

**MINUTES**  
**SENATE FINANCE COMMITTEE**  
**May 02, 2002**  
**9:11 AM**

**TAPES**

SFC-02 # 85, Side A  
SFC 02 # 85, Side B

**CALL TO ORDER**

Co-Chair Pete Kelly convened the meeting at approximately 9:11 AM.

**PRESENT**

Senator Dave Donley, Co-Chair  
Senator Pete Kelly, Co-Chair  
Senator Jerry Ward, Vice Chair  
Senator Lyda Green  
Senator Gary Wilken  
Senator Donald Olson  
Senator Lyman Hoffman  
Senator Loren Leman

**Also Attending:** REBECCA NANCE GAMEZ, Deputy Commissioner, Department of Labor and Workforce Development; RONALD E. HULL, Director, Division of Employment Security, Department of Labor and Workforce Development; PAT DAVIDSON, Legislative Auditor, Division of Legislative Audit; MICHAEL SHIFFER, Program Coordinator, Alaska Workforce Investment Office, Department of Labor and Workforce Development

**Attending via Teleconference:** From Anchorage: LINDA HULBERT, Alaska Human Resource Investment Council; EDEN LARSON, Associated Builders and Contractors of Alaska; MARY E. SHIELDS, Anchorage/Mat-Su Workforce Investment Board; MANO FREY, Alaska AFL-CIO; MIKE ANDREWS, Director, Alaska Work Partnerships Incorporated

**SUMMARY INFORMATION**

SB 252-EMPLOYMENT AND TRAINING PROGRAM/BOARD

The Committee heard testimony from the Department of Labor and Workforce Development, the Division of Legislative Audit, and took public testimony. Three amendments were considered and two were

adopted. The bill was held in Committee.

HB 451-MUNICIPAL BOND REIMBURSEMENT

Scheduled but not heard.

#sb252

CS FOR SENATE BILL NO. 252(L&C)

"An Act renaming the Alaska Human Resource Investment Council as the Alaska Workforce Investment Board and relating to its membership; relating to repayment on promissory notes for work-related items paid for by grant programs; extending the termination date of the state training and employment program; relating to employment and training activities; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

REBECCA NANCE GAMEZ, Deputy Commissioner, Department of Labor and Workforce Development informed the Committee that since 1989, the State Training and Employment Program (STEP) has trained 13,000 Alaskans, helped develop new jobs through workforce development, and assisted in reducing unemployment insurance claims.

Ms. Gamez stated that communities all over Alaska have benefited from the STEP program. She informed the Committee that STEP awards training grants on a competitive basis to various entities as well as awarding training grants to individuals. She contended that STEP is a highly successful program with 85.9 percent of the individuals who completed the program in the year 2000 obtaining work. She added that training program participants might also qualify for increased earnings due to their acquisition of new skills.

Ms. Gamez noted that the Department of Labor and Workforce Development views this legislation as containing both improvements to, and problems for, the STEP program. She stated the Department agrees with the language addressing controlling administrative costs of STEP as it would provide performance incentives; would reduce complex program calculations therefore increasing efficiency; would provide for accountability of additional reporting costs; and would establish a baseline for evaluations.

Ms. Gamez voiced however, that the Department would prefer an

administrative cost cap of 20 percent of the prior year expenditures instead of the proposed 15 percent. She elaborated that a 20 percent cap would provide adequate administrative funding for sub-grantees, would allow the Department to provide incentives for sub-grantees, and would be aligned with cost definitions in the recently enacted Workforce Investment Act therefore providing for further efficiencies.

Ms. Gamez continued that the Department supports a four-year reauthorization of STEP instead of the proposed two-year sunset authorization. She noted that the Division of Legislative Audit report [copy on file], dated March 6, 2002, also recommends a four-year reauthorization. She conveyed that the four-year timeframe would provide efficiency by enabling staff to develop the program rather than being required to defend the program. She warned that a two-year reauthorization would reduce program alignment with other workforce development programs in the State.

Ms. Gamez stated the Department would prefer improved participation in the program. She noted that training programs that are longer than a year produce a higher return on earnings than shorter-term programs.

Ms. Gamez asked the Committee to consider removing the reimbursement language for support services from the bill because it would not be cost effective for the Department to administer the loan program and would also erode the relationship between the program's participants and their caseworkers. She suggested instead that program participants seek funding support elsewhere. She stated the Department currently expends between \$35,000 and \$40,000 annually in support services for tools, safety equipment and the like, and estimates are that developing a tracking and collection system would be more expensive.

