

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL No. 3
 Bill Version: SB 289
 (S) Publish Date: 3-29-00
 Department Affected: Labor
 BRU: Administrative Services
 Component: Labor Management Information
 COMPONENT SERIAL NO. 336

Revision Date/Time (Note if correction): _____
 Title: Board of Technical and Vocational
Education
 Sponsor: Senate Finance
 Requestor: Senate Labor and Commerce

EXPENDITURES/REVENUES:

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	85.0	85.0	85.0	85.0	85.0	85.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	85.0	85.0	85.0	85.0	85.0	85.0

CAPITAL						
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CHANGE IN REVENUE FUND SOURCE #						
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FUNDING:

(Thousands of Dollars)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
1007 Inter-Agency	85.0	85.0	85.0	85.0	85.0	85.0
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)
 (See Attached)

Prepared by Remond Henderson, Director Phone: 465-2711
 Division: Administrative Services Division Date/Time: 3/24/00 1:43 PM
 Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor Date: 3/24/00

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SB 289
#3

ATTACHMENT
Fiscal Note for SB289
Short Title: Board of Technical and Vocational Education
3/24/2000

SB289 realigns oversight and planning for vocational and technical education in Alaska by creating a new Board of Technical and Vocational Education. Additionally, the bill establishes a new supplementary grant program funded by employer contributions.

Specifically, section 23.15.835 of SB289 identifies the Department of Labor and Workforce Development as the entity that will collect from each employer an amount equal to one-tenth of the wages as set out in A.S.23.20.175, on which the employer is required to make contributions under A.S.23.20.290(c). The bill's effective date is July 1, 2000. In FY2001, the first year, collections are expected to be \$3,225,000. This is due to the lag in collections where revenues come in 30 days after the end of the calendar quarter. Therefore, the collections would occur for the quarters ending in September, December, and March. In FY2002 and subsequent years, \$4,300,000 in revenues are expected on an annual basis. The program is to be administered by the Department of Education and Early Development (DEED) and the collections are expected to be appropriated directly to that department.

The Unemployment Insurance (UI) program in the Employment Security Division of the Department of Labor and Workforce Development has an existing UI tax unit which collects unemployment insurance tax from Alaskan employers and workers. This tax unit and the infrastructure that currently exists to collect taxes from employers will be utilized to collect the new funds under SB289. The collection process is expected to be almost identical to the existing system required for the State Training and Employment (STEP) program. The STEP are funds collected from workers through employers in addition to those collected for UI. The STEP currently pays for their fair and reasonable share of the process costs as established by a federally negotiated shared cost agreement. This is required since the UI program operations are exclusively funded by federal dollars and cannot contribute to non-federal program activities. It is expected the same will be required for HB289. The estimated cost related to the collection and accounting of SB289 funds will be \$280,000. This is shown in the department's fiscal note as an interagency transfer from the new DEED Technical and Vocational Education program. Also, it is expected that a one time cost of \$30,000 will be required to accomplish any data processing development to allow the proper tracking and accounting for the tax collections.

The Administrative Services Division, Labor Management Information component expects to need \$85,000 from DEED to accomplish the required data analysis activities noted in SB289.