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CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 105(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 4/7/09

Referred: Finance

Sponsor(s): REPRESENTATIVES COGHILL, Muñoz, Joule, Kerttula, Tuck

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the state training and employment program; and providing for an
2 effective date."

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

4 * **Section 1.** AS 23.15.580(b) is amended to read:

5 (b) The board shall

6 (1) facilitate the development of statewide policy for a coordinated and
7 effective employment training and education system in this state;

8 (2) identify the human resource investment needs in the state and
9 develop a plan to meet those needs;

10 (3) review the provision of services and the use of money and
11 resources by the human resource programs listed in AS 23.15.575;

12 (4) assume the duties and functions of the state boards described under
13 the laws relating to the federal human resource programs listed in AS 23.15.575;

14 (5) advise the governor, state and local agencies, the University of

1 Alaska, and other training entities on the development of state and local standards and
2 measures relating to applicable human resource programs;

3 (6) submit, to the governor and the legislature, a biennial strategic plan
4 to accomplish the goals developed to meet human resource investment needs;

5 (7) monitor for the implementation and evaluate the effectiveness of
6 the strategic plan developed by the board;

7 (8) adopt regulations that set standards for the percentage of program
8 expenses that may be used for administrative costs; the regulations must clearly
9 identify and distinguish between program expenses that may be included in
10 administrative costs and those that may not be included in administrative costs; the
11 percentage allowed for administrative costs may not exceed the lesser of 20 percent of
12 program expenses in the prior fiscal year or the amount permitted under the
13 requirements of a federal program, if applicable;

14 (9) report annually to the legislature, by the 30th day of the regular
15 legislative session, on the performance and evaluation of training programs in the state
16 subject to review under (f) of this section;

17 (10) identify ways for agencies operating programs subject to
18 oversight by the board to share resources, instructors, and curricula through
19 collaboration with other public and private entities to increase training opportunities
20 and reduce costs; [AND]

21 (11) adopt regulations under AS 44.62 (Administrative Procedure Act)
22 to carry out the purposes of AS 23.15.550 - 23.15.585; **and**

23 **(12) perform duties assigned in AS 23.15.620 - 23.15.660 for the**
24 **state training and employment program.**

25 * **Sec. 2.** AS 23.15.580(f) is amended to read:

26 (f) The following training programs are subject to the provisions of (d) and (e)
27 of this section:

28 (1) in the Department of Labor and Workforce Development or
29 operated by the department:

30 (A) programs under 29 U.S.C. 2801 - 2945 (Workforce
31 Investment Act of 1998), assisting communities in moving toward a self-

1 sustainable economy and providing training;

2 (B) the state training and employment program under
 3 AS 23.15.620 - 23.15.660 [(AS 23.15.620), PROVIDING TRAINING AND
 4 EMPLOYMENT SERVICES FOR PEOPLE WHO ARE UNEMPLOYED OR
 5 LIKELY TO BECOME UNEMPLOYED, FOSTERING NEW JOBS, AND
 6 INCREASING TRAINING OPPORTUNITIES FOR WORKERS
 7 SEVERELY AFFECTED BY FLUCTUATIONS IN THE STATE
 8 ECONOMY OR ADVERSELY AFFECTED BY TECHNOLOGY
 9 ADVANCES IN THE WORKPLACE];

10 (C) employment-related adult basic education;

11 (D) employment training services operated as part of the
 12 Alaska temporary assistance program (ATAP);

13 (E) unemployment insurance grants provided under the federal
 14 training relocation assistance program;

15 (F) Alaska works programs, assisting with the welfare-to-work
 16 program;

17 (G) Kotzebue Technical Center;

18 (H) Alaska Vocational Technical Center;

19 (2) in the Department of Education and Early Development or operated
 20 by the department, the non-public-school portions of the

21 (A) vocational education and technical preparation program;

22 and

23 (B) Alaska Career Information System.

24 * **Sec. 3.** AS 23.15.620 is repealed and reenacted to read:

25 **Sec. 23.15.620. State training and employment program.** (a) A program is
 26 created in the department to provide grants to eligible persons who provide training
 27 and employment assistance services. The purpose of the program is to enhance the
 28 quality of in-state job training and employment assistance and to make in-state job
 29 training and employment assistance more easily available to employers, employees,
 30 and future employees. To foster the success of the program, the department shall, to
 31 the greatest extent feasible, combine the resources of the program with resources

1 available outside of the program.