Senator Ward referenced the letter dated May 2, 2002, from Michael Samson, President of Samson Electric and member of the Associated Builders and Contractors Legislative Affairs Committee [copy on file] that accuses the STEP program of favoring the funding of union training programs over non-union training programs even though both entities pay an unemployment tax to fund the program.

AT EASE 9:18 AM / 9:23 AM

Senator Ward continued that both union and nonunion money is contributed to fund the STEP program and that either entity could apply for the STEP funding; however, he understood that unions receive more of the funding because they have more aggressively pursued it. He contended that Mr. Samson's letter is contrary to

this assumption as it implies that non-union people are being denied access to the fund.

RONALD E. HULL, Director, Division of Employment Security, Department of Labor and Workforce Development informed the Committee that STEP is funded from a small percentage of the total unemployment tax collected from people employed in the State. He stressed that STEP grant funding is not determined by union or non-union status.

Senator Ward restated that both union and non-union employees contribute to the STEP plan through their employer.

Mr. Hull explained that an employer collects the tax from the employee and remits the tax to the State.

Mr. Hull informed the Committee that funding might be denied to non-union programs in the event of a conflict with the non-compete clause as defined in State statute. He furthered that unions might also be better organized in writing and applying for STEP grant funding; however, he stressed that STEP grants are allotted to both union and non-union entities.

Senator Ward asked if the information in Mr. Samson's letter is incorrect.

Mr. Hull explained that grant applications are received in response to the Department's request for proposals (RFP) announcing that grant money is available. He shared that applicant grant requests might range between \$300,000 and \$5 million; however, there might be only \$3 million available in the program. He stated the Department undertakes a process to determine "which projects are the best." He believed that the grant referred to in Mr. Samson's letter was denied due to the non-compete clause in State statute.

Senator Ward asked if some projects are denied because funding has been allocated to other grants.

Mr. Hull affirmed this occurs as the STEP program has a limited amount of money available for grants. He detailed some of the monetary amounts requested by various grant applicants.

Senator Ward asked if there is a flaw in the way the STEP grants are distributed.

Mr. Hull stressed there is "no problem" with the program award process and that the "the STEP program has never been used to impede or promote organized labor." He continued that in some rural

areas of the State where union training programs are offered, non-union individuals often attend without any obligation to join the union.

Senator Wilken remarked that the Exhibit 10 Chart on page 27 of the audit report illustrates "the problem." He stated Exhibit 10 portrays that STEP expenditures for private non-union training decreased \$200,000 while the expenditures for union training "increased dramatically" between the years 1997 and 2001. He stated this information supports Mr. Samson's contention that the increase in expenditures for union backed programs referred to as "jointly administered apprenticeship programs is squeezing out the private training group." Senator Wilken stressed this situation needs to be addressed before further action is taken on this bill.

Ms. Gamez referred the Committee to a Department of Labor and Workforce Development letter included in the audit report, dated April 24, 2002 [copy on file] addressed to Senator Ben Stevens, Chair of the Labor and Commerce Committee, which explains how STEP grant awards are determined. She read a portion of the letter as follows.

The distribution of STEP awards across vendor categories is consistent with the type of workforce readiness training identified by the Alaska Human Resource Investment Council (AHRIC). STEP provides industry-specific and job-link classroom training, often less than one year in duration and offered by a wide variety of training vendors. The more narrowly defined vendor categories simply have fewer represented, and as such, have fewer awards relative to the funding. The difference between the categories does not change dramatically until FY01 when the Municipality of Anchorage renewed previous awards to Union vendors. The Balance of State (all of Alaska except for the Municipality of Anchorage and the Mat-Su Borough) released an RFP that was aggressively responded to by Union training providers. Over FY97 to FY01, 113 grants were awarded. Of those, 52 were awarded to union or labor related organizations. Successful proposals addressed market conditions, provided training through either a job-linked classroom or industry-specific training, and submitted a budget that met the limited available administrative resources.

Ms. Gamez informed the Committee that the Department's letter also includes a chart labeled Exhibit A that presents a summary of the STEP training grants awarded between 1997 through 2000. She stated that non-union grants totaled \$3,323,025 and union grants totaled \$1,207,675 for total awards of \$4,530,700.

