

Fiscal Note

State of Alaska
2020 Legislative Session

| | |
|---------------------|---------------|
| Bill Version: | CSHB 235(L&C) |
| Fiscal Note Number: | 5 |
| (H) Publish Date: | 3/13/2020 |

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

Department: Department of Labor and Workforce Development
 Appropriation: Employment and Training Services
 Allocation: Unemployment Insurance
 OMB Component Number: 2276

Expenditures/Revenues

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

| | FY2021 Appropriation Requested | Included in Governor's FY2021 Request | Out-Year Cost Estimates | | | | | |
|-------------------------------|--------------------------------------|--|-------------------------|--------------|--------------|--------------|--------------|------------|
| | | | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
| OPERATING EXPENDITURES | | | | | | | | |
| Personal Services | | 344.5 | 344.5 | 344.5 | 344.5 | 344.5 | 344.5 | |
| Travel | | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | |
| Services | | 79.8 | 79.8 | 79.8 | 79.8 | 79.8 | 79.8 | |
| Commodities | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | |
| Capital Outlay | | | | | | | | |
| Grants & Benefits | | | | | | | | |
| Miscellaneous | | | | | | | | |
| Total Operating | 0.0 | 426.9 | 426.9 | 426.9 | 426.9 | 426.9 | 426.9 | 0.0 |

Fund Source (Operating Only)

| | | | | | | | | |
|----------------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| 1151 VoTech Ed (DGF) | | 426.9 | 426.9 | 426.9 | 426.9 | 426.9 | 426.9 | |
| Total | 0.0 | 426.9 | 426.9 | 426.9 | 426.9 | 426.9 | 426.9 | 0.0 |

Positions

| | | | | | | | | |
|-----------|--|--|--|--|--|--|--|--|
| Full-time | | | | | | | | |
| Part-time | | | | | | | | |
| Temporary | | | | | | | | |

Change in Revenues

| | | | | | | | | |
|----------------------|----------------|------------|----------------|----------------|----------------|----------------|----------------|------------|
| 1151 VoTech Ed (DGF) | 1,577.2 | | 1,577.2 | 1,577.2 | 1,577.2 | 1,577.2 | 1,577.2 | |
| Total | 1,577.2 | 0.0 | 1,577.2 | 1,577.2 | 1,577.2 | 1,577.2 | 1,577.2 | 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 financial information and analysis.

| | |
|---|---------------------------|
| Prepared By: Patsy Westcott, Director | Phone: (907)465-5543 |
| Division: Employment and Training Services | Date: 03/11/2020 06:04 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 bill 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) to June 30, 2025. Funding authorization for this distribution was included in the FY2021 Governor Amended request.

This legislation does not change the budgeted authorization needed for the Unemployment Insurance component. As a result of this legislation \$1.577.2 in additional revenue will be received in fund code 1151 Technical Vocational Education Program Receipts, which will be distributed to recipients listed in AS 23.15.835(d). The increased revenue estimate is based on 0.02% of fiscal year 2019 revenues to the TVEP program.

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.