

CS FOR SENATE BILL NO. 289(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 3/29/00
Referred: Finance

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing and relating to the Alaska Board of Technical and
2 Vocational Education; and providing for an effective date."

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

4 * **Section 1.** AS 14.07.020(a)(12) is amended to read:

5 (12) provide educational opportunities in the areas of vocational
6 education and training, **through the Alaska Board of Technical and Vocational**
7 **Education**, and basic education to individuals over 16 years of age who are no longer
8 attending school;

9 * **Sec. 2.** AS 14.35.020(a) is amended to read:

10 (a) The **Alaska** [STATE] Board of **Technical and Vocational** Education
11 serves as the state board for the purposes of any of the Acts described in
12 AS 14.35.010.

13 * **Sec. 3.** AS 14.35.020(b) is amended to read:

14 (b) When required by any of the Acts described in AS 14.35.010, the **Alaska**

1 **Board of Technical and Vocational Education** [BOARD] shall

2 (1) prepare, submit, and supervise the administration of the plans for
3 vocational education;

4 (2) select a state director of vocational education;

5 (3) establish the minimum qualifications for teachers, supervisors, or
6 directors;

7 (4) determine the prorated basis on which money shall be available for
8 the salary and necessary travel expenses of the state director of vocational education;

9 (5) consider the advice of the Alaska Human Resource Investment
10 Council established by as 23.15.550 regarding employment training needs [AND
11 ADVISE THAT COUNCIL IN THE DEVELOPMENT OF VOCATIONAL
12 EDUCATION PROGRAMS].

13 * **Sec. 4.** AS 14.48.040 is amended to read:

14 **Sec. 14.48.040. Commission and Alaska Board of Technical and Vocational**
15 **Education to administer chapter. Except as provided in (b) of this section, the**
16 [THE] Alaska Commission on Postsecondary Education shall administer this chapter
17 and may hire necessary personnel. The commission may obtain from departments,
18 commissions, and other state agencies information and assistance needed to carry out
19 the provisions of this chapter.

20 * **Sec. 5.** AS 14.48.040 is amended by adding new subsections to read:

21 (b) The Alaska Board of Technical and Vocational Education shall administer
22 this chapter with respect to institutions that offer only technical and vocational
23 education programs. In administering this chapter with respect to those institutions,
24 the Alaska Board of Technical and Vocational Education shall exercise the powers and
25 has the duties of the commission under this chapter.

26 (c) The Alaska Board of Technical and Vocational Education, with the advice
27 of the commission, shall adopt regulations identifying the institutions that fall within
28 its jurisdiction.

29 * **Sec. 6.** AS 16.43.340(a) is amended to read:

30 (a) In addition to entry permits and interim-use permits, the commission may
31 issue educational entry permits to public, private, or denominational educational

1 institutions accredited by the Department of Education and Early Development or
 2 accredited institutions, career, or vocational programs approved by the Alaska
 3 Commission on Postsecondary Education **or the Alaska Board of Technical and**
 4 **Vocational Education**, or full-time nonprofit residential child care facilities licensed
 5 by the Department of Health and Social Services, division of social services, if

6 (1) the program is offered to students at the junior high school level or
 7 above;

8 (2) the issuance of an educational entry permit is reasonably necessary
 9 to the instruction of students under courses offered by the applicant for the educational
 10 entry permit;

11 (3) the program is offered by an institution that is located in the state
 12 and has been in operation for at least two years; and

13 (4) the institution offering the program is not a correspondence
 14 institution.

15 * **Sec. 7.** AS 18.63.040(a) is amended to read:

16 (a) The department shall, **in cooperation with the Alaska Board of Technical**
 17 **and Vocational Education, as appropriate,**

18 (1) establish requirements for basic and supplemental hazardous
 19 painting certificate programs;

20 (2) review, and approve or disapprove, programs proposed by
 21 contractors, labor organizations, public and private schools, vocational education
 22 institutions, and others;

23 (3) assist persons who propose programs to meet requirements for
 24 approval.

