

**ALASKA STATE LEGISLATURE**  
**SENATE LABOR AND COMMERCE STANDING COMMITTEE**

April 13, 2017

9:02 a.m.

**MEMBERS PRESENT**

Senator Mia Costello, Chair  
Senator Shelley Hughes, Vice Chair  
Senator Kevin Meyer  
Senator Gary Stevens  
Senator Berta Gardner

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 37

"An Act relating to the Board of Pharmacy; relating to the licensing and inspection of certain facilities located outside the state; relating to drug supply chain security; and creating a position of executive administrator for the Board of Pharmacy."

- MOVED CSSB 37(L&C) OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 81(ENE)

"An Act making certain entities that are exempt from federal taxation under 26 U.S.C. 501(c)(3), (4), (6), (12), or (19) (Internal Revenue Code), regional housing authorities, and federally recognized tribes eligible for a loan from the Alaska energy efficiency revolving loan fund; relating to loans from the Alaska energy efficiency revolving loan fund; and relating to the annual report published by the Alaska Housing Finance Corporation."

- MOVED CSHB 81(ENE) OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 49(FIN)

"An Act extending the termination date of the Board of Certified Direct-Entry Midwives; and providing for an effective date."

- MOVED SCS CSHB 49(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 141

"An Act relating to allocations of funding for the Alaska Workforce Investment Board; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 37

SHORT TITLE: PHARMA BD & EMPLOYEES; DRUG DIST/MANUFAC

SPONSOR(s): SENATOR(s) GIESSEL BY REQUEST

01/25/17	(S)	READ THE FIRST TIME - REFERRALS
01/25/17	(S)	L&C, FIN
03/14/17	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/14/17	(S)	Heard & Held
03/14/17	(S)	MINUTE(L&C)
04/04/17	(S)	L&C AT 9:00 AM BELTZ 105 (TSBldg)
04/04/17	(S)	Heard & Held
04/04/17	(S)	MINUTE(L&C)
04/13/17	(S)	L&C AT 9:00 AM BELTZ 105 (TSBldg)

BILL: HB 81

SHORT TITLE: AK ENERGY EFFICIENCY LOANS: ELIGIBILITY

SPONSOR(s): REPRESENTATIVE(s) KREISS-TOMKINS

01/25/17	(H)	READ THE FIRST TIME - REFERRALS
01/25/17	(H)	ENE, FIN
01/31/17	(H)	ENE AT 10:15 AM CAPITOL 17
01/31/17	(H)	Heard & Held
01/31/17	(H)	MINUTE(ENE)
02/07/17	(H)	ENE AT 10:15 AM CAPITOL 17
02/07/17	(H)	Heard & Held
02/07/17	(H)	MINUTE(ENE)
02/14/17	(H)	ENE AT 10:15 AM CAPITOL 17
02/14/17	(H)	Moved CSHB 81(ENE) Out of Committee
02/14/17	(H)	MINUTE(ENE)
02/15/17	(H)	ENE RPT CS(ENE) NT 5DP 2NR
02/15/17	(H)	DP: JOHNSTON, WESTLAKE, SPOHNHOLZ, CLAMAN, WOOL
02/15/17	(H)	NR: RAUSCHER, JOHNSON
03/06/17	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
03/06/17	(H)	Heard & Held
03/06/17	(H)	MINUTE(FIN)
03/16/17	(H)	FIN AT 1:30 PM HOUSE FINANCE 519

03/16/17 (H) Moved CSHB 81(ENE) Out of Committee  
 03/16/17 (H) MINUTE(FIN)  
 03/17/17 (H) FIN RPT CS(ENE) NT 6DP 4NR  
 03/17/17 (H) DP: KAWASAKI, ORTIZ, GUTTENBERG, GRENN,  
 SEATON, FOSTER  
 03/17/17 (H) NR: WILSON, PRUITT, THOMPSON, TILTON  
 03/24/17 (H) TRANSMITTED TO (S)  
 03/24/17 (H) VERSION: CSHB 81(ENE)  
 03/27/17 (S) READ THE FIRST TIME - REFERRALS  
 03/27/17 (S) L&C, FIN  
 04/10/17 (S) L&C AT 9:00 AM BELTZ 105 (TSBldg)  
 04/10/17 (S) Heard & Held  
 04/10/17 (S) MINUTE(L&C)  
 04/13/17 (S) L&C AT 9:00 AM BELTZ 105 (TSBldg)

