

HOUSE FINANCE COMMITTEE
April 14, 2021
9:04 a.m.

9:04:17 AM

CALL TO ORDER

Co-Chair Merrick called the House Finance Committee meeting to order at 9:04 a.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Kelly Merrick, Co-Chair
Representative Dan Ortiz, Vice-Chair
Representative Ben Carpenter
Representative Bryce Edgmon
Representative DeLena Johnson
Representative Andy Josephson
Representative Bart LeBon
Representative Sara Rasmussen
Representative Steve Thompson
Representative Adam Wool

MEMBERS ABSENT

None

ALSO PRESENT

Ashley Carrick, Staff, Representative Adam Wool.

PRESENT VIA TELECONFERENCE

Teri Cothren, Associate Vice President of Workforce Development, University of Alaska.

SUMMARY

HB 100 EXTEND WORKFORCE INVEST BOARD ALLOCATIONS

HB 100 was HEARD and HELD in committee for further consideration.

Co-Chair Merrick reviewed the agenda for the day.

#hb100

HOUSE BILL NO. 100

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

9:04:52 AM

REPRESENTATIVE ADAM WOOL, SPONSOR, thanked the committee for hearing HB 100. The bill was a re-authorization of the Technical Vocational Education Program (TVEP). House Bill 100 would re-authorize TVEP for another 3 years to 2024. The program was established in 2000. He reported that .16 percent of Unemployment Insurance (UI) receipts were provided to the grant and distributed around the state to various technical vocational educational programs. The sum was usually around \$12 million. The Technical Vocational Education Program impacted thousands of students by offering industry-specific training opportunities that helped Alaskans get to work in industries such as fishing, mining, aviation, and healthcare. Some of the recipients included the University of Alaska, Alaska Vocational and Technical Center (AVTEC), the Alaska Technical College in Kotzebue, and Ilisagvik College in Utqiagvik. There were others on the list which remained unchanged since 2014. He indicated his staff would walk through the bill.

9:06:21 AM

ASHLEY CARRICK, STAFF, REPRESENTATIVE ADAM WOOL, relayed that some of the information might be familiar to members since the legislature did a re-authorization in 2020. She introduced the PowerPoint presentation: "Technical Vocational Education Program Re-authorization." She began with a brief history of the Technical Vocational Education Program (TVEP) Program on slide 2. She indicated that the program was established under Alaska Statute 23.15.830. It was created in 2000 to provide non-competitive grant assistance to vocational and educational training facilities in Alaska. In 2014 the legislature increased the amount of funds diverted to TVEP from .15 percent contribution from UI receipts to .16 percent. The bill sought to re-authorize TVEP for another 3 years until FY 24.

Ms. Carrick continued to slide 3 and conveyed that the types of training that TVEP recipients offered branched out through many different industries in Alaska including some of the state's most high need industries including fisheries, construction, mining, aviation, healthcare, transportation, and other types of vocational and technical training.

Ms. Carrick turned to the flow chart on slide 4 that showed how the TVEP funding was distributed. The important take-away from the chart was the .16 percent contribution from the UI fund. The funding came out of the employee's portion of unemployment in their paycheck and distributed via statutory allocations to the various TVEP recipients.

Ms. Carrick reviewed a brief timeline of what entities received TVEP over the years on slide 5. Red indicated new recipients in various year. She detailed that when the program was established in 2000 the University of Alaska received 52 percent of the TVEP funds. The Kotzebue Training Center and AVTEC were also recipients. In 2001, a new recipient was added, the Galena Project Education Training Center which eventually became the Galena Interior Learning Academy (GILA). In 2004 two new recipients were added including Southwest Alaska Vocational Education Center (SAVEC) and Yuut Elitnaurviat, Inc., People's Learning Center.

Ms. Carrick continued reviewing the list of TVEP recipients over time on slide 6. In 2008, when the program was re-authorized, four new recipients were added bringing the number of recipients to 10. The additional recipients included Partners For Progress in Delta, Amundsen Educational Center in Kenai, Northwest Alaska Career and Technical Center, and the University of Alaska Southeast which received a separate allocation under a community college structure.

[9:09:24 AM](#)

Ms. Carrick moved to slide 7. She reported that finally, in 2014, 2017, and in 2020 the program was re-authorized with the following recipients. She indicated that the left-hand side of the slide showed the location of the recipients. The University of Alaska received 45 percent of TVEP allocations and was distributed statewide. There were materials in members' bill packets describing how the

University of Alaska used the funds. She noted that a representative from the university was online and available for questions. Additionally, the recipients stayed the same when the program was re-authorized in 2014. However, the University of Alaska Southeast was removed, and Ilisagvik College in Utqiagvik was added for a 5 percent contribution. She also noted that the University of Alaska distributed statewide, and the rest of the recipients were located across Alaska's various regions.

Ms. Carrick moved to slide 8 that showed the current TVEP distributions. She pointed to the far-right column which showed the proposed distribution updated on March 11, 2021. It had since been updated further. The