25 * **Sec. 8.** AS 23.15.575 is amended to read:

26 **Sec. 23.15.575. Council as state planning entity.** The Alaska Human
 27 Resource Investment Council shall act as the lead state planning and coordinating
 28 entity for state human resource programs administered under

29 (1) 29 U.S.C. 1501 - 1792b (Job Training Partnership Act);

30 (2) [20 U.S.C. 2301 - 2471 (CARL D. PERKINS VOCATIONAL AND
 31 APPLIED TECHNOLOGY EDUCATION ACT)];

1 (3)] 20 U.S.C. 1201 - 1213d (Adult Education Act);
 2 (3) [(4)] 29 U.S.C. 49 - 49l-1 (Wagner - Peyser Act);
 3 (4) [(5)] 42 U.S.C. 681 - 687 (Job Opportunities and Basic Skills
 4 Training Program) for needy families with children under the Social Security Act;
 5 (5) [(6)] the employment program established under 7 U.S.C.
 6 2015(d)(4) (Food Stamp Act of 1977);
 7 (6) [(7)] all federal programs designated as successors to the programs
 8 listed in (1) - (5) [(1) - (6)] of this section; and
 9 (7) [(8)] all state laws involving [EMPLOYMENT TRAINING,
 10 VOCATIONAL EDUCATION,] workforce development [,] and community service
 11 **other than those involving technical and vocational education.**

12 * **Sec. 9.** AS 23.15.580(d) is amended to read:

13 (d) The council shall provide oversight for the planning and coordination of
 14 employment-related education training programs operated by the state or operated
 15 under contract with the state that are described in (f) of this section. The council shall
 16 require a training program listed in (f) of this section to meet the requirements of this
 17 subsection. The council shall, by regulation, establish appropriate penalties for
 18 programs that fail to meet the requirements of this subsection. The council may
 19 recommend to the legislature changes to enhance the effectiveness of the training
 20 programs it oversees under this section. A training program described in (f) of this
 21 section funded with money appropriated by the legislature must

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

24 (2) be operated by an institution that holds a valid authorization to
 25 operate issued under AS 14.48 [BY THE ALASKA COMMISSION ON
 26 POSTSECONDARY EDUCATION] if the program is a postsecondary educational
 27 program operated by a postsecondary educational institution subject to regulation under
 28 AS 14.48;

29 (3) provide to the Department of Labor and Workforce Development
 30 the information required by the department for the preparation of the statistical
 31 information necessary for the council to evaluate programs by the standards set out in

1 (e) of this section.

2 * **Sec. 10.** AS 23.15 is amended by adding new sections to read:

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

4 **Sec. 23.15.820. Alaska Board of Technical and Vocational Education.** (a)

5 The Alaska Board of Technical and Vocational Education is established in the
6 Department of Education and Early Development. The board consists of five
7 members, appointed by the governor and confirmed by the legislature in joint session.
8 The governor shall appoint each member on the basis of interest in public affairs, good
9 judgment, knowledge, and ability in the field of action of the board, and with a view
10 to providing diversity of interest and points of view in the membership.

11 (b) Members of the board serve for staggered terms of three years and may
12 serve until a successor is appointed. A member appointed to fill a vacancy serves for
13 the balance of the unexpired term.

14 (c) The board shall meet at the call of the chair to conduct its business. The
15 board may meet by teleconference. A majority of the members of the board
16 constitutes a quorum.

17 (d) Members of the board serve without compensation but are entitled to per
18 diem and travel expenses authorized by law for boards and commissions under
19 AS 39.20.180.

20 (e) The board shall elect a chair and a vice-chair and other officers considered
21 necessarily by the board from among the members. The elected officers serve in their
22 positions at the pleasure of the board.

23 **Sec. 23.15.825. Powers and duties of the board.** (a) The board shall

24 (1) act as the lead state planning and coordinating entity for, and
25 assume the duties and functions of the state councils described under the laws relating
26 to, the programs administered under

27 (A) 20 U.S.C. 2301 - 2471 (Carl D. Perkins Vocational and
28 Applied Technology Education Act) and any federal program designated as
29 successor to it;

