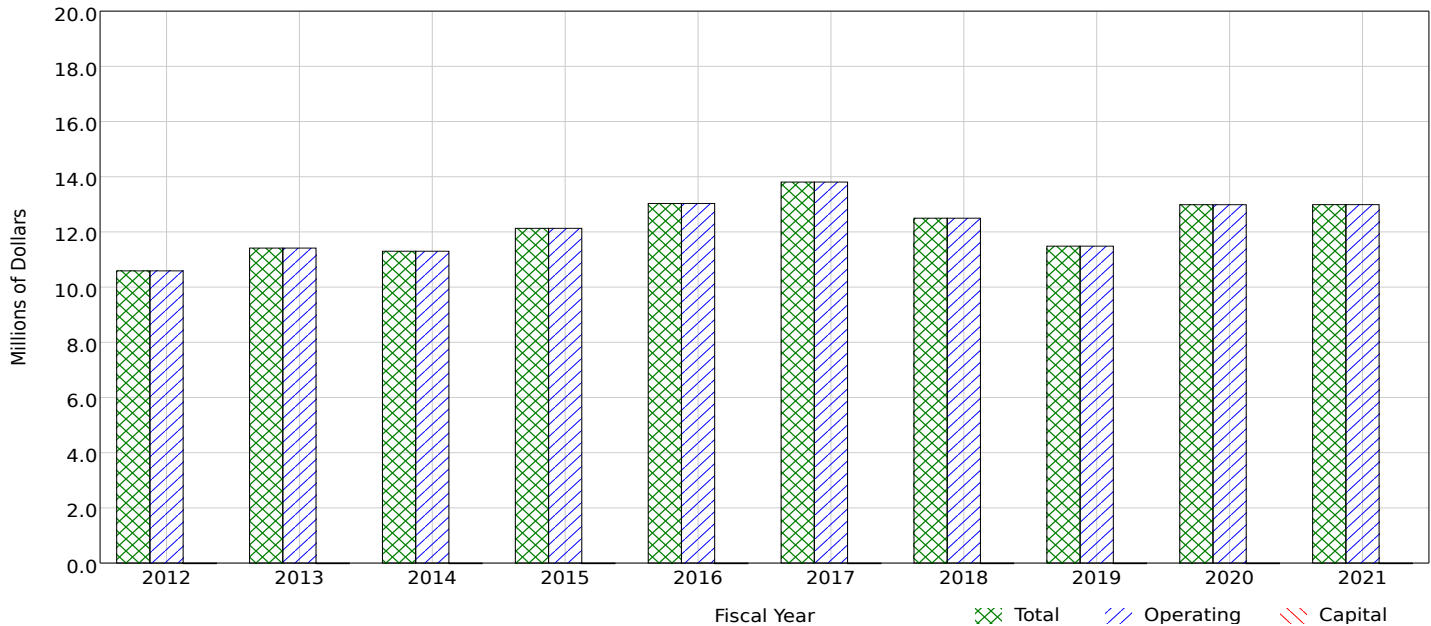


Fund Source Report

1151 VoTech Ed Technical Vocational Education Program Receipts

Year Authorized 2000 Year Repealed Active? Yes Mental Health? No Duplicated? No Fund Group Designated General

Operating and Capital Appropriations



Legal Authority

AS 23.15.830, AS 37.10.200

Source of Revenue

The Department of Labor and Workforce Development diverts a portion of the amount employees are required to contribute to the unemployment insurance program. The department shall assess and collect interest and penalties for delinquencies.

Restrictions on Use

The fund provides for grants to technical and vocational education entities.

Description and History

The Technical and Vocational Education Program (TVEP) and the Technical Vocational Education account were established by the legislature in Chapter 3, SLA 2000. The account is a sub-account of the general fund.

The purpose of TVEP is to provide grants to technical and vocational education entities to provide industry specific training, on-the-job training and classroom job-linked training.

Originally, the Department of Labor and Workforce Development diverted (to TVEP) one-tenth of one percent of the wages on which employees are required to make contributions under the Alaska Employment Security Act. The Alaska Human Resource Investment Council (AHRIC) managed the grants from the fund.

Federal law requires that employer contributions to the unemployment insurance program be deposited in a federally-held trust fund that can be used only to pay unemployment compensation. Federal law is silent on employee contributions, and they are general fund revenue unless deposited in the trust fund. Until the State Training and Employment Program (STEP) was established in 1989, all employee contributions to the unemployment insurance program were deposited in the trust fund. See code 1051.

Chapter 102, SLA 2001 allocated TVEP receipts directly to three state institutions: the University of Alaska (52%), Kotzebue Technical Center (16%), and the Alaska Vocational Technical Center (32%).

Chapter 86, SLA 2002 renamed AHRIC to the Alaska Workforce Investment Board and redirected receipts as follows: University of Alaska (63%), Kotzebue Technical Center (11%), Alaska Vocational Technical Center (22%), and Galena Project Ed Vocational Training Center (4%).

Chapter 133, SLA 2004 again changed the allocation: University of Alaska (55%), Kotzebue Technical Center (11%), Alaska Vocational Technical

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Center (22%), Galena Project Ed Vocational Training Center (4%), Southwest Alaska Vocational and Education Center (4%) and Yuut Elitnaurviat, Inc. People's Learning Center (4%).

In 2008 the legislature increased the amount collected from each employee to .15 percent of wages. It also changed the allocation to the following: University of Alaska (45%), University of Alaska Southeast (5%), Galena Project Education Vocational Training Center (4%), Kotzebue Technical Center (9%) Alaska Vocational Technical Center (17%), Northwestern Alaska Career and Technical Center (3%), Southwest Alaska Vocational and Education Center (3%), Yuut Elitnaurviat, Inc. People's Learning Center (9%), Delta Career Advancement Center (3%), New Frontier Vocational Technical Center (2%).

This account is similar in operation to the State Training and Employment Program (STEP) account; appropriations are required to expend funds. Also, a grant to an entity may not replace or compete in any way with federally approved apprenticeship programs or other existing training programs.

October 2010

The Budget Clarification Project changed this fund code classification from "Other" to "Designated General Funds."

July 2014

HB 278 (Chapter 15, SLA 2014) included several changes to TVEP.

- (1) The sunset date was extended to June 30, 2017 (from June 30, 2014);
- (2) The percent of employee wages contributed to the TVEP account increased from 0.15 percent to 0.16 percent. This change increased the amount available for distribution by \$751.9;
- (3) The bill reflects the name changes of the recipients and added a new recipient; and
- (4) The distribution percentage of the TVEP funding was changed for some of the recipients.

October 2019

HB 141 (Chapter 24, SLA 2017) extended the sunset date from June 30, 2017 to June 30, 2020.