Senator Wilken asked why the Department's Exhibit A summary differs from the union and non-union award summary reflected in Exhibit 10 of the audit.

PAT DAVIDSON, Legislative Auditor, Division of Legislative Audit, informed the Committee that the Department of Labor and Workforce Development figures did not incorporate the Municipality of Anchorage vendor grantees.

Ms. Davidson continued that further discrepancy is the result of a categorization difference, and exemplified that the Division of Audit has identified The Center for Employment Education vendor as a union because it is affiliated with the Teamsters Union although, the Department does not recognize it as such.

Senator Wilken opined that the Audit's Exhibit 10 is more inclusive than the Department's Exhibit A.

Ms. Davidson concurred, and noted that Appendix C on page 57 of the audit report identifies the various training vendors and whether the Division categorized them as private, public, or union.

AT EASE 9:37 AM/ 9:40 AM

MICHAEL SHIFFER, Program Coordinator, Alaska Workforce Investment Office, Department of Labor and Workforce Development stated his office administers the State Training and Employment program and confirmed that the Department recognizes the Center for Employment Education as a non-profit entity even though it was established by the Teamsters Union. He explained that the Center operates as a non-profit independent entity; whereas, the training programs identified by the Department as union are directly operated by the labor organizations.

Co-Chair Kelly voiced support for the union/non-union determinations as specified in the audit.

Mr. Shiffer voiced disagreement with the auditor's classification of the Center as operated by a union.

Co-Chair Kelly opined that most people would recognize the Center as a Teamster organization.

Ms. Gamez expressed that the auditors report took months to compile; however, the Department had a relatively short time to review it.

Co-Chair Kelly announced his support for using the findings presented in the audit, but acknowledged the Department's efforts and competency in addressing issues the audit raised.

Senator Wilken voiced his concern that non-union workers are being "squeezed out" of training program opportunities. He referenced the Associated Builders and Contractors' (ABC) position paper titled "Equal Access to Training in Alaska" [copy on file] that is included with Mr. Samson's letter. The paper, he stated, contends that the ABC has applied for modest funding for programs for the past three years, but "lost points" during the review process of the requests because one of the criteria for the point system is that the program should have the support of organized labor. He stressed that because the ABC would not receive support from organized labor for its programs, the criteria is biased. Senator Wilken informed the Committee that Mr. Samson's letter suggests that to address this concern, "the non-compete clause" in AS 23.15.652(a)(2) should be eliminated to avoid placing, "a non-union program in second position just because they do not have support of organized labor."

Mr. Hull responded that this discussion "is getting bogged down in the details." He stated that whether the audit numbers or the Department's numbers are used, the fact is that less than half of the funding was allotted to organized labor. He stated that funding for training programs is also available from "a variety of different avenues" including such entities as the Denali Commission, and he asserted that the problem is not as significant "as people are led to believe." He noted that the Department's staff provides grant-writing assistance to non-union entities.

Senator Wilken reiterated that it appears the bill "automatically puts a request for a non-union training program in a second position" because the language in Section 16, subsection (2) states a training entity is eligible for the grant request if it "does not replace or compete in any way with a jointly administered apprenticeship program."

Mr. Hull responded, "that is correct, it does."

Senator Wilken opined, "at the very start, a non-union effort takes second position to a union effort." He asked whether a non-union program request would receive points in the review process if a union organization voiced support of the program.

Mr. Hull responded, "it's in statute, so it wouldn't be considered."

Senator Wilken asked how the deletion of this language from the bill, as suggested by the ABC in Mr. Samson's letter, would affect the program.

Mr. Hull replied that as long as the grants for the training programs are awarded competitively, the deletion of the language in Section 16(2) would not have any effect. He stated that union programs "are generally nationally certified training programs" which makes the review of the program easier on the Department.

Co-Chair Kelly asked whether the review process awards points to a request containing a nationally certified program.

Mr. Hull responded that the State does not require programs to be nationally certified; however, this issue is a consideration under the federal Workforce Investment Act (WIA).

Co-Chair Kelly inquired again whether national accreditation is a factor in the scoring process for a training program request.

Ms. Gamez informed the Committee that the WIA replaced the Job Training Partnership Act, and noted that this bill's Section 42 incorporates the provisions of the Act into the bill under U.S.C. 2801 - 2945.

Mr. Shiffer informed the Committee that WIA compels State agencies providing job-training services through the WIA funding source to identify qualified and approved training providers. He stated that one of the elements of this is the encouragement of nationally recognized skills standards.