30 (B) AS 23.15.620 - 23.15.660 (state training and employment
31 program); and

- 1 (C) all state laws involving technical and vocational education;
- 2 (2) administer the Alaska technical and vocational education program
- 3 established in AS 23.15.820 - 23.15.850;
- 4 (3) facilitate the development of a statewide policy for a coordinated
- 5 and effective technical and vocational education training system in this state and, to
- 6 the extent authorized by federal and state law, plan and coordinate federal, state, and
- 7 local efforts in technical and vocational education programs;
- 8 (4) carry out its powers and duties under AS 14.48 with respect to
- 9 technical and vocational institutions as described in AS 14.48.040;
- 10 (5) adopt regulations under AS 44.62 (Administrative Procedure Act)
- 11 to carry out the purposes of AS 23.15.820 - 23.15.850, including regulations that set
- 12 standards for the percentage of a grant that may be used for administrative costs; the
- 13 regulations must clearly identify and distinguish between expenses that may be
- 14 included in administrative costs and those that may not be included in administrative
- 15 costs; the percentage allowed for administrative costs may not exceed the lesser of five
- 16 percent or the amount permitted under the requirements of a federal program, if
- 17 applicable;
- 18 (6) administer the grant program under 23.15.840 and establish grant
- 19 administration requirements including accounting procedures that apply to qualified
- 20 entities and their grantees;
- 21 (7) report to the legislature, by the 30th day of each regular legislative
- 22 session, on the performance and evaluation of training programs in the state subject
- 23 to review under (e) of this section.
- 24 (b) The board may receive money designated for technical and vocational
- 25 education programs and may disburse money, including grants, to technical and
- 26 vocational education projects in accordance with AS 37.07 (Executive Budget Act).
- 27 The board may enter into partnership agreements through appropriate administrative
- 28 agencies with private industry training entities within the state in order to facilitate the
- 29 coordination of training opportunities.
- 30 (c) The board shall provide oversight for the planning and coordination of
- 31 employment-related technical and vocational education training programs operated by

1 the state or operated under contract with the state. The board may recommend to the
2 legislature changes to enhance the effectiveness of the training programs it oversees
3 under this section. A training program funded by the board must

4 (1) meet the standards adopted by the board concerning the percentage
5 of a grant that may be spent on administrative costs;

6 (2) be operated by an institution that holds a valid authorization to
7 operate issued under AS 14.48 if the program is a postsecondary educational program
8 operated by a postsecondary educational institution subject to regulation under
9 AS 14.48;

10 (3) provide to the Department of Labor and Workforce Development
11 the information required by the department for the preparation of the statistical
12 information necessary for the board to evaluate programs by the standards set out in
13 (d) of this section.

14 (d) The board shall develop standards that encourage agencies to contract for
15 training programs that maximize the program's class size. The board shall adopt
16 standards for the evaluation of training programs listed in (e) of this section with
17 regard to the following:

18 (1) the percent of former participants who have a job one year after
19 leaving the training program;

20 (2) the median wage of former participants seven to 12 months after
21 leaving the program;

22 (3) the percent of former participants who were employed after leaving
23 the training program who received training under the program that was related to their
24 jobs or somewhat related to their jobs seven to 12 months after leaving the training
25 program;

26 (4) the percent of former participants of a training program who
27 indicate that they were satisfied with or somewhat satisfied with the overall quality of
28 the training program;

29 (5) the percent of employers who indicate that they were satisfied with
30 the quality of the work of new employees who had recently completed the training
31 program.

1 (e) The following training programs are subject to the provisions of (c) and (d)
2 of this section:

3 (1) in the Department of Community and Economic Development or
4 operated by the department:

5 (2) in the Department of Education and Early Development or operated
6 by the department, the non-public-school portions of the following programs:

7 (3) in the Department of Health and Social Services:

8 (4) in the Department of Labor and Workforce Development:

9 (f) The University of Alaska shall evaluate the performance of its training
10 programs using the standards set out in (d) of this section and shall provide a report
11 on the results to the board for inclusion in the board's annual report to the legislature.

12 (g) The board shall review each program listed in (e) of this section to
13 determine whether it is in compliance with the standards set out in (c) and (d) of this
14 section. If the board finds that a program has failed to comply with the standards set
15 out in (c) and (d) of this section, it shall notify the program director of the failure. If
16 the program director fails to improve the performance of the program within a
17 reasonable time, the board shall notify the governor and the Legislative Budget and
18 Audit Committee that the program is out of compliance. A contract entered into by
19 a state agency relating to a training program set out in (e) of this section must contain
20 terms consistent with this section.