BILL: HB 49

SHORT TITLE: EXTEND BOARD OF DIRECT-ENTRY MIDWIVES

SPONSOR(S): REPRESENTATIVE(S) KITO

01/18/17 (H) READ THE FIRST TIME - REFERRALS  
 01/18/17 (H) L&C, FIN  
 02/01/17 (H) L&C AT 3:15 PM BARNES 124  
 02/01/17 (H) Heard & Held  
 02/01/17 (H) MINUTE(L&C)  
 02/03/17 (H) L&C AT 3:15 PM BARNES 124  
 02/03/17 (H) Moved HB 49 Out of Committee  
 02/03/17 (H) MINUTE(L&C)  
 02/06/17 (H) L&C RPT 6DP 1DNP  
 02/06/17 (H) DP: SULLIVAN-LEONARD, STUTES, WOOL,  
 JOSEPHSON, BIRCH, KITO  
 02/06/17 (H) DNP: KNOPP  
 03/06/17 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
 03/06/17 (H) Heard & Held  
 03/06/17 (H) MINUTE(FIN)  
 03/31/17 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
 03/31/17 (H) Moved CSHB 49(FIN) Out of Committee  
 03/31/17 (H) MINUTE(FIN)  
 04/03/17 (H) FIN RPT CS(FIN) 8DP  
 04/03/17 (H) DP: GARA, THOMPSON, WILSON, ORTIZ,  
 GRENN, TILTON, SEATON, FOSTER  
 04/07/17 (H) TRANSMITTED TO (S)  
 04/07/17 (H) VERSION: CSHB 49(FIN)  
 04/10/17 (S) READ THE FIRST TIME - REFERRALS  
 04/10/17 (S) L&C, FIN  
 04/11/17 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 04/11/17 (S) Heard & Held  
 04/11/17 (S) MINUTE(L&C)

04/13/17 (S) L&C AT 9:00 AM BELTZ 105 (TSBldg)

BILL: HB 141

SHORT TITLE: AK WORKFORCE INVESTMENT BOARD; FUNDS

SPONSOR(S): REPRESENTATIVE(S) FANSLER

02/22/17 (H) READ THE FIRST TIME - REFERRALS  
02/22/17 (H) L&C, FIN  
03/06/17 (H) L&C AT 3:15 PM BARNES 124  
03/06/17 (H) Heard & Held  
03/06/17 (H) MINUTE(L&C)  
03/10/17 (H) L&C AT 3:15 PM BARNES 124  
03/10/17 (H) Moved HB 141 Out of Committee  
03/10/17 (H) MINUTE(L&C)  
03/13/17 (H) L&C RPT 5DP 2NR  
03/13/17 (H) DP: STUTES, WOOL, JOSEPHSON, KNOPP,  
KITO  
03/13/17 (H) NR: SULLIVAN-LEONARD, BIRCH  
03/16/17 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
03/16/17 (H) Heard & Held  
03/16/17 (H) MINUTE(FIN)  
03/31/17 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
03/31/17 (H) Heard & Held  
03/31/17 (H) MINUTE(FIN)  
04/06/17 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
04/06/17 (H) Moved HB 141 Out of Committee  
04/06/17 (H) MINUTE(FIN)  
04/07/17 (H) FIN RPT 8DP 1NR 2AM  
04/07/17 (H) DP: GARA, KAWASAKI, GRENN, ORTIZ,  
THOMPSON, GUTTENBERG, SEATON, FOSTER  
04/07/17 (H) NR: PRUITT  
04/07/17 (H) AM: WILSON, TILTON  
04/09/17 (H) RETURN HB 141 BACK TO FINANCE - Y17 N22  
E1  
04/09/17 (H) ENGROSSED  
04/09/17 (H) VERSION: HB 141  
04/12/17 (H) TRANSMITTED TO (S)  
04/12/17 (H) VERSION: HB 141  
04/12/17 (S) READ THE FIRST TIME - REFERRALS  
04/12/17 (S) L&C, FIN  
04/13/17 (S) L&C AT 9:00 AM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

