

Enclosure 1

Department of Labor and Workforce Development
Alaska Technical and Vocational Education Program Revenue Projections
 Prepared February 10,2014

Fiscal Year	Actual Revenue	Projected Revenue	\$ Change	% Change	Average % Change
2009:	9,671,764				
2010:	9,526,969		(144,795)	-1.5%	3.4%
2011:	10,196,947		669,978	7.0%	
2012:	10,611,614		414,667	4.1%	
2013:	11,044,226		432,612	4.1%	
2014:		11,386,997	342,771	3.1%	
2015:		11,598,146	211,149	1.9%	
2016:		11,992,483	394,337	3.4%	
2017:		12,400,227	407,744	3.4%	
2018:		12,821,835	421,608	3.4%	
2019:		13,257,778	435,942	3.4%	
2020:		13,708,542	450,764	3.4%	

Notes:

- 1) FY2014 was estimated by the Research and Analysis section at 3.1 percent.
- 2) The FY2015 revenue change of 1.9 percent is the assumption the FY2015 budget distribution was based on. The budget is developed with a modest growth assumption to avoid negative supplementals to the TVEP recipients if revenue is not realized.
- 3) The rate of growth estimated for FY2016-FY2020 is based on the average annual rate of change from FY2009-FY2013.

Enclosure 2

Current and Hypothetical Employee Tax for Technical Vocational Education Program (TVEP)

Employee Tax for TVEP*	Additional TVEP Funds	Additional Employer Tax Per Employee**	Annual Tax Increase for Employer with Four Employees	Annual Tax Increase for Employer with 50 Employees
0.15% (Current Law)	\$0	\$0	\$0	\$0
0.16%	\$751,924	\$2.40	\$9.60	\$120
0.17%	\$1,503,848	\$4.80	\$19.20	\$240
0.18%	\$2,255,772	\$7.20	\$28.80	\$360
0.19%	\$3,007,696	\$9.60	\$38.40	\$480
0.20%	\$3,759,620	\$12.00	\$48.00	\$600

* AS 23.15.835: Percentages are of unemployment insurance covered employees' taxable wages as detailed in AS 23.20.175.

** If a higher percentage of employee taxes went to TVEP, a lower percentage would be deposited into the unemployment insurance trust fund, a difference that would be made up by increased employer taxes.

Note: Figures are based on calendar year 2013 TVEP funding and are approximations of the effect larger TVEP funding percentages would have had on 2014 employer tax rates (employee tax rates would remain unchanged).