

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

April 13, 2017

1:38 p.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

HOUSE BILL NO. 141

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

- MOVED SCS HB 141(L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

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)
 04/13/17 (S) Heard & Held
 04/13/17 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

GREGG CASHEN, Deputy Commissioner

Department of Labor and Workforce Development (DOLWD)

Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 141, responded to questions the committee asked about the Technical Vocational and Education Program (TVEP).

PALOMA HARBOUR, Director

Division of Administrative Services

Department of Labor and Workforce Development (DOLWD)

Juneau, Alaska

POSITION STATEMENT: Answered questions related to HB 141.

CHERYL EDENSHAW, Director

Alaska Technical Center

Kotzebue, Alaska

POSITION STATEMENT: Testified in support of HB 141.

FRED VILLA, Associate Vice President

Workforce Programs

University of Alaska Fairbanks
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 141.

KATHY LEARY
Ilisagvik College
Barrow, Alaska

POSITION STATEMENT: Testified in support of HB 141.

ANISHIA ELBIE, Co-Executive Director
Southwest Alaska Vocational and Educational Center (SAVEC)
King Salmon, Alaska

POSITION STATEMENT: Testified in support of HB 141.

KEVIN SPENCE, Board Chair
Amundsen Education Center
Soldotna, Alaska

POSITION STATEMENT: Testified in support of HB 141.

ACTION NARRATIVE

[1:38:11 PM](#)

CHAIR MIA COSTELLO called the Senate Labor and Commerce Standing Committee meeting to order at 1:38 p.m. Present at the call to order were Senators Stevens, Gardner, Meyer, and Chair Costello. Senator Hughes arrived during the meeting.

HB 141-AK WORKFORCE INVESTMENT BOARD; FUNDS

[1:38:54 PM](#)

CHAIR COSTELLO announced the consideration of HB 141. She stated that the intent is to hear the deputy commissioner's response to comments made during the meeting this morning, take public testimony, and report the bill from committee.

[1:39:28 PM](#)

GREGG CASHEN, Deputy Commissioner, Department of Labor and Workforce Development (DOLWD), paraphrased the letter that he prepared after the meeting this morning. He stated the following:

The first item was that it's important to clarify that both Ilisagvik College and Amundsen Educational Center are public not-for-profit training institutions. We would also like to clarify that Alaskans served with

TVEP funds that go through the University of Alaska to the Fairbanks Pipeline Training Center are included in the University of Alaska's performance data that they submitted both to the department and in the TVEP report.

Second, it's important to know what technical and vocational education really means. Vocational education is simply another term for career-focused education and includes business and office technology. Many small businesses rely heavily on office managers to stay afloat. One example would be a medical office assistant. It's a high-demand occupation in Alaska in the health care industry and that falls within this category.

Third, administrative or overhead cost usage by many of the small regional training centers is necessary to provide local access to programs and job training opportunities by partnering with other training centers to host programs. Without the use of TVEP funds to cover the operational cost of these centers, access to these programs would be extremely limited. Limiting these costs to just two percent would be very difficult in most cases.

Fourth, there was reference to a penalty clause in statute that was recently added and effective with FY2016. This penalty is only applied if an entity does not have an articulation agreement or if they do not provide the participant data to the department. All the TVEP recipients reported their participant data to the department and had at least one articulation agreement so there was no need for the department to apply the penalty to any of the TVEP recipients.

The problem with the report is that we do not have a crosswalk between a training provided and all the occupations employed in to define whether or not the participants are employed in a job that is related or somewhat related to the area of their training.

Finally, the department is committed to working with the Alaska Workforce Investment Board to develop suggestions for performance measures and improvements for the Technical and Vocational Educational Program.

MR. CASHEN offered to answer additional questions.

CHAIR COSTELLO thanked Mr. Cashen for being so responsive to the committee's questions and concerns.