WESTON EILER, Aide  
Senate Labor and Commerce Committee  
Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Described the changes in the CS for SB 37; and the changes in the SCS for CSHB 49.

REPRESENTATIVE JONATHAN KREISS-TOMPKINS

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Sponsor of HB 81.

REPRESENTATIVE ZACH FANSLER

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Sponsor of HB 141.

GREGG CASHEN, Deputy Commissioner

Department of Labor and Workforce Development

Juneau, Alaska

**POSITION STATEMENT:** Answered questions related to HB 141.

PALOMA HARBOUR, Director

Division of Administrative Services

Department of Labor and Workforce Development (DOLWD)

Juneau, Alaska

**POSITION STATEMENT:** Answered questions related to HB 141.

DON ETHERIDGE, Lobbyist

Alaska AFL CIO

Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 141.

CHRIS REITAN, Superintendent

Galena School District

Galena, Alaska

**POSITION STATEMENT:** Testified in support of HB 141.

DANIEL REPASKY, Chief of Operations & Deputy Director

Alaska Vocational Technical Education Center (AVTEC)

Department of Labor and Workforce Development (DOLWD)

Seward, Alaska

**POSITION STATEMENT:** Provided supporting testimony on HB 141.

JOEY CRUM, President & CEO

Northern Industrial Training (NIT)

Palmer, Alaska

**POSITION STATEMENT:** Outlined concerns with HB 141.

#### **ACTION NARRATIVE**

[9:02:07 AM](#)

**CHAIR MIA COSTELLO** called the Senate Labor and Commerce Standing Committee meeting to order at 9:02 a.m. Present at the call to order were Senators Stevens, Gardner, and Chair Costello. Senators Meyer and Hughes arrived thereafter.

**SB 37-PHARMA BD & EMPLOYEES; DRUG DIST/MANUFAC**

[9:02:48 AM](#)

CHAIR COSTELLO announced the consideration of SB 37. She said this is the third hearing and the intent is to adopt a committee substitute (CS), take members' questions, and move the bill from committee.

[9:03:03 AM](#)

SENATOR MEYER joined the committee.

[9:03:06 AM](#)

SENATOR STEVENS moved to adopt the work draft CS for SB 37, version 30-LS0191\0, as the working document.

[9:03:21 AM](#)

CHAIR COSTELLO objected for an explanation of the changes.

[9:03:31 AM](#)

WESTON EILER, Aide, Senate Labor and Commerce Committee, Alaska State Legislature, explained that version 0 deletes language regarding the executive administrator serving as a liaison to the legislative and executive branches, the media, and other state pharmacy boards. The duties of the position are confined to administrative and licensing, which the Board of Pharmacy and stakeholders testified is needed.

[9:04:42 AM](#)

CHAIR COSTELLO removed her objection and version 0 was adopted. Finding no questions, she solicited a motion.

[9:04:56 AM](#)

SENATOR STEVENS moved to report SB 37 from committee with individual recommendations and attached fiscal note(s).

CHAIR COSTELLO announced that without objection, [CSSB 37(L&C)] is reported from the Senate Labor and Commerce Standing Committee.

[9:05:11 AM](#)

At ease

**HB 81-AK ENERGY EFFICIENCY LOANS: ELIGIBILITY**

[9:07:18 AM](#)

CHAIR COSTELLO announced the consideration of HB 81. She said this is the second hearing and the intent is to answer members' questions and look to the will of the committee. Finding no questions, she solicited a motion.

