



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

**Department of Labor and  
Workforce Development**

Office of the Commissioner

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February 7, 2014

The Honorable Kevin Meyer  
The Honorable Pete Kelly  
Co-Chairs of Senate Finance  
State Capitol Building  
Juneau, AK 99801-1182

Dear Senators Meyer and Kelly,

Thank you for the opportunity to testify on senate bill 93 related to the Technical and Vocational Education Program (TVEP) sponsored by Senator Olson. Please accept the following in response to questions posed by members of the Senate Finance committee.

Question:

Please provide a fiscal note that shows the actual revenue anticipated each year instead of assuming the revenue will be flat.

Answer:

Instead of updating three different fiscal notes to include inflation, which is against the Office of Management and Budget fiscal note instructions and would require the legislators to add the figures for all three together, we have provided one overall TVEP revenue projection through FY2020. The projection is based on the average rate of change from FY2009-FY2013 of 3.4 percent and applies that growth rate to determine the revenue projection for FY 2015 through FY2020.

Also enclosed for the committee's reference is a table showing how much additional revenue would go to the TVEP fund if the set-aside rate established in AS 23.15.835(a) was increased at 0.01 percent increments from the current rate of 0.15 percent to 0.20 percent. This document also illustrates the corresponding increase to employer taxes at each increment.

Question:

Can the department's Research and Analysis section provide some input on job growth anticipated in the Ketchikan, Prince of Wales and North Slope areas?

Answer:

The Research and Analysis (R&A) section of the Department of Labor and Workforce Development projects job growth based on recent trends. However, these job growth projections do not include estimates for new projects coming online. Also, they are limited to Southeast, Fairbanks and Anchorage and do not drill down to smaller areas such as Ketchikan, Prince of Wales Island or the North Slope. Some R&A industry-specific job growth projections, such as for

oil and gas employment forecasts, may provide some insights to growth on the North Slope, but these projections include other areas such as the Kenai Peninsula.

For your reference, below are links to two Alaska Economic Trends publications containing job growth projections. The first is the Employment Forecast for 2014. The Southeast forecast starts on page 15. Oil industry jobs are referenced on page eight. The second is the October 2012 Alaska Economic Trends issue article on industry employment forecasts. According to that article, oil and gas extraction added about 300 jobs from 2007 to 2010 and is expected to grow by 5.2 percent from 2010 to 2020. Page four of the article has a table that shows projected oil and gas employment from 3,551 in 2010 to 3,737 in 2020. Again, these projections do not account for significant new projects that may come on line.

<http://labor.alaska.gov/trends/jan14.pdf>

<http://laborstats.alaska.gov/trends/oct12art1.pdf>

Also, the Department of Natural Resources (DNR) tracks mining prospects and is a good resource for information on new prospects in particular areas of the state. Provided below is a link to a map of Alaska mineral resources produced by DNR.

[http://137.229.113.30/webpubs/dggs/mp/oversized/mp142\\_sh001.pdf](http://137.229.113.30/webpubs/dggs/mp/oversized/mp142_sh001.pdf)

I would welcome the opportunity to provide additional information as necessary.

Sincerely,



Grey Mitchell  
Assistant Commissioner

Enclosures:

1. Alaska Technical and Vocational Education Program Revenue Projections
2. Current and Hypothetical Employee Tax for TVEP