Co-Chair Kelly concluded that, as a result of WIA stipulations, the Department could award points in its review of a grant request for programs that are nationally accredited.

Co-Chair Kelly stated being nationally accredited would give union grant requests a "leg up;" however, he noted WIA provisions have no impact on the how the Department administers the review process concerning Section 16(2) that Senator Wilken has identified regarding the non-compete language.

Mr. Shiffer stated this is correct.

Senator Wilken contented that the deciding factor in awarding a training grant should be the quality of the program, the facility, the program's history, and the methodology. He stressed that whether the program is union or non-union should not be a consideration.

Senator Wilken supported removal of the language in Section 16(2) from the bill if it would result in "taking the union/non-union issue out of the equation."

Co-Chair Kelly concurred.

Ms. Davidson suggested the Committee remove the language in Section 16(2) pertaining to jointly administered programs and retain the language referring to federal government training programs or other existing training programs, as STEP should ideally be a funding source of "a training of last resort."

AT EASE 9:52 AM/ 10:01 AM

Amendment #3: This amendment deletes "jointly administered apprenticeship program" in Section 16, subsection (2). The amended language reads as follows.

(2) its activities do not replace or compete in any way with a federally approved or any other existing training programs.

Senator Wilken moved for adoption of Amendment #3.

Co-Chair Donley objected.

Senator Wilken offered a motion to amend Amendment #3. He requested the words "apprenticeship program" be retained in Section 16, subsection (2). The language would therefore read as follows.

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

Senator Wilken explained that deletion of the words "jointly administered" would remove the preference for union programs in the bill, and "would not affect how the STEP monies are distributed to training programs in Alaska."

Co-Chair Donley objected to the amendment to the amendment. He voiced approval of "the idea of management and labor working together in these kind of training programs."

A roll call was taken on the motion to amend the amendment.

IN FAVOR: Senator Green, Senator Leman, Senator Ward, Senator Wilken, Co-Chair Kelly

OPPOSED: Senator Hoffman, Senator Olson, Co-Chair Donley

ABSENT: Senator Austerman

The motion to amend the amendment PASSED (5-3-1)

The amendment was AMENDED.

A roll call was taken on the motion to adopt the amended amendment.

IN FAVOR: Senator Leman, Senator Ward, Senator Wilken, Senator Green, Co-Chair Kelly

OPPOSED: Senator Hoffman, Senator Olson, Co-Chair Donley

ABSENT: Senator Austerman

The motion PASSED (5-3-1)

Amendment #3 was ADOPTED as amended.

Amendment #1: This amendment changes the limit on administrative expenses from 15 percent of the program expenses of the prior year to 20 percent of the program expenses of the prior year.

Senator Hoffman moved for adoption of Amendment #1 and requested the Department to comment on the amendment.

Co-Chair Kelly objected for discussion.

Mr. Hull informed the Committee that the Department supports the amendment, as it would afford the Department an opportunity to stabilize costs, account for additional expenses incurred by reporting requirements in the bill, and fund some programs which could not provide their services at the 15 percent cap on administrative level.

Ms. Davidson stated the audit revealed that the Department was interpreting and administering the 15 percent cap on administrative expenses as 15 percent of the overall grant instead of 15 percent of the program's expenses. She informed the Committee the audit further revealed that some awarded grants were not being fully expended; therefore, the grantees were collecting more than the 15 percent of the expenditures.

Ms. Davidson expressed that the focus of the audit was "to tie" this percentage to actual expenses not the total amount of the grant."

Senator Wilken asked Ms. Davidson to further explain the information on page 23 of the audit report, under the section titled "Cost of Administering STEP," that indicates administrative costs of the program from FY97 through FY01 range from 21 percent to 24 percent. He stated these numbers indicate that the program has been out of compliance with the current 15 percent limit of the law pertaining to program administrative costs.

Ms. Davidson responded that there has been a difference in the "nature of applying the percentage, as there was a difference of opinion between the Department and the Division of Legislative Audit in the understanding of whether the limit was on the amount appropriated or actually spent." She explained that the audit reflects the Division of Legislative Audit's interpretation of the statute.

Ms. Davidson clarified that this bill clearly defines the intent of the percentage as 15 percent of prior year expenditures. She continued that changing the percentage to 20 of expenditures would allow the Department to operate at approximately the same level at which they have been operating.