[9:07:56 AM](#)

SENATOR STEVENS moved to report HB 81 from committee with individual recommendations and attached fiscal note(s).

CHAIR COSTELLO found no objection and asked Representative Kreiss-Thompkins if he had any comments before the bill moves from committee.

REPRESENTATIVE JONATHAN KREISS-TOMPKINS, Alaska State Legislature, sponsor of HB 81, thanked the committee for considering the bill.

[9:08:36 AM](#)

CHAIR COSTELLO recalled that public testifiers expressed interest in having school districts take advantage of the program.

[There was no objection, and CSHB 81(ENE) was reported from the Senate Labor & Commerce Standing Committee.]

[9:08:46 AM](#)

At ease

**HB 49-EXTEND BOARD OF DIRECT-ENTRY MIDWIVES**

[9:11:17 AM](#)

CHAIR COSTELLO announced the second hearing of HB 49. She stated that the intent is to adopt a CS, take members' questions, and look to the will of the committee.

[9:11:50 AM](#)

SENATOR STEVENS moved to adopt the work draft Senate CS for CSHB 49, version 30-LS0299\0, as the working document.

CHAIR COSTELLO objected for an explanation of the changes.

[9:12:11 AM](#)

WESTON EILER, Staff, Senate Labor and Commerce Committee, Alaska State Legislature, explained that version 0 extends the Board of Certified Direct-Entry Midwives four years, to June 30, 2021 instead of the six-year extension in the original bill. This conforms to a recommendation by the Legislative Audit Division.

[9:13:01 AM](#)

SENATOR COSTELLO removed her objection and version 0 was adopted. She confirmed that the board is committed to addressing its deficit.

[9:13:07 AM](#)

SENATOR STEVENS moved to report HB 49, from committee with individual recommendations and attached fiscal note(s).

CHAIR COSTELLO She noted that the board is committed to earnestly address its deficit. "That's the reason for going with the four-year extension recommended in the audit," she said.

There being no objection, SCS CSHB 49(L&C) was reported from the Senate Labor and Commerce Standing Committee.

[9:13:44 AM](#)

At ease

**HB 141-AK WORKFORCE INVESTMENT BOARD; FUNDS**

[9:16:03 AM](#)

CHAIR COSTELLO announced the consideration of HB 141. She stated that HB 141 reauthorizes the Technical Vocational and Education Program (TVEP). The committee heard the Senate companion bill and public testimony was held open. HB 141 will be the vehicle moving forward and public testimony will continue today.

[9:17:19 AM](#)

REPRESENTATIVE ZACH FANSLER, Alaska State Legislature, sponsor of HB 141, said his introduction would be brief because the committee just heard the Senate companion, SB 85. Both bills allocate TVEP funds to the same ten programs. The University of Alaska receives 45 percent of the funding, the Galena Interior Learning Academy receives 4 percent, Alaska Technical Center receives 9 percent, the Alaska Vocational Technical Center receives 17 percent, the Northwestern Alaska Career and Technical Center receives 3 percent, the Southwest Alaska Vocational Education Center receives 3 percent, Yuut Elitnaurviat, Inc. People's Learning Center receives 9 percent, Partners for Progress in Delta, Inc. receives 3 percent,

Amundsen Educational Center receives 2 percent, and Ilisagvik College receives 5 percent.

REPRESENTATIVE FANSLER said the bill is a straight reauthorization of funding for five years, whereas the Senate bill has a three-year reauthorization. The idea is to put Alaskans to work in their own regions. He explained that the Technical Vocational Education Program (TVEP) was established in 2000 and the percentage an institution receives changes based on the number of employees in the state. Employee contributions are .0016 percent with a cap of \$64 per Alaskan per year. He described TVEP as a critical reauthorization for the state to move forward putting Alaskans to work.

[9:21:09 AM](#)

SENATOR STEVENS asked why the House bill has a five-year sunset when the Senate version has three years.

