

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSSB 309(L&C)
 (S) Publish Date: 4/12/06

Revision Date/Time (Note if correction): _____ Department: Labor & Workforce Development
 Title: Construction Training Grant; Unemployment Comp. RDU: Employment Security Division
 Component: Unemployment Insurance

Sponsor: Senate State Affairs
 Requester: Senate Labor & Commerce Component Number: 2276

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual	247.7	206.7	206.7	206.7	206.7	206.7
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	247.7	206.7	206.7	206.7	206.7	206.7

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
New - Construction Trades Training Fund	247.7	206.7	206.7	206.7	206.7	206.7
TOTAL	247.7	206.7	206.7	206.7	206.7	206.7

Estimate of any current year (FY2006) cost: None

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: Thomas W. Nelson, Director Phone: 465-5933
 Division: Employment Security Division Date/Time: 4/12/06 1:40 PM
 Approved by: Greg O'Claray, Commissioner Date: 4/12/2006
 Agency: Department of Labor and Workforce Development

ANALYSIS: (continued)

This legislation would utilize the existing Unemployment Insurance (UI) Tax system to collect revenue for a Construction Trades Training Program. An analysis of the data processing programming necessary to modify the tax system for this activity indicates a one time cost of approximately \$41.0.

The UI Tax system is primarily funded by a federal UI grant and any non-federal program utilizing the system is required to pay a portion of the system support costs. The program would be the third state program using the system, the other two are the State Training and Employment Program (STEP) and the Technical Vocational Employment Program (TVEP). The federally approved cost allocation methodology requires that 19% of system support costs or \$620.0 be divided among state programs using the system. This means that one-third or \$206.7 of those costs would have to be paid by this program annually.