

HOUSE CS FOR CS FOR SENATE BILL NO. 289(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/25/00

Referred: Today's Calendar

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

**1 "An Act relating to technical and vocational education and to employment
2 assistance and training; and providing for an effective date."**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. The uncoded law of the State of Alaska is amended by adding a new
5 section to read:

6 LEGISLATIVE INTENT; REPORT TO THE LEGISLATURE. (a) It is the intent of
**7 the legislature that the Alaska Human Resource Investment Council undergo an internal
8 reassessment and reorganization to minimize the number of members of the council and to
9 improve its ability to efficiently and effectively serve as the state's primary planning and
10 coordinating entity for vocational and technical education.**

11 (b) The Alaska Human Resource Investment Council shall report to the legislature by
**12 the 15th legislative day of the First Regular Session of the Twenty-Second Alaska State
13 Legislature on the**

14 (1) reorganization undertaken to accomplish the goals identified in (a) of this

1 section; and

2 (2) development of regulations and guidelines for implementation of the grant
3 programs for which it is responsible.

4 * **Sec. 2.** AS 23.15.640 is amended by adding new subsections to read:

5 (b) A granting entity may award a grant that includes a program element listed
6 in (a)(4), (a)(5), or (a)(6) of this section only if all funds from other assistance or aid
7 programs or grants for that purpose are either not available to the granting entity or
8 have been exhausted.

9 (c) The department shall, to the extent economically feasible for the individual,
10 require an individual who participated in a program that was funded at least in part by
11 a grant under AS 23.15.651 and that included as a program element the provision of
12 necessary tools, work-related clothing, safety gear, or other necessities to obtain or
13 retain employment under (a)(6) of this section to reimburse the department for the
14 portion of the grant that was spent on an element listed in (a)(6) of this section. The
15 department shall separately account for receipts under this subsection. The annual
16 estimated receipts may be used by the legislature to make appropriations to the
17 department to the employment assistance and training program account (AS 23.15.625)
18 for grants under AS 23.15.651. The department shall implement this subsection by
19 regulation.

20 (d) In this section, a support service under (a)(4) of this section means a
21 service provided to an individual participating in a training program described in (a)(1)
22 - (3) of this section to enable the individual to participate in the training.

23 * **Sec. 3.** AS 23.15 is amended by adding new sections to read:

24 **Article 7. Alaska Technical and Vocational Education.**

25 **Sec. 23.15.820. Powers and duties of the Alaska Human Resource**
26 **Investment Council.** (a) The Alaska Human Resource Investment Council shall

27 (1) administer the Alaska technical and vocational education program
28 established in AS 23.15.820 - 23.15.850;

29 (2) facilitate the development of a statewide policy for a coordinated
30 and effective technical and vocational education training system in this state and, to
31 the extent authorized by federal and state law, plan and coordinate federal, state, and

1 local efforts in technical and vocational education programs;

2 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)
3 to carry out the purposes of AS 23.15.820 - 23.15.850, including regulations that set
4 standards for the percentage of a grant that may be used for administrative costs; the
5 regulations must clearly identify and distinguish between expenses that may be
6 included in administrative costs and those that may not be included in administrative
7 costs; the percentage allowed for administrative costs may not exceed the lesser of five
8 percent or the amount permitted under the requirements of a federal program, if
9 applicable;

10 (4) administer the grant program under AS 23.15.840 and establish
11 grant administration requirements including accounting procedures that apply to
12 qualified entities and their grantees.

13 (b) The council may

14 (1) receive money designated for technical and vocational education
15 programs and may disburse money, including grants, to technical and vocational
16 education projects in accordance with AS 37.07 (Executive Budget Act);

17 (2) enter into partnership agreements through appropriate administrative
18 agencies with private industry training entities within the state in order to facilitate the
19 coordination of training opportunities; and

20 (3) recommend to the legislature changes to enhance the effectiveness
21 of the training programs it oversees under this section.

22 **Sec. 23.15.830. Alaska technical and vocational education program**
23 **account.** The Alaska technical and vocational education program account is
24 established in the general fund. The commissioner of administration shall separately
25 account for money collected under AS 23.15.835 that the department deposits in the
26 general fund. The legislature may appropriate the annual estimated balance in the
27 account to the council to implement AS 23.15.820 - 23.15.850. The legislature may
28 appropriate the lapsing balance of the account to the unemployment compensation fund
29 established in AS 23.20.130.

