

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version:	CSHB 235(L&C)
Fiscal Note Number:	4
(H) Publish Date:	3/13/2020

Identifier: HB235CS(L&C)-DOLWD-AVTEC-03-11-20
 Title: AK WORKFORCE INVESTMENT
 BOARD:ALLOCATIONS
 Sponsor: WOOL
 Requester: (H) L&C

Department: Department of Labor and Workforce Development
 Appropriation: Alaska Vocational Technical Center
 Allocation: Alaska Vocational Technical Center
 OMB Component Number: 2686

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2021	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2021 Request	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
OPERATING EXPENDITURES	FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Personal Services							
Travel							
Services	176.4	2,181.6	2,358.0	2,358.0	2,358.0	2,358.0	
Commodities		101.7	101.7	101.7	101.7	101.7	
Capital Outlay		68.1	68.1	68.1	68.1	68.1	
Grants & Benefits		0.3	0.3	0.3	0.3	0.3	
Miscellaneous							
Total Operating	176.4	2,351.7	2,528.1	2,528.1	2,528.1	2,528.1	0.0

Fund Source (Operating Only)

1151 VoTech Ed (DGF)	176.4	2,351.7	2,528.1	2,528.1	2,528.1	2,528.1	
Total	176.4	2,351.7	2,528.1	2,528.1	2,528.1	2,528.1	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1151 VoTech Ed (DGF)			176.4	176.4	176.4	176.4	
Total	0.0	0.0	176.4	176.4	176.4	176.4	0.0

Estimated SUPPLEMENTAL (FY2020) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2021) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Updated to reflect Governor Amended distribution amounts in the FY2021 Governor column. Updated financial information and analysis related to the new committee substitute.

Prepared By:	Hannah Lager, Administrative Service Director	Phone:	(907)465-5984
Division:	Administrative Services Division	Date:	03/11/2020 05:42 PM
Approved By:	Hannah Lager, Administrative Services Director	Date:	03/11/20
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2020 LEGISLATIVE SESSION**Analysis**

This legislation extends the sunset date for existing funding allocations for program and grant distributions under AS 23.15.835(d) for the Alaska Technical and Vocational Education Program (TVEP) through June 30, 2025. This committee substitute decreases the percentage of TVEP funding allocated to AVTEC from 17 percent to 16.405 percent, but increases the overall TVEP contribution rate from the employee portion of the Unemployment Insurance contribution rate from .16 to .18 percent. These two factors combined will result in increased TVEP funds to support AVTEC programs in FY2021. Funding authorization for the Alaska Vocational Technical Center (AVTEC) was included in the FY2021 Governor Amended request.

Department of Labor and Workforce Development
FY2021 Technical and Vocational Education Program (TVEP) Distribution

Updated: March 10, 2020 for CSHB235 (L&C)

	FY2018 Actuals	FY2019 Actuals	FY2020 Planned Distribution	FY2021 Gov Amend Distribution	FY2021 CSHB235 (L&C) Proposed Distribution
Prior Year Ending Balance	\$ 934.0	\$ 1,062.3	\$ 2,361.5	\$ 2,354.7	\$ 2,354.7
Revenue	\$ 12,461.4	\$ 12,617.4	\$ 13,000.0	\$ 13,000.0	\$ 14,577.2
Less Reserve for Potential Undercollection	\$ (750.0)	\$ (750.0)	\$ (750.0)	\$ (1,000.0)	\$ (1,000.0)
Gross Available	\$ 12,645.4	\$ 12,929.7	\$ 14,611.5	\$ 14,354.7	\$ 15,931.9
DETS Revenue Collection	\$ (354.6)	\$ (355.3)	\$ (424.3)	\$ (426.9)	\$ (426.9)
& Grants Administration	\$ (85.0)	\$ (72.9)	\$ (94.0)	\$ (94.0)	\$ (94.0)
Available To Distribute	\$ 12,205.8	\$ 12,501.5	\$ 14,093.2	\$ 13,833.8	\$ 15,411.0
Total Distribution (Grants plus Management)	\$ 12,333.1	\$ 11,318.2	\$ 13,006.8	\$ 14,354.7	\$ 15,931.9

Entity	Current Percent	FY2018 Actual Expenditures	FY2019 Actual Expenditures	FY2020 Planned Distribution	FY2021 Gov Amend Distribution	CSHB235 (L&C) Proposed Percent	FY2021 CSHB235 (L&C) Proposed Distribution	Change from FY2020 to CSHB235 (L&C)	Change from Gov Amend to CSHB235 (L&C)
University of Alaska	45%	\$ 5,386.6	\$ 4,926.4	\$ 5,619.3	\$ 6,225.2	45.000%	\$ 6,935.0	\$ 1,315.7	\$ 709.8
Galena Interior Learning Academy	4%	\$ 478.8	\$ 437.9	\$ 499.5	\$ 553.4	3.860%	\$ 595.0	\$ 95.5	\$ 41.6
Alaska Technical Center	9%	\$ 1,001.6	\$ 927.8	\$ 1,123.8	\$ 1,245.0	8.685%	\$ 1,338.4	\$ 214.6	\$ 93.4
Southwest Alaska Vocational and Education Center	3%	\$ 359.1	\$ 328.4	\$ 374.6	\$ 415.0	2.895%	\$ 446.1	\$ 71.5	\$ 31.1
Yuut Elitnaurviat, Inc. People's Learning Center	9%	\$ 1,077.3	\$ 985.3	\$ 1,123.8	\$ 1,245.0	8.685%	\$ 1,338.4	\$ 214.6	\$ 93.4
Northwestern Alaska Career and Technical Center	3%	\$ 359.1	\$ 328.4	\$ 374.6	\$ 415.0	2.895%	\$ 446.1	\$ 71.5	\$ 31.1
Partners for Progress in Delta, Inc.	3%	\$ 359.1	\$ 328.4	\$ 374.6	\$ 415.0	2.895%	\$ 446.1	\$ 71.5	\$ 31.1
Amundsen Educational Center	2%	\$ 239.4	\$ 218.9	\$ 249.7	\$ 276.7	1.930%	\$ 297.4	\$ 47.7	\$ 20.7
Ilisagvik College	5%	\$ 598.5	\$ 547.4	\$ 624.4	\$ 691.7	4.825%	\$ 743.6	\$ 119.2	\$ 51.9
Alaska Vocational Technical Center	17%	\$ 2,034.0	\$ 1,861.1	\$ 2,124.2	\$ 2,351.7	16.405%	\$ 2,528.2	\$ 404.0	\$ 176.4
Kodiak Seafood and Marine Science Center (new FY21)		\$ -	\$ -	\$ -	\$ -	1.925%	\$ 296.7	\$ 296.7	\$ 296.7
Total	100%	\$ 11,893.5	\$ 10,890.0	\$ 12,488.5	\$ 13,833.8	100.000%	\$ 15,411.0	\$ 2,922.5	\$ 1,577.2

Notes:

- 1) TVEP funds are distributed to institutions based on the allocation outlined in AS 23.15.835(d)
- 2) Revenue is based on Research and Analysis' February 5, 2020 projections for FY2020, rounded down to the nearest million, and held steady for FY2021.
- 3) Increased revenue for CSHB235(L&C) is based on fiscal year 2019 revenues to the TVEP program.