REPRESENTATIVE FANSLER explained that guaranteeing these programs their current funding for five years allows them to make long-term plans that isn't possible under a three-year renewal. A second reason is it will give the Governor's taskforce on Alaska's Education Challenge time to review all aspects of education throughout the state. All technical and vocational programs will be assessed, and recommendations will be made to the legislature. Five years provides time for the analysis and to determine the appropriate reporting standards.

[9:24:02 AM](#)

SENATOR STEVENS asked if he had looked at the administrative and overhead costs of each of the grant programs.

[9:24:28 AM](#)

REPRESENTATIVE FANSLER explained that the costs vary between the programs. For example, the cost for internet and energy at Yuut Elinaurviat, Inc. in Bethel and Ilisagvik College in Barrow are vastly different than the costs at the University of Alaska Anchorage. In part the funds are used to offset the price of broadband service or energy costs in these areas as a means of helping to provide lower cost trainings.

[9:26:32 AM](#)

SENATOR STEVENS asked if he is satisfied with the program costs and the training they provide.

REPRESENTATIVE FANSLER said yes, although there is room for improvement. He opined that Alaska's Education Challenge will

ensure that the taskforce will look at needed efficiencies. He directed attention to the TVEP report that shows that the goal of getting Alaskans into the workforce is being met. Regional needs are also being met. He stressed the importance of continuing to serve the needs of the regional centers and providing the training needed for the region.

[9:28:08 AM](#)

SENATOR MEYER asked where the Amundsen Education Center is located.

[9:28:33 AM](#)

REPRESENTATIVE FANSLER replied it's in Soldotna.

SENATOR MEYER asked where most SAVEC and Yuut Elitnaurviat graduates go to work.

REPRESENTATIVE FANSLER said they go to work in construction jobs, heavy equipment, truck driving, and through partnerships with aviation services and other programs such as photojournalism, wind turbine maintenance, and alternative energy. He stressed the importance of including maintenance when spending money on large infrastructure projects.

[9:30:56 AM](#)

SENATOR MEYER mentioned that funding for NACTEC was reduced due to private sector support from the Red Dog Mine. He asked if programs in District 38 receive private sector funding.

[9:31:43 AM](#)

REPRESENTATIVE FANSLER said he believes that all the programs charge tuition and partner with local programs. In his district, Yuut Elitnaurviat, Inc. People's Learning Center partners with the major local school district and the Yukon-Kuskokwim Health Corporation to train future dental assistants and certified nursing assistants throughout the region. He described TVEP funding as vital but not the only way that these programs are surviving.

[9:34:02 AM](#)

SENATOR MEYER asked if students pay tuition.

REPRESENTATIVE FANSLER said yes, but TVEP funds help to close the gap to ensure that people do receive training in regions where classes would otherwise be very expensive.

[9:35:12 AM](#)

CHAIR COSTELLO commented on the value of training Alaskans for the workforce. She noted that while the Amundsen Educational Center has 15-20 partners and the students pay tuition, TVEP still supplies about \$14,000 per student. She expressed interest in looking at the variety of programs and the amount of funding going to each program, because some areas are not getting TVEP support. She pointed out that the state chooses who receives the funding and the performance reports sometimes lack important information.

She asked Greg Cashen to address a letter the committee received today that explains the lack of occupational reporting from some TVEP recipients.

GREG CASHEN, Deputy Commissioner, Department of Labor and Workforce Development, read the following response to questions about why 30 participants were in an occupational category of unknown or unavailable:

The occupation data used the department's Research and Analysis (R&A) team comes from quarterly employer unemployment insurance filings. Not all employers report the occupations for their employees or call these occupations the same thing. This requires R&A to follow up with employers to collect the missing information or to get a better understanding of the work performed so that they can assign the employee to a nationally recognized occupation. There are always some occupations that Research and Analysis is unsuccessful in categorizing, unfortunately.