2 (b) A person who provides training and employment services may apply for a
3 grant from the program and may use the grant to augment or improve public access to
4 the training and employment services provided, including a registered apprenticeship
5 program under 29 U.S.C. 50.

6 * **Sec. 4.** AS 23.15.635 is amended to read:

7 **Sec. 23.15.635. People to be served.** Within the limits of its grant, an
8 employment assistance and training entity receiving a grant under AS 23.15.620 -
9 23.15.660 [AS 23.15.651] shall provide services set out in AS 23.15.641
10 [AS 23.15.640(a)] to state residents who, immediately before beginning training or
11 receiving benefits under a grant financed by this program,

12 (1) are unemployed and

13 (A) are receiving unemployment insurance benefits; or

14 (B) have exhausted the right to unemployment insurance
15 benefits within the past three years; **or**

16 (2) are employed, but liable to be displaced [WITHIN THE NEXT SIX
17 MONTHS] because of

18 (A) reductions in overall employment within a business;

19 (B) elimination of the worker's current job; or

20 (C) a change in conditions of employment requiring that, to
21 remain employed, the employee must learn substantially different skills that
22 the employee does not now possess [; OR

23 (3) HAVE WORKED IN A POSITION COVERED BY AS 23.20 AT
24 ANY TIME DURING THE LAST THREE YEARS, AND ARE NOT CURRENTLY
25 ELIGIBLE FOR UNEMPLOYMENT INSURANCE BENEFITS BECAUSE

26 (A) THEIR EMPLOYMENT HAS BEEN SEASONAL,
27 TEMPORARY, PART-TIME, OR MARGINAL;

28 (B) THEIR QUALIFYING WAGES ARE INSUFFICIENT
29 BECAUSE OF LIMITED JOB OPPORTUNITY; OR

30 (C) THEY ARE EMPLOYED BUT, BECAUSE THEY ARE
31 UNDEREMPLOYED, THEY ARE IN NEED OF EMPLOYMENT

1 ASSISTANCE AND TRAINING TO OBTAIN FULL EMPLOYMENT].

2 * **Sec. 5.** AS 23.15 is amended by adding a new section to read:

3 **Sec. 23.15.636. Implementation of program.** The department and the board
4 shall jointly implement the program as follows:

5 (1) after review and approval by the board, the department shall adopt
6 regulations under AS 44.62 to implement AS 23.15.620 - 23.15.660 and to regulate
7 the distribution and accounting of grants awarded under the program;

8 (2) the department may use financial resources of the program to cover
9 some or all of the department's cost of administering the program and may also
10 distribute financial resources of the program through grants, the purchase of services
11 or other contracts, or other mechanisms authorized by state law;

12 (3) the department may enter into interagency agreements with the
13 University of Alaska and other state agencies for the provision of training and
14 employment assistance under the program;

15 (4) after annual review and approval by the board, the department shall
16 annually establish priorities for the provision of training and employment assistance
17 services under AS 23.15.641 to eligible participants under AS 23.15.643; in setting
18 priorities, the department shall consider unemployment statistics, unemployment
19 insurance claims, projections of occupational and industrial workforce demand,
20 availability of other training and employment assistance programs, available funding,
21 and other relevant information; when awarding or financing grants under the program,
22 the department may give preference to financing projects and services that train or
23 assist individuals in vocations, businesses, or industries identified in the resident hire
24 report required under AS 36.10.130 as employing a disproportionate percentage of
25 nonresident individuals;

26 (5) the board shall assist in the evaluation of proposals for grants and
27 make recommendations to the department regarding which grants should be awarded
28 by the program; the department may distribute financial resources of the program to
29 the board to pay for some or all of the board's costs, existing or anticipated, that are
30 related to evaluating or awarding proposed grants or grants that have been awarded.

