING SECTIONS 41-1542, 41-1543 AND 41-1544, ARIZONA REVISED STATUTES;
AMENDING LAWS 2000, CHAPTER 383, SECTION 10; RELATING TO STATE GOVERNMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)



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

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

4 41-1542. Governor's council on workforce policy; duties

5 ~~A. The Arizona job training council is established and consists of:~~

6 ~~1. The director of the department of commerce who serves as chairman.~~

7 ~~2. Two members representing business and appointed by the governor.~~

8 ~~One of these members shall represent small business.~~

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

11 ~~4. One representative from a rural community college district~~
12 ~~appointed by the governor.~~

13 ~~5. One representative from an urban community college district~~
14 ~~appointed by the governor.~~

15 ~~6. One representative from an urban economic development organization~~
16 ~~appointed by the governor.~~

17 ~~7. One representative from a rural economic development organization~~
18 ~~appointed by the governor.~~

19 ~~8. The director of the department of economic security or the~~
20 ~~director's designee.~~

21 ~~9. One representative from a private statewide business organization~~
22 ~~appointed by the governor.~~

23 ~~10. One member representing organized labor and appointed by the~~
24 ~~governor.~~

25 ~~11. One representative from the governor's workforce development policy~~
26 ~~council appointed by the governor.~~

27 ~~12. One representative from private postsecondary educational~~
28 ~~institutions appointed by the governor.~~

29 ~~B. Appointed members of the council shall serve staggered two year~~
30 ~~terms and may be reappointed, except that no representative from an urban or~~
31 ~~rural community college district may serve two consecutive terms.~~

32 A. THE GOVERNOR BY EXECUTIVE ORDER MAY ESTABLISH A GOVERNOR'S COUNCIL
33 ON WORKFORCE POLICY. IF THE GOVERNOR ESTABLISHES A GOVERNOR'S COUNCIL ON
34 WORKFORCE POLICY, THE COUNCIL SHALL INCLUDE AT LEAST THE FOLLOWING MEMBERS:

35 1. THE DIRECTOR OF THE DEPARTMENT OF COMMERCE OR THE DIRECTOR'S
36 DESIGNEE.

37 2. THE DIRECTOR OF THE DEPARTMENT OF ECONOMIC SECURITY OR THE
38 DIRECTOR'S DESIGNEE.

39 3. THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR THE SUPERINTENDENT'S
40 DESIGNEE.

41 4. ONE REPRESENTATIVE FROM A RURAL COMMUNITY COLLEGE DISTRICT WHO IS
42 APPOINTED BY THE GOVERNOR.

43 5. ONE REPRESENTATIVE FROM AN URBAN COMMUNITY COLLEGE DISTRICT WHO IS
44 APPOINTED BY THE GOVERNOR.

1 6. ONE REPRESENTATIVE FROM ORGANIZED LABOR WHO IS APPOINTED BY THE
2 GOVERNOR.

3 7. REPRESENTATIVES FROM SMALL AND LARGE BUSINESSES WHO ARE APPOINTED
4 BY THE GOVERNOR AND WHO SHALL COMPOSE AT LEAST FIFTY-ONE PER CENT OF THE
5 TOTAL MEMBERSHIP OF THE COUNCIL.

6 ~~C.~~ B. The GOVERNOR'S council ON WORKFORCE POLICY THAT IS ESTABLISHED
7 BY EXECUTIVE ORDER shall develop program guidelines for selection criteria
8 and program operations. These guidelines shall include the following areas:

9 1. Project application procedures.

10 2. Categories of allowable and excluded project costs.

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

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

15 5. Criteria to evaluate effective use of training monies.

16 6. CRITERIA TO DETERMINE THE ANNUAL QUALIFYING WAGE RATE PER COUNTY
17 SO THAT THE QUALIFYING WAGE RATE REFLECTS CURRENT ECONOMIC CONDITIONS AND THE
18 NEEDS OF LOCAL BUSINESSES IN THE COUNTY.

19 ~~D.~~ C. The GOVERNOR'S council ON WORKFORCE POLICY shall meet at least
20 four times each year and shall submit a written annual report to the
21 governor, the president of the senate and the speaker of the house of
22 representatives by July 31 of each year. This report shall include:

23 1. THE QUALIFYING WAGE RATE PER COUNTY.

24 ~~1.~~ 2. Number of businesses recruited.

