

CS FOR SENATE BILL NO. 289(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/5/00
Referred: Rules

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 uncodified 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 to read:

5 **Sec. 23.15.640. Services for eligible people.** Subject to the limits of its grant,
6 an entity receiving a grant under AS 23.15.651 shall provide one or more program
7 elements. The program elements include

8 (1) industry-specific training;

9 (2) on-the-job training;

10 (3) institutional or classroom job-linked training [;

11 (4) SUPPORT SERVICES, INCLUDING ALLOWANCES;

12 (5) RELOCATION ASSISTANCE; OR

13 (6) PROVISIONS OF NECESSARY TOOLS, WORK-RELATED
14 CLOTHING, SAFETY GEAR, OR OTHER NECESSITIES TO OBTAIN OR RETAIN
15 EMPLOYMENT].

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

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

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

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

22 (2) facilitate the development of a statewide policy for a coordinated
23 and effective technical and vocational education training system in this state and, to
24 the extent authorized by federal and state law, plan and coordinate federal, state, and
25 local efforts in technical and vocational education programs;

26 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)
27 to carry out the purposes of AS 23.15.820 - 23.15.850, including regulations that set
28 standards for the percentage of a grant that may be used for administrative costs; the
29 regulations must clearly identify and distinguish between expenses that may be
30 included in administrative costs and those that may not be included in administrative
31 costs; the percentage allowed for administrative costs may not exceed the lesser of five

1 percent or the amount permitted under the requirements of a federal program, if
2 applicable;

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

6 (b) The council may

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

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

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

15 **Sec. 23.15.830. Alaska technical and vocational education program**
16 **account.** The Alaska technical and vocational education program account is
17 established in the general fund. The commissioner of administration shall separately
18 account for money collected under AS 23.15.835 that the department deposits in the
19 general fund. The legislature may appropriate the annual estimated balance in the
20 account to the council to implement AS 23.15.820 - 23.15.850. The legislature may
21 appropriate the lapsing balance of the account to the unemployment compensation fund
22 established in AS 23.20.130.

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

24 (a) In the manner provided in AS 23.20, the department shall collect from each
25 employee an amount equal to two-tenths of one percent of the wages, as set out in
26 AS 23.20.175, on which the employee is required to make contributions under
27 AS 23.20.290(d). The department shall remit to the Department of Revenue, in
28 accordance with AS 37.10.050, money collected under this subsection.

29 (b) Notwithstanding AS 23.20.290(d), the department shall credit each
30 employee with an amount equal to the amount collected from the employee under (a)
31 of this section against unemployment contributions owed by the employee under

1 AS 23.20.

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

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

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

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

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

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

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

26 (1) industry-specific training;

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

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

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

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

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

9 (2) be operated by an institution that holds a valid authorization to
 10 operate issued under AS 14.48 if the program is a postsecondary educational program
 11 operated by a postsecondary educational institution subject to regulation under
 12 AS 14.48.

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

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

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

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

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

28 PROVISIONS FOR FIRST-YEAR OPERATION. Notwithstanding AS 23.15.840(a),
 29 enacted by sec. 3 of this Act, for the fiscal year ending June 30, 2001, the money collected
 30 under AS 23.15.835, enacted by sec. 3 of this Act, or otherwise appropriated to the Alaska
 31 Human Resource Investment Council shall be allocated directly in the following percentages

1 to the following institutions for programs consistent with AS 23.15.820 - 23.15.850, enacted
2 by sec. 3 of this Act, and capital improvements:

3 University of Alaska 76 percent

4 Kotzebue Technical Center 8 percent

5 Alaska Vocational Technical Center 16 percent.

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