It is critical for the committee to understand what is and is not included in the employment data available to Research and Analysis. Since they rely on unemployment insurance reports, they are unable to capture federal, military or self-employment. Many individuals in the construction trades work for themselves, and fishing is also a very significant employment category in some of these rural communities, which is not captured. It is also important for the committee to know that based on the wording of the statutory performance measures they only report employment and wages of TVEP participants seven to 12 months after they exit the program. Since TVEP runs on the state fiscal year, this would mean January-June and TVEP participants could have been

employed and earned wages earlier in the year, but they are not captured.

Also, the average wages reported are for six months so they would represent only half of what the individuals may have made over the full year, which is why we provided an "annualized" average wage in our presentation. If these individuals are employed in seasonal occupations they may have only worked a few of the six months collected, which brings down the overall average.

[9:40:17 AM](#)

MR. CASHEN said what it comes down to is that DOLWD's Research and Analysis Section is somewhat limited in categorizing the employment data.

CHAIR COSTELLO asked if high school students who are enrolled in TVEP programs but not really employed account for some of the "n/a" category.

[9:40:57 AM](#)

PALOMA HARBOUR, Director, Division of Administrative Services, Department of Labor and Workforce Development (DOLWD), clarified that the letter responds to two separate questions. The first was about the 30 participants whose occupations were in the unknown or unavailable category. That is about employers not reporting occupation information and the department being unable to identify occupations for those individuals. The second question asked why there was no employment data for students from the Galena Interior Learning Academy (GILA). That is because they are high school students and the department didn't have the information needed to match with the unemployment insurance data.

[9:42:21 AM](#)

SENATOR MEYER asked if the commercial fishing industry contributes to local colleges like Ilisagvik.

MS. HARBOUR recalled that during the previous hearing the representative from the Southwest Alaska Vocational and Education Center (SAVEC) reported that they have been working on a partnership with the seafood processors in their area to improve Alaska hire.

MR. CASHEN added that he believes some of the Community Development Quota (CDQ) Program groups also contribute to training centers in that region.

SENATOR MEYER said he didn't recall hearing about a partnership between the seafood industry and these schools, but it's good to know.

[9:43:28 AM](#)

SENATOR HUGHES joined the committee.

CHAIR COSTELLO stated that public testimony on the reauthorization of the Technical Vocational and Education Program will continue.

[9:43:55 AM](#)

DON ETHERIDGE, Lobbyist, Alaska AFL-CIO, stated that the union does not receive any TVEP funds, but has been supportive of the program since its inception. He addressed why some programs like King Career and Hutchison are not included in TVEP. He recalled that the programs initially received general funds and were not considered when TVEP started since they were already funded.

He recalled the history of TVEP and concluded that the union likes to see Alaskans taking Alaskan jobs and TVEP training makes that possible. He highly recommended the reauthorization of the TVEP funding.

[9:46:31 AM](#)

CHRIS REITAN, Superintendent, Galena School District, testified in support of HB 141. He informed the committee of the seven career pathways the Galena Interior Learning Academy (GILA) offers students attending the boarding school. These include: pathways to aviation, construction trades, media and information technology, cosmetology, natural resource management, applied mechanics, and health sciences. He related that GILA has developed career pathways that have both a rural and urban influence. Thus, graduates have the option of returning home to work or moving on to the university system or to postsecondary vocational training. He reported that 169 high school students participated in the dual credit tech prep system through the University of Alaska Fairbanks and received 473 university credits. The total savings for these students as they transitioned into either a university postsecondary vocational program or an academic program was \$90,000.

He highlighted that TVEP funding has allowed the City of Galena and the school district to develop both a woody biomass boiler system that serves the GILA campus and a natural resource program. The natural resources program has two courses that were established in conjunction with UAF. He spoke in full support of reauthorizing the TVEP funding. It is a primary reason that students are choosing to attend the GILA boarding school.