25 ~~2.~~ 3. Number of APPROVED applicants.

26 ~~3.~~ 4. Number of persons hired.

27 5. NUMBER OF INCUMBENT WORKERS TRAINED.

28 ~~4.~~ 6. Racial and ethnic background of persons trained.

29 ~~5.~~ 7. Number of persons trained by job skill category.

30 ~~6.~~ 8. Average salaries paid.

31 ~~7.~~ 9. Breakdown of full-time and part-time jobs.

32 ~~8.~~ 10. Information on the efforts to leverage other training
33 resources.

34 ~~9.~~ 11. A summary of the information considered pursuant to section
35 41-1543.

36 12. NUMBER OF GRANT APPLICATIONS DENIED DUE TO EITHER OF THE FOLLOWING:

37 (a) INSUFFICIENT AVAILABLE GRANT MONEY.

38 (b) THE INABILITY TO MEET THE QUALIFYING WAGE REQUIREMENTS PURSUANT
39 TO SECTION 41-1542, SUBSECTION B, PARAGRAPH 6.

40 Sec. 2. Section 41-1543, Arizona Revised Statutes, is amended to read:

41 41-1543. Application criteria

42 The director of the department of commerce in accordance with the
43 guidelines established by the ~~Arizona job training~~ GOVERNOR'S council ON
44 WORKFORCE POLICY shall consider the following before any award of monies
45 pursuant to this article:

- 1 1. Training cost per employee.
- 2 2. The ability to leverage other job training resources.
- 3 3. The quality of jobs resulting from the training proposal, including
- 4 a requirement that a business receiving monies pursuant to this article pay
- 5 compensation at least equal to the QUALIFYING WAGE RATE PER COUNTY THAT IS
- 6 PRESCRIBED FOR THE YEAR IN WHICH THE AWARD IS CONSIDERED. following:

7 ~~(a) Except as provided in subdivision (b), for a business that employs~~
8 ~~three hundred or more employees and that is located in a county with a~~
9 ~~population of more than four hundred thousand persons, one hundred per cent~~
10 ~~of the average annual wage by county, excluding mining and government, as~~
11 ~~computed annually by the department of economic security research~~
12 ~~administration division.~~

13 ~~(b) For a business that employs fewer than three hundred employees or~~
14 ~~that is located in a rural area as defined in section 41-1544 or in an~~
15 ~~enterprise zone established pursuant to article 2 of this chapter, ninety per~~
16 ~~cent of the average annual wage by county, excluding mining and government,~~
17 ~~as computed by the department of economic security research administration~~
18 ~~division.~~

19 4. The use of the local labor force, dislocated workers, the

20 chronically unemployed and other special populations, including the disabled

21 and veterans.

22 5. The location or expansion of the business in rural or economically

23 depressed areas.

24 6. The diversity provided to the economy and the promotion of existing

25 and expanding businesses and businesses undergoing economic conversion.

26 7. The number of jobs resulting from the training proposal.

27 8. The ability to expand cluster industries. For purposes of this

28 paragraph, "cluster industries" means concentrations of firms across several

29 industries that share common economic foundation needs.

30 9. The extent to which the benefit package including health insurance

31 reflects the needs of the employees.

32 Sec. 3. Section 41-1544, Arizona Revised Statutes, is amended to read:

33 41-1544. Arizona job training fund; definition

34 A. The Arizona job training fund is established consisting of

35 legislative appropriations, monies deposited pursuant to section 23-769,

36 gifts, grants and other monies. The department shall administer the fund.

37 On notice from the department, the state treasurer shall invest and divest

38 monies in the fund as provided by section 35-313, and monies earned from

39 investment shall be credited to the fund.

40 B. The director may accept and expend federal monies and private

41 grants, gifts and contributions to assist in carrying out the purposes of

42 this article. All monies for the program shall be expended only for the

43 costs related to training, except that the department of commerce shall

44 reimburse the department of economic security for the development costs for

45 establishing a system to collect the job training employer tax imposed

1 pursuant to section 23-769 in an amount of not more than four hundred
2 thousand dollars and for incremental costs incurred by the department of
3 economic security relating to the collection of the job training employer tax
4 imposed pursuant to section 23-769. Monies in the Arizona job training fund
5 are exempt from the provisions of section 35-190 relating to lapsing of
6 appropriations.