[1:42:47 PM](#)

SENATOR STEVENS said he's not sure that getting a job in the area of the training is really a major concern because any education will help in a future job. Someone who takes one administrative training may want to become a welder, for example. He asked Mr. Cashen to reflect on that thought.

MR. CASHEN said he agrees that it might not be an accurate indicator because many students who attend these training institutions move on to employment or additional training. Testimony from AVTEC indicated that students receive initial training from regional training centers like Yuut and Ilisagvik then go on to postsecondary education.

SENATOR STEVENS remarked that the important point is for people to get jobs.

CHAIR COSTELLO noted that Dennis Dishion from Yuut Elitnaurviat was available online to respond to the question.

SENATOR MEYER asked why he singled out Ilisagvik College and Amundsen Educational Center as public not-for-profit training institutions. "Aren't they all that status?"

MR. CASHEN said he was responding to testimony from this morning when those institutions were identified as private.

SENATOR MEYER noted that the letter does not address the assertion that some grant monies are used for capital projects rather than operational expenses.

[1:46:38 PM](#)

PALOMA HARBOUR, Director, Division of Administrative Services, Department of Labor and Workforce Development (DOLWD), clarified that the statute does not restrict how the funds are used so long as it's to keep the center open to provide training. She said that could include repairing a roof or replacing a boiler, but she didn't know if funds had been used for that.

SENATOR MEYER said he can understand that the Pipeline Training Center may need to buy a backhoe, but he isn't sure that a

center should be able to buy another building or even fix a roof.

SENATOR STEVENS asked why TVEP funds are allocated to the university for distribution to another agency such as the Pipeline Training Center. Why aren't we working directly with the pipeline group?

MS. HARBOUR explained that the university submitted an operating request to the legislature to add a process technology program to its offerings about the same time that the Pipeline Training Center opened. It was the will of the legislature that the university partner with the pipeline center through the university's Career and Technical College in Fairbanks.

SENATOR STEVENS asked for confirmation that the legislature is apprised of the success of the program because the center reports to the university and the information is subsequently reported to the legislature.

MS. HARBOUR said that's correct.

1:49:37 PM

CHERYL EDENSHAW, Director, Alaska Technical Center (ATC), Kotzebue, stated support for HB 141, reauthorizing the Technical Vocational and Education Program. She said ATC is recognized as a statewide postsecondary training center and has been eligible for TVEP funding since 2000. ATC is passionate about partnering with the state as well as business and industry to train a responsible Alaskan workforce and help develop and sustain the economy. The stable funding that TVEP provides is essential for ATC to maintain its long-term commitment to meet the needs of employers, both local and statewide.

Responding to previous testimony, she clarified that ATC neither allocates TVEP funds for administration nor uses them for high school students. Because of TVEP funding, they can provide training for jobs in health care, resource development, process technology, culinary arts, and construction trades. The training is aligned with local and statewide job opportunities. She opined that ATC is the only institution in the state that offers a guarantee to employers that hire ATC graduates. If the new employee lacks a skill that was part of the curriculum, employers can send the person back to ATC for retraining at no cost to the employer. She asked the committee to reauthorize TVEP funds for five years, which will help build a future for Alaskans and strengthen families and communities statewide.

1:50:13 PM

SENATOR HUGHES joined the committee.

1:52:19 PM

SENATOR STEVENS asked if she believes that success can only be measured by the number of people who get a job in the field in which they received training.

MS EDENSHAW said their priority would be to help a student get a job in the area in which they received training. However, part of every training includes learning about work ethic, attitudes and values.

CHAIR COSTELLO invited Fred Villa to provide testimony and advised members that the university's report is on page 28 of the TVEP report.

1:53:58 PM

FRED VILLA, Associate Vice President, Workforce Programs, University of Alaska Fairbanks stated that he called to answer questions and provide information about the Pipeline Training Center as a passthrough of TVEP funds from the university. It has been part of the university's fiscal note since 2008.

