

HOUSE BILL NO. 435

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/19/96

Referred: Labor and Commerce, Health, Education and Social Services, State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to employment contributions and to making the state training
2 and employment program a permanent state program; and providing for an
3 effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1. FINDINGS.** The legislature finds that

6 (1) an inadequate number of jobs exist in this state to meet the needs of those
7 seeking employment;

8 (2) many Alaskans are having difficulty finding jobs, especially in trying to
9 meet the changing technology needs in this state;

10 (3) employer and employee contributions paid into the unemployment
11 insurance system are used for payment of compensation to unemployed workers and allocation
12 of a small portion of employment contributions paid by employees would provide money to
13 develop a state training and employment program to meet the training needs of Alaskans;

14 (4) a state training and employment program would

1 (A) help prevent future claims against unemployment benefits;
2 (B) foster new jobs by encouraging businesses to locate in the state due
3 to availability of a skilled labor force and by minimizing employers' unemployment
4 costs; and

5 (C) increase training opportunities to those workers severely affected
6 by the fluctuations in the state economy or technological changes in the workplace in
7 the state;

8 (5) it would be beneficial to the state for state training and employment
9 programs funded by the state training and employment program to supplement, but not to
10 displace, programs funded by money available to a training entity for public or private
11 training, and not to replace, parallel, compete with, or duplicate existing federally approved,
12 jointly administered apprenticeship and training programs;

13 (6) it would be beneficial to the state to make the state training and employment
14 program a permanent state program to benefit Alaska workers, businesses, and industry.

15 * **Sec. 2.** AS 23 is amended by adding a new chapter to read:

16 CHAPTER 23. STATE TRAINING AND EMPLOYMENT PROGRAM.

17 Sec. 23.23.010. STATE TRAINING AND EMPLOYMENT PROGRAM.

18 There is created in the department a program to finance and award grants to
19 employment assistance and training entities. Employment assistance and training
20 entities shall give appropriate state agencies full access to accounting records
21 concerning grants received to assure compliance with program standards.

22 Sec. 23.23.020. EMPLOYMENT ASSISTANCE AND TRAINING
23 PROGRAM ACCOUNT. The employment assistance and training program account
24 is established in the general fund. The commissioner of administration shall separately
25 account for money collected under AS 23.23.030 that the department deposits in the
26 general fund. The annual estimated balance in the account may be appropriated by the
27 legislature to the department to implement AS 23.23. The legislature may appropriate
28 the lapsing balance of the account to the unemployment compensation fund established
29 in AS 23.20.130.

30 Sec. 23.23.030. SPECIAL EMPLOYEE UNEMPLOYMENT CREDIT AND
31 CONTRIBUTIONS FOR PROGRAM. (a) In the manner provided in AS 23.20, the

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

6 (b) Notwithstanding AS 23.20.290(d), the department shall credit each
7 employee with an amount equal to the amount collected from the employee under (a)
8 of this section against unemployment contributions owed by the employee under AS
9 23.20.

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

13 Sec. 23.23.040. PEOPLE TO BE SERVED. Within the limits of its grant, an
14 employment assistance and training entity receiving a grant under AS 23.23.070 shall
15 provide services set out in AS 23.23.050 to state residents who, immediately before
16 beginning training or receiving benefits under a grant financed by this program,

17 (1) are unemployed and

18 (A) are receiving unemployment insurance benefits; or

19 (B) have exhausted the right to unemployment insurance

20 benefits within the past three years;

21 (2) are employed, but liable to be displaced within the next six months

22 because of

23 (A) reductions in overall employment within a business;

24 (B) elimination of the worker's current job; or

25 (C) a change in conditions of employment requiring that, to

26 remain employed, the employee must learn substantially different skills that the

27 employee does not now possess; or

28 (3) have worked in a position covered by AS 23.20 at any time during

29 the last three years, and are not currently eligible for unemployment insurance benefits

30 because

31 (A) their employment has been seasonal, temporary, part-time,

1 or marginal;

2 (B) their qualifying wages are insufficient because of limited
3 job opportunity; or

4 (C) they are employed but, because they are underemployed,
5 they are in need of employment assistance and training to obtain full
6 employment.

7 Sec. 23.23.050. SERVICES FOR ELIGIBLE PEOPLE. Subject to the limits
8 of its grant, an entity receiving a grant under AS 23.23.070 shall provide one or more
9 program elements. The program elements include

10 (1) industry-specific training;

11 (2) on-the-job training;

12 (3) institutional or classroom job-linked training;

13 (4) support services, including allowances;

14 (5) relocation assistance; or

15 (6) provisions of necessary tools, work-related clothing, safety gear, or
16 other necessities to obtain or retain employment.

17 Sec. 23.23.060. DUTIES OF THE DEPARTMENT. (a) The department may
18 award a grant to the council to

19 (1) administer a state training and employment program; and

20 (2) award pilot project grants to qualified entities.

21 (b) If a grant is awarded to the council, the department shall annually provide
22 to the council a priority list of targeted projects or services, based on unemployment
23 statistics, unemployment insurance claims, occupational and industrial projections,
24 availability of other training and employment programs, and other relevant data. The
25 department shall also provide annually to the council a priority list of criteria for
26 eligibility to maximize services to those people most in need of training under
27 AS 23.23. In developing the priority list for targeted projects and services, the
28 department shall solicit comments from the Department of Community and Regional
29 Affairs, Department of Education, Department of Commerce and Economic
30 Development, University of Alaska, organized labor, the council, and the
31 administrative entities of the sub-state service delivery areas established for the

1 council.

2 (c) The department may adopt regulations necessary to implement this chapter.

3 Sec. 23.23.070. DUTIES OF ALASKA HUMAN RESOURCE INVESTMENT

4 COUNCIL. (a) In implementing this program under a grant received under
5 AS 23.23.060, and subject to the limit of its grant, the council shall award a pilot
6 project grant for a period of up to two years, in accordance with the priority list
7 established by the department under AS 23.23.060(b), to an employment assistance and
8 training entity if the entity meets program requirements and can demonstrate that

9 (1) its accounting systems include controls adequate to check the
10 accuracy and reliability of accounting data, promote operating efficiency, and assure
11 compliance with program requirements and generally accepted accounting principles;
12 and

13 (2) its activities do not replace or compete in any way with a federally
14 approved jointly administered apprenticeship program or any other existing training
15 programs.

16 (b) The council may not award a pilot project grant if the grant would displace
17 money available through existing public or private training programs.

18 (c) To provide administration of the program, the council may use the
19 administrative entities of the substate service delivery areas established for the council.

20 (d) The council shall annually provide the department with financial and
21 performance reporting on the activities of the program and recommendations
22 concerning continuation of funding.

23 Sec. 23.23.900. DEFINITIONS. In this chapter,

24 (1) "council" means the Alaska Human Resource Investment Council
25 established in AS 44.19.620;

26 (2) "department" means the Department of Labor;

27 (3) "program" means the state training and employment program
28 established in this chapter; and

29 (4) "substate service delivery areas" means those areas designated by
30 the governor under 29 U.S.C. 1532.

31 * **Sec. 3.** This Act takes effect July 1, 1996.