Ms. Gamez contended there is "a conflict in State statute" regarding the interpretation of administrative costs. She explained that the chart on page 156 of the audit report reflects the discrepancies that result from this conflict as it depicts both the percentages of administrative costs based on the Department's interpretation of the intent of the statute as well as the Division of Legislative Audit's interpretation. She explained that the audit viewed data gathering as an administrative cost of the STEP program whereas the Department views data gathering as a program expense not an administrative expense because it is a federal requirement for the unemployment insurance trust fund from which the STEP program is funded.

Senator Leman asked the level of expenses incurred by data gathering.

Ms. Gamez stated the chart on page 156 of the audit report indicates the Department's administrative expenses as being in the 13 to 14 percent range for FY99 through FY01. She furthered that the inclusion of the costs for data gathering would increase the numbers to approximately 20 percent. She reiterated the Department's position that data gathering is a program expense because the STEP program would not be possible without the data gathering.

Senator Green inquired if the required data is used exclusively for

this program.

Ms. Gamez affirmed that the compilation of data, specifically unemployment records, is necessary as it is used to measure program performance and to determine the percentage of the unemployment program funding to be diverted into the STEP program.

Senator Olson asked if increasing the amount of the STEP program funding allowed for administrative functions as proposed in Amendment #1 would subsequently reduce the amount of funding available for training programs.

Co-Chair Donley responded that current administrative costs already exceed the percentage specified in Amendment #1.

Ms. Gamez stated that the Department supports the language in Amendment #1 which would increase the administrative program allowances from the current 15 percent to "not to exceed 20 percent of the prior program year expenditures." She continued that this new level would be still be lower than needed to support the program if the Department's interpretation of the statute were continued; however, the Department supports Amendment #1 as it would provide an opportunity to reach a consensus on the interpretation of the language.

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Ms. Gamez informed the Committee that some of the costs of administering the program would be "passed on" to providers of the training services to offset "any significant decrease in funds."

Ms. Davidson clarified that the auditors view the STEP program reporting requirement to be an administrative expense despite being considered "critical" to the program, as those expenses are not funding or actual training and "are not considered non-essential costs." She furthered that the Division supports the language that bases the percent of administrative costs on the prior year's total STEP program funding, rather than a percentage based on the program's actual expenses, as it is difficult to determine actual costs of a program until the end of the year.

Ms. Gamez referred the Committee to the Department's written response on the issue of administrative costs on page 156 of the audit report. She stressed that the Department supports its position on the interpretation of the law as being in compliance with the law.

Senator Leman asked for clarification as to the Department's reference in the aforementioned response regarding "FY 99 statute and FY 99 law."

Ms. Gamez responded that SB 344, enacted in 1999, included a provision allowing some flexibility in the definition of administrative costs.

Senator Wilken voiced that the amendment would increase the allowed administrative costs to 20 percent; which would provide sufficient funding to cover the expense of collecting data required by federal law.

Mr. Hull responded that the Department has determined that increasing the allowable administrative costs of the STEP program to 20 percent as outlined in Amendment #1 would actually decrease the amount the Department would receive to cover administrative costs, as that percentage would be calculated based on a different set of criteria than the Department has been using. He informed the Committee that the Department has never counted the cost of administering the collection of the tax supporting the STEP program as an administrative cost, but rather has considered it a program expense.

Co-Chair Kelly WITHDREW his objection to Amendment #1.

There being no further objection, Amendment # 1 was ADOPTED.

Amendment #2: This amendment would extend the sunset date of the STEP program from two years to four years.

Senator Hoffman moved for the adoption of Amendment #2.

Ms. Davidson explained that the proposed four-year sunset date would allow the STEP program the timeframe necessary for program reevaluation. She additionally noted that this timeframe would allow the STEP program to monitor proposed changes in federal training programs and the Alaska Vocational Technical Center (AVTC) and to evaluate its role in those programs.

Senator Leman commented that the Senate Labor & Commerce Committee supports a two-year sunset date primarily to ensure program accountability.

Senator Leman voiced objection to Amendment #2.

Senator Hoffman WITHDREW his motion to adopt Amendment #2 without

objection.

Senator Wilken asked if there is an established "scoring" procedure for STEP grant proposals, and if there is, are the findings made available.

Mr. Hull replied that there is an established procedure.

Senator Wilken asked the amount of funding the Denali Commission has made available for training through the STEP program.