[9:50:12 AM](#)

DANIEL REPASKY, Chief of Operations & Deputy Director, Alaska Vocational Technical Education Center (AVTEC) stated that AVTEC is a grateful recipient of TVEP funds. They receive 17 percent of the funds, which represents about 14 percent of their overall budget. The money is used to enhance the training of Alaskans. He reported that about 90 percent of AVTEC students complete a 10-month program and between 88 and 90 percent of those graduates are employed in the field in which they received training. AVTEC partners with many organizations that receive TVEP funds. As those students become proficient in their fields, they transition to AVTEC for further training. He said this year alone, over 500 high school students have visited AVTEC and 134 Alaskans have enrolled in both long-term and short-term programs. About 1,100 students graduate AVTEC each year, leaving with certifications that are highly valued by employers throughout the state.

He highlighted that TVEP is the backbone for AVTEC's maintenance department. Continued funding is vital and would be greatly appreciated, he concluded.

[9:52:42 AM](#)

SENATOR STEVENS asked if he is prepared to provide relevant training for students, should a gas pipeline be built.

[9:53:27 AM](#)

MR. REPASKY said yes, we are prepared. He explained that AVTEC offers a combination welding program.

SENATOR STEVENS said he understands that building a pressured gasline is a complex process.

MR. REPASKY advised that AVTEC students take a one-inch bend test and are also certified in x-ray welding.

SENATOR GARDNER commented that she enjoys the note of pride in Mr. Repasky's voice when he talks about being ready.

9:54:33 AM

JOEY CRUM, President & CEO, Northern Industrial Training (NIT), related that he has been a professional vocational trainer for over 15 years and is a staunch advocate of efficient and effective vocational education. However, he has concerns with HB 141 and SB 85.

He voiced concern that TVEP is supposed to provide access to technical and vocational education, but there are no requirements as to what the funds are used for, and there are no standards to define success. The lack of statutory guidance is illustrated in the TVEP reports that show a preponderance of graduates trained in office and administrative support occupations. That is neither technical nor vocational. He maintained that the varied and inconsistent reporting does not demonstrate a statewide plan. Furthermore, there are cases where the funds were spent on regulatory safety classes instead of a skill-building curriculum.

MR. CRUM highlighted that the Department of Labor and Workforce Development (DOLWD) testified that schools are not compared to determine who is successful and who is not. He posited that the lack of reporting guidelines leads to institutions holding back data because they don't know what others will or won't report. He cited the Amundsen Educational Center as an example of outrageous costs to train only 17 people. By comparison, AVTEC reported training 1,490 people for about one-tenth the cost. He said that sounds nefarious but AVTEC reported their total enrollment, not just TVEP students. He cited his source.

MR. CRUM spoke of his experience working with programs that report data accurately. He then pointed out the TVEP report the committee received doesn't include the minimal data that AS 23.15.835 requires institutions to report or lose 20 percent of their funding the following year. He also noted the inconsistent explanations about why secondary student data isn't available. He said the committee also heard that private schools aren't named in TVEP even though both Amundsen and Ilisagvik are private.

10:01:04 AM

MR. CRUM summarized the three points he made and urged the committee to make two changes to HB 141. First, prohibit TVEP monies from being spent on capital projects or facilities. Second, add a provision to limit all administrative spending to 2 percent of the funds awarded. He also urged the committee to adopt the Senate's [three-year] sunset.

CHAIR COSTELLO asked Mr. Crum to submit his comments in writing.

MR. CRUM agreed to do so.

SENATOR STEVENS requested Mr. Crum repeat his recommendations and Mr. Crum did so.

10:03:04 AM

SENATOR HUGHES asked Mr. Crum if he has suggestions to correct inconsistent reporting.

MR. CRUM said he recommends the TVEP report follow the guidelines set in statute. He added that the state needs to come up with standards defining what success looks like. He gave an example.

SENATOR HUGHES said she would appreciate seeing those recommendations in writing.

CHAIR COSTELLO stated she would hold HB 141 in committee with public testimony open. She said this will give DOLWD the chance to respond to any of the concerns that were brought up. She specifically asked if there have been consequences for not meeting the statutory reporting requirements.

10:05:58 AM

There being no further business to come before the committee, Chair Costello adjourned the Senate Labor & Commerce Standing Committee at 10:05 a.m.