He explained that the university's workforce development committee decides to fund programs based on three criteria. They look at: 1) high-demand occupations identified by the Workforce Investment Board, 2) regional economic development opportunities, and 3) priorities for the campuses themselves. The committee represents all three campuses and has an executive director from the Alaska Workforce Investment Board. The process, manual, and schedule for the distributions are online at Alaska.edu/research/wp/funding. He opined that the maximum employee contribution of \$64 per year and the cost per student of between \$1,000 and \$1,400 is a good investment of resources that is returned to the state in workforce development.

CHAIR COSTELLO invited Kathy Leary to provide testimony and advised members that the Ilisagvik College report is on page 16 of the TVEP report.

1:57:04 PM

KATHY LEARY, Ilisagvik College, Barrow, said she called to clarify that Ilisagvik is a public, nonprofit institution. She noted that DOLWD also clarified the misstatement in earlier

testimony. She echoed Ms. Edenshaw's request for a five-year reauthorization.

CHAIR COSTELLO invited Anishia Elbie to provide testimony and advised members that the Southwest Alaska Vocational and Education Center report is on page 23 of the TVEP report.

[1:58:20 PM](#)

ANISHIA ELBIE, Co-Executive Director, Southwest Alaska Vocational Center (SAVC), King Salmon, said she testified previously and is calling today to reiterate support for HB 141 to reauthorize funding for the Technical Vocational and Education Program (TVEP) for five years. She also clarified that SAVC is a public nonprofit organization.

CHAIR COSTELLO invited Kevin Spence to provide testimony and advised members that the Amundsen Education Center report is on page 12 of the TVEP report.

[1:59:29 PM](#)

KEVIN SPENCE, Board Chair, Amundsen Education Center, Soldotna, said he is calling to support the reauthorization of the Technical Vocational and Education Program (TVEP). He reported that Amundsen does teacher recertification and initial teacher certification training as well as soft skills training that Senator Stevens correctly identified as important for any employment. Amundsen has also started the only Microsoft Imagine Academy in the area. They estimate that business employees can earn up to \$16,000 more than their uncertified peers. He noted that many graduates move on to get additional training which skews the performance data down.

[2:01:38 PM](#)

CHAIR COSTELLO closed public testimony on HB 141 and asked the will of the committee.

[2:02:08 PM](#)

At ease

[2:06:07 PM](#)

CHAIR COSTELLO reconvened the meeting and recognized Senator Hughes.

[2:06:21 PM](#)

SENATOR HUGHES moved Conceptual Amendment 1. Page 1, line 6, change 2022 to 2018.

SENATOR GARDNER objected.

[2:06:42 PM](#)

CHAIR COSTELLO said the concern centers on the quality of reporting of TVEP recipients. It's important to follow the requirements in state law regarding reporting. She expressed hope that the discussion could continue in the finance committee. She noted that the sponsor said there are efforts to review the program and perhaps develop suggestions to tighten the reporting requirements. She stated support for the amendment.

SENATOR HUGHES said she is concerned about the lack of consistent reporting and the wide range of cost per participant. The committee also heard testimony that funds are being used for office-type training and safety courses that could be taken online more economically. She stated support for the amendment, workforce training, and getting a better understanding for how TVEP dollars can best be spent.

[2:09:20 PM](#)

SENATOR STEVENS said reauthorizing the program for just one year is reasonable given the concerns about common reporting standards and ensuring that the data is meaningful.

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SENATOR GARDNER withdrew her objection.

CHAIR COSTELLO announced that Conceptual Amendment 1 is adopted.

[2:10:26 PM](#)

SENATOR HUGHES moved to report HB 141, as amended, from committee with individual recommendations and attached fiscal note(s).

CHAIR COSTELLO announced that without objection SCS HB 141(L&C) is reported from the Senate Labor and Commerce Standing Committee.

[2:10:49 PM](#)

There being no further business to come before the committee, Chair Costello adjourned the Senate Labor and Commerce Standing Committee meeting at 2:10 p.m.