30 **Sec. 23.15.835. Special employee unemployment contributions for program.**

31 (a) In the manner provided in AS 23.20, the department shall collect from each

1 employee an amount equal to one-tenth of one percent of the wages, as set out in
 2 AS 23.20.175, on which the employee is required to make contributions under
 3 AS 23.20.290(d). The department shall remit to the Department of Revenue, in
 4 accordance with AS 37.10.050, money collected under this subsection.

5 (b) Notwithstanding AS 23.20.290(d), the department shall credit each
 6 employee with an amount equal to the amount collected from the employee under (a)
 7 of this section against unemployment contributions owed by the employee under
 8 AS 23.20.

9 (c) The Department of Labor and Workforce Development shall assess and
 10 collect, under AS 23.20.185 - 23.20.275, interest and penalties for delinquent reports
 11 and payments due under this section. Interest and penalties collected shall be handled
 12 in accordance with AS 23.20.130(d).

13 **Sec. 23.15.840. Grants for technical and vocational education.** (a) The
 14 council shall award grants, in accordance with the priority list adopted under (f) of this
 15 section, to technical and vocational education entities. A technical and vocational
 16 entity is eligible for a grant under this section if the entity meets program
 17 requirements, the grant program is physically located in Alaska, and the entity can
 18 demonstrate that

19 (1) the entity's accounting systems include controls adequate to check
 20 the accuracy and reliability of accounting data, promote operating efficiency, and
 21 assure compliance with program requirements and generally accepted accounting
 22 principles;

23 (2) the entity's activities do not replace or compete in any way with a
 24 federally approved, jointly administered apprenticeship program or any other existing
 25 training programs; and

26 (3) the entity has secured matching funds for the program for which the
 27 grant is requested.

28 (b) The council may not award a grant if the grant would displace money
 29 available through existing public or private technical and vocational education
 30 programs.

31 (c) Subject to the limits of its grant, an entity receiving a grant under this

1 section shall provide one or more program elements. The program elements include

2 (1) industry-specific training;

3 (2) on-the-job training; and

4 (3) institutional or classroom job-linked training.

5 (d) A technical or vocational educational institution that receives a grant from
6 the council shall give appropriate state agencies full access to accounting records
7 concerning the grant to assure compliance with program standards.

8 (e) In making a grant under this section, the council shall require that the
9 qualified entity and grantees of the qualified entity limit the amount of the grant
10 proceeds spent on administration so that the total spent on administration from the
11 proceeds of the technical and vocational education program account, including amounts
12 spent by the council itself, does not exceed five percent. A training program funded
13 by the council must

14 (1) meet the standards adopted by the council concerning the
15 percentage of a grant that may be spent on administrative costs;

16 (2) be operated by an institution that holds a valid authorization to
17 operate issued under AS 14.48 if the program is a postsecondary educational program
18 operated by a postsecondary educational institution subject to regulation under
19 AS 14.48.

20 (f) To the extent that funding is available, grants shall be awarded to entities
21 that apply for funding by the deadline established by the council by regulation. The
22 council shall give priority to grant applications from qualified entities whose purpose
23 is listed first on the list of priorities adopted under this subsection. If money remains
24 after grants for the first priority have been awarded, the council may make grants to
25 entities whose purpose is listed next on the list of priorities. The council shall proceed
26 in this fashion until it has exhausted the money available for granting for the year.
27 The council shall adopt a priority list each year based on economic, employment, and
28 other relevant data in order to maximize employment opportunities for participants.

29 **Sec. 23.15.850. Definitions.** In AS 23.15.820 - 23.15.850,

30 (1) "council" means the Alaska Human Resource Investment Council;

31 (2) "program" means the Alaska technical and vocational education

1 program established in AS 23.15.820 - 23.15.850.

2 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section
3 to read:

4 PROVISIONS FOR FIRST-YEAR OPERATION. Notwithstanding AS 23.15.840(a),
5 enacted by sec. 3 of this Act, for the fiscal year ending June 30, 2001, the money collected
6 under AS 23.15.835, enacted by sec. 3 of this Act, or otherwise appropriated to the Alaska
7 Human Resource Investment Council shall be allocated directly in the following percentages
8 to the following institutions for programs consistent with AS 23.15.820 - 23.15.850, enacted
9 by sec. 3 of this Act, and capital improvements:

10	University of Alaska	52 percent
11	Kotzebue Technical Center	16 percent
12	Alaska Vocational Technical Center	32 percent.

13 * **Sec. 5.** This Act takes effect July 1, 2000.