Mr. Shiffer commented that the State has received \$2.8 million from the Denali Commission training fund. He noted that the funding is commonly used to support Denali Commission projects as well as activities or projects related to rural development, primarily infrastructure development.

Senator Wilken asked if these training programs are evaluated for their effectiveness.

Mr. Shiffer replied that quarterly and annual reports are supplied to the Denali Commission that include the number of people attending the training programs and any job placements resulting from the training.

Senator Wilken requested the Department to provide the Committee with copies of those reports.

Senator Wilken asked whether the seven recommendations outlined on page 29 of the Audit Report are addressed in this bill.

Ms. Davidson responded that all of the recommendations are being addressed either at the Departmental level or the Legislative level, with the exception of the recommendation relating to the unexpended STEP fund balance. She stated this concern arises from the fact that workers have had monies withheld from their wages for contribution to the STEP fund; however, if those monies have not been expended then no training benefits have been provided. She informed the Committee that the Legislative Audit Division recommendation is that the unexpended STEP fund balance be returned to the Unemployment Insurance (UI) fund.

LINDA HULBERT, Volunteer, Alaska Human Resource Investment Council (AHRIC) testified via teleconference from Anchorage to urge the Committee to support changing the name of the AHRIC to the Alaska Workforce Board to more clearly define the role of the board. She supported the increase to 20 percent for administrative expenses, and strongly urged the Committee to grant permanent status for the

STEP program with a minimum of a four-year extension as two-year extensions undermine the program's efficiencies as well as opportunities and service to individuals. She additionally voiced a lack of support for having employees reimburse the State for the costs of their participation in training programs, as this would be complex and not be cost effective. She urged support for all STEP funding to be allocated initially to the Employment Security Division instead of being dispersed directly to various Workforce Investment Boards, as this would allow for better accountability and statewide disbursement.

EDEN LARSON, Executive Director, Associated Builders and Contractors of Alaska, Inc. (ABC) testified via teleconference from Anchorage and thanked the Committee for adopting Amendment #3 as it addresses ABC's concerns. She stated that ABC would continue their effort to expand and improve training in the construction industry to the non-union sector.

MARY SHIELDS, Chair, Anchorage/Mat-Su Workforce Investment Board (WIB), testified via teleconference from Anchorage and urged the Committee to remove the sunset clause included in this bill, as the STEP program, which is entirely user supported, provides a needed service to people in the construction industry by offering training that enables individuals to obtain sustainable wages. She stated the WIB would accept a minimum four-year extension, as it would make the program more efficient by allowing for more long-term planning and implementation of programs, instead of routinely "having to defend itself". She questioned the reasoning behind the language in the bill regarding the loan program and asked that further consideration be given to this. She thanked the Committee for changing the administrative cap to 20 percent.

MANO FREY, Business Manager, Anchorage Laborers Union Local 341; President, Alaska AFL-CIO; and Denali Commissioner testified via teleconference from Anchorage to voice "strong support for the reauthorization of STEP as it has been invaluable." He asserted that the STEP program funding has "greatly accelerated" training opportunities in both union and non-union members and has provided for the expansion of effective training opportunities in rural areas of the State.

Mr. Frey opined that the Senate Labor and Commerce Committee's recommendation to extend the STEP program for two years was based on "misinformation." He summarized that STEP "is the number one training program in Alaska" and has assisted in the development of an "amazing" number of new jobs.

Mr. Frey explained his perspective of the term "jointly

administered" to the Committee and questioned whether the elimination of that language has any affect. He stated that STEP grants enhance budgets, provide for additional training opportunities to Alaskans, and assist workers in finding jobs. He reiterated that the workers "in the field", not management or unions, provide the bulk of the funding of the STEP program, and stated that the construction industry in Alaska "is in growth mode," unlike the fishing and timber industries that are in decline.

MIKE ANDREWS, Director, Alaska Work Partnerships Incorporated, testified via teleconference from Anchorage to voice his support for changing the Alaska Workforce Investment Council's name to the Alaska Workforce Board. He reminded the Committee that the Senate Labor and Commerce Committee recommends a report be developed to analyze how jointly administered training programs work. He voiced support for the four-year reauthorization for STEP, and affirmed that STEP is a "great investment" for the State of Alaska.

Co-Chair Kelly ordered the bill HELD in Committee.

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#### **ADJOURNMENT**

Co-Chair Pete Kelly adjourned the meeting at 10:57 AM.