7 C. The Arizona job training fund monies shall be spent on approval of
8 the department at the direction of the director in accordance with the
9 guidelines and procedures adopted by the GOVERNOR'S council ON WORKFORCE
10 POLICY.

11 D. A minimum of twenty-five per cent of the monies appropriated to the
12 Arizona job training fund shall be used to provide training to SMALL
13 businesses employing fewer than one hundred employees, UNTIL JUNE 15 OF EACH
14 FISCAL YEAR. AFTER JUNE 15 OF EACH FISCAL YEAR, ANY UNEXPENDED MONIES MAY
15 BE MADE AVAILABLE TO ANY QUALIFIED APPLICANT.

16 E. A minimum of twenty-five per cent of the monies appropriated to the
17 Arizona job training fund shall be used to provide training to businesses
18 located in rural areas of the state, until ~~April 1~~ JUNE 15 of each fiscal
19 year. ~~If more than two per cent of the total appropriation remains~~
20 ~~unexpended on April 1 of the fiscal year, then any amount greater than the~~
21 ~~two per cent may be made available to any qualified applicant.~~ After June
22 15 of each fiscal year any unexpended monies may be made available to any
23 qualified applicant.

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

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

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

33 I. For purposes of this section,:

34 1. "Rural area" means either:

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

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

40 2. "SMALL BUSINESS" MEANS A CONCERN, INCLUDING ITS AFFILIATES THAT
41 EMPLOYS FEWER THAN ONE HUNDRED EMPLOYEES.

1 Sec. 4. Laws 2000, chapter 383, section 10 is amended to read:

2 Sec. 10. Delayed repeal; reversion

3 A. ~~Section 23-730.02, Arizona Revised Statutes, as added by this act,~~
4 ~~and title 23, chapter 4, article 5.2, Arizona Revised Statutes, as added by~~
5 ~~this act,~~ are repealed from and after December 31, 2007.

6 B. Title 41, chapter 10, article 4, Arizona Revised Statutes, is
7 repealed from and after December 31, 2007, at which time, ~~except as provided~~
8 ~~in subsection C of this section,~~ any unexpended or unencumbered monies in the
9 Arizona job training fund attributable to the job training employer tax
10 imposed pursuant to section 23-769, Arizona Revised Statutes, ~~as added by~~
11 ~~this act,~~ revert to the unemployment compensation fund established by section
12 23-701, Arizona Revised Statutes, and any unexpended or unencumbered monies
13 in the Arizona job training fund not attributable to the job training
14 employer tax imposed pursuant to section 23-769, Arizona Revised Statutes,
15 ~~as added by this act,~~ revert to the state general fund.

16 C. ~~Any unexpended or unencumbered monies in the Arizona job training~~
17 ~~fund to be used to provide training to businesses employing fewer than one~~
18 ~~hundred employees pursuant to section 41-1544, subsection D, Arizona Revised~~
19 ~~Statutes, as amended by this act, shall be rebated to businesses employing~~
20 ~~fewer than one hundred employees.~~

21 Sec. 5. Transfer of records

22 All records and other property of the Arizona job training council are
23 transferred to the Governor's council on workforce policy on the effective
24 date of this act.

APPROVED BY THE GOVERNOR MAY 21, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 22, 2002.

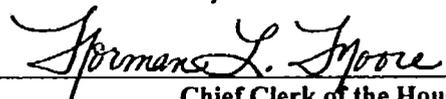


Passed the House March 26, 2002,

by the following vote: 46 Ayes,

12 Nays, 2 Not Voting


Speaker of the House

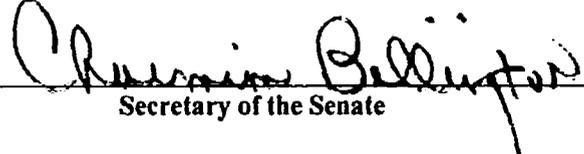

Chief Clerk of the House

Passed the Senate April 30, 2002,

by the following vote: 26 Ayes,

0 Nays, 4 Not Voting


President of the Senate


Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20____,

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

H.B. 2265

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

May 16, 2002,

by the following vote: 45 Ayes,

12 Nays, 3 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

16 day of May, 2002

at 3:00 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 26th day of

May, 2002,

at 3:12 o'clock P M.

[Signature]
Governor of Arizona

H.B. 2265

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 22 day of May, 2002

at 12:13 o'clock P M.

[Signature]
Secretary of State