31 * **Sec. 6.** AS 23.15 is amended by adding new sections to read:

1 **Sec. 23.15.641. Eligibility of grantees; use of assistance received.** (a) To be
2 eligible for a grant to help cover the cost of providing training and employment
3 assistance, a person shall

4 (1) meet or exceed the requirements of AS 23.15.620 - 23.15.660 and
5 regulations adopted under AS 23.15.620 - 23.15.660;

6 (2) offer training or employment assistance services that meet the
7 requirements of regulations adopted under AS 23.15.620 - 23.15.660;

8 (3) be a governmental agency, a private business, an employer, or an
9 organization exempt from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue
10 Code); and

11 (4) demonstrate to the satisfaction of the department and the board that

12 (A) the person's accounting system is organized and maintained
13 in accordance with generally accepted accounting principles, promotes
14 efficiency, ensures compliance with program requirements, and can be audited
15 at the department's direction with not more than a reasonable amount of effort
16 and expense; and

17 (B) grants awarded under the program will be used only as
18 allowed under AS 23.15.620 - 23.15.660.

19 (b) A recipient of a grant awarded under the program may use the grant to
20 provide any of the following training and employment assistance services to eligible
21 participants:

22 (1) industry-specific training;

23 (2) on-the-job training, including apprentice training in a registered
24 apprenticeship program under 29 U.S.C. 50;

25 (3) institutional or classroom job-linked training;

26 (4) support services, including financial allowances and relocation
27 expenses that the department determines are reasonably necessary to enable an eligible
28 participant to receive training and employment assistance;

29 (5) assistance considered necessary to help an eligible participant
30 obtain or retain a job for which training and employment assistance provided under the
31 program has prepared the eligible participant;

1 (6) purchases of basic tools, work clothing, safety gear, or other items
 2 the eligible participant needs to obtain or retain a job for which training and
 3 employment assistance provided under the program has prepared the eligible
 4 participant;

5 (7) other costs the department determines are necessary to pay in order
 6 that an eligible participant can receive training or employment assistance or obtain or
 7 retain a job for which the training and employment assistance provided under the
 8 program has prepared the eligible participant.

9 (c) The department may allow payment for items described in (b) of this
 10 section if the department determines that alternative sources of financing have been
 11 exhausted or are unavailable to the eligible participant or that a grant from the
 12 program is otherwise required so that, when combined with other available financing,
 13 the grant will enable an eligible participant to receive training or employment
 14 assistance approved by the department.

15 **Sec. 23.15.643. Eligibility of program participants.** The department and a
 16 person awarded a grant under the program may use the grant only to provide training
 17 and employment assistance services to eligible participants. To be an eligible
 18 participant, the person may be employed or employable and shall, at the time of
 19 application for training or employment assistance under the program,

20 (1) be a resident of the state;

21 (2) have worked in a position covered by AS 23.20, or similar
 22 provisions in another state, at any time during the five years immediately preceding
 23 the application; and

24 (3) need training to improve the person's prospects for obtaining or
 25 retaining employment.

26 * **Sec. 7.** AS 23.15 is amended by adding new sections to read:

27 **Sec. 23.15.652. Program accountability.** (a) The department and a person
 28 who is awarded a grant to provide training and employment assistance services under
 29 the program shall comply with state and federal laws and maintain records, including
 30 accounting records, as required by those laws.

31 (b) The department may allocate or authorize the expenditure of not more than

1 20 percent of the amount appropriated to the program for a fiscal year to pay for
2 administration of the program by the department and the board.

3 (c) The department shall annually prepare and present to the board a report
4 concerning the program and notify the legislature that the report is available.

5 **Sec. 23.15.654. Appeals.** The department shall adopt regulations that provide
6 for an appeal of a denial of a grant application under AS 23.15.620 - 23.15.660.

7 * **Sec. 8.** AS 23.15.640, 23.15.645, and 23.15.651 are repealed.

8 * **Sec. 9.** Section 6, ch. 116, SLA 1996, as amended by sec. 9, ch. 85, SLA 1998, by sec. 47,
9 ch. 86, SLA 2002, by sec. 1, ch. 86, SLA 2004, and by sec. 1, ch. 46, SLA 2008, is repealed.

10 * **Sec. 10.** This Act takes effect immediately under AS 01.10.070(c).