21 (h) A department that operates or contracts for a training program listed in (e)
22 of this section shall pay to the board a management assessment fee not to exceed .75
23 percent of the program's annual operating budget. The total amount received as
24 management assessment fees may not exceed the board's authorized budget for the
25 fiscal year. The board shall, by regulation, establish a method to determine annually
26 the amount of the management assessment fee. If the amount the board expects to
27 collect under this subsection exceeds the authorized budget of the board, the board
28 shall reduce the percentage so that the total amount of the fees collected approximately
29 equals the authorized budget of the board for the fiscal year. The board shall adopt
30 regulations under AS 44.62 (Administrative Procedure Act) necessary to administer
31 this subsection.

1 **Sec. 23.15.830. Alaska technical and vocational education program**
 2 **account.** The Alaska technical and vocational education program account is
 3 established in the general fund. The commissioner of administration shall separately
 4 account for money collected under AS 23.15.835 that the Department of Labor and
 5 Workforce Development deposits in the general fund. The legislature may appropriate
 6 the annual estimated balance in the account to the board to implement AS 23.15.820 -
 7 23.15.850. The legislature may appropriate the lapsing balance of the account to the
 8 unemployment compensation fund established in AS 23.20.130.

9 **Sec. 23.15.835. Special employer and employee unemployment**
 10 **contributions for program.** (a) In the manner provided in AS 23.20, the Department
 11 of Labor and Workforce Development shall collect from each employer an amount
 12 equal to .0015 percent of the wages, as set out in AS 23.20.175, on which the
 13 employer is required to make contributions under AS 23.20.290(c). The Department
 14 of Labor and Workforce Development shall remit to the Department of Revenue, in
 15 accordance with AS 37.10.050, money collected under this subsection.

16 (b) In the manner provided in AS 23.20, the department shall collect from each
 17 employee an amount equal to .0015 percent of the wages, as set out in AS 23.20.175,
 18 on which the employee is required to make contributions under AS 23.20.290(d). The
 19 department shall remit to the Department of Revenue, in accordance with
 20 AS 37.10.050, money collected under this subsection.

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

25 **Sec. 23.15.840. Grants for technical and vocational education.** (a) The
 26 board shall award grants, in accordance with the priority list adopted under (f) of this
 27 section, to technical and vocational education entities. A technical and vocational
 28 entity is eligible for a grant under this section if the entity meets program requirements
 29 and can demonstrate that

30 (1) the entity's accounting systems include controls adequate to check
 31 the accuracy and reliability of accounting data, promote operating efficiency, and

1 assure compliance with program requirements and generally accepted accounting
2 principles;

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

6 (3) the entity has secured commitments from the private sector to
7 contribute to the program for which the grant is requested an amount equal to or
8 greater than the amount of the grant request.

9 (b) The board may not award a grant if the grant would displace money
10 available through existing public or private technical and vocational education
11 programs.

12 (c) Subject to the limits of its grant, an entity receiving a grant under this
13 section shall provide one or more program elements. The program elements include

14 (1) industry-specific training;

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

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

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

20 (e) In making a grant under this section, the board shall require that the
21 qualified entity and grantees of the qualified entity limit the amount of the grant
22 proceeds spent on administration so that the total spent on administration from the
23 proceeds of the technical and vocational education program account, including amounts
24 spent by the board itself, does not exceed five percent.

25 (f) To the extent that funding is available, grants shall be awarded to entities
26 that apply for funding by the deadline established by the department by regulation.
27 The board shall give priority to grant applications from qualified entities whose
28 purpose is listed first on the list of priorities adopted by the board under this
29 subsection. If money remains after grants for the first priority have been awarded, the
30 board may make grants to entities whose purpose is listed next on the list of priorities.
31 The board shall proceed in this fashion until it has exhausted the money available for

1 granting for the year. The board shall adopt a priority list each year based on
 2 economic, employment, and other relevant data in order to maximize employment
 3 opportunities for participants.

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

5 (1) "board" means the Alaska Board of Technical and Vocational
 6 Education;

7 (2) "program" means the Alaska technical and vocational education
 8 program established in AS 23.15.820 - 23.15.850.

9 * **Sec. 11.** AS 23.20.110(a) is amended to read:

10 (a) Except as provided in (h) and (i) of this section, the department shall hold
 11 information obtained from an employing unit or individual in the course of
 12 administering this chapter and determinations as to the benefit rights of an individual
 13 confidential and may not disclose them or open them to public inspection in a manner
 14 that reveals the identity of the individual or employing unit. A claimant or an
 15 employing unit, or the legal representative of the claimant or the employing unit, is
 16 entitled to information from the records of the department to the extent necessary to
 17 properly present or protest a claim or determination under this chapter. Subject to
 18 restrictions that the department prescribes by regulation, the information may be made
 19 available to an agency of this state or another state or federal agency charged with the
 20 administration of an unemployment compensation law or the maintenance of a system
 21 of public employment offices, or, for the purposes of the Federal Unemployment Tax
 22 Act, to the Internal Revenue Service of the United States, or, for tax purposes, to the
 23 Department of Revenue. Information obtained in the course of administering this
 24 chapter or in connection with the administration of the employment service may be
 25 made available to persons or agencies for purposes appropriate to the operation of a
 26 public employment service or the administration of employment and training programs
 27 planned or coordinated by the Alaska Human Resource Investment Council under
 28 AS 23.15.550 - 23.15.585 **or by the Alaska Board of Technical and Vocational**
 29 **Education under AS 23.15.820 - 23.15.850.**

30 * **Sec. 12.** AS 39.25.110(11) is amended to read:

31 (11) the officers and employees of the following boards, commissions,

1 and authorities:

2 (A) [REPEALED.

3 (B)] Alaska Permanent Fund Corporation;

4 **(B)** [(C)] Alaska Industrial Development and Export Authority;

5 **(C)** [(D)] Alaska Commercial Fisheries Entry Commission;

6 **(D)** [(E)] Alaska Commission on Postsecondary Education;

7 **(E)** [(F)] Alaska Aerospace Development Corporation;

8 **(F) Alaska Board of Technical and Vocational Education;**

9 * **Sec. 13.** AS 39.50.200(b) is amended by adding a new paragraph to read:

10 (56) Alaska Board of Technical and Vocational Education.

11 * **Sec. 14.** AS 44.62.330(a)(43) is amended to read:

12 (43) Alaska Commission on Postsecondary Education **or the Alaska**
 13 **Board of Technical and Vocational Education** under AS 14.48 as to denial of
 14 applications and revocation of authorizations and permits;

15 * **Sec. 15.** AS 23.15.580(f)(1)(C) is repealed.

16 * **Sec. 16.** The uncodified law of the State of Alaska is amended by adding a new section
 17 to read:

18 PROVISIONS FOR FIRST-YEAR OPERATION. Notwithstanding AS 23.15.840(a),
 19 enacted by sec. 10 of this Act, for the fiscal year ending June 30, 2001, the money collected
 20 under AS 23.15.835, enacted by sec. 10 of this Act, or otherwise appropriated to the Alaska
 21 Vocational and Technical Education Commission shall be allocated directly in the following
 22 percentages to the following institutions for programs consistent with AS 23.15.820 -
 23 23.15.850, enacted by sec. 10 of this Act, and capital improvements:

24	University of Alaska Anchorage	65 percent
25	Kotzebue Technical Center	12 percent
26	Alaska Vocational Technical Center	23 percent.

27 * **Sec. 17.** The uncodified law of the State of Alaska is amended by adding a new section
 28 to read:

29 VALIDATION OF ACCREDITATIONS ISSUED BY THE POSTSECONDARY
 30 EDUCATION COMMISSION. Notwithstanding the amendments to AS 14.48 made by secs.
 31 4 and 5 of this Act, an authorization to operate issued to a technical or vocational educational

- 1 institution before the effective date of this Act by the Alaska Commission on Postsecondary
- 2 Education under AS 14.48 remains valid until it expires or is revoked under AS 14.48.
- 3 * **Sec. 18.** This Act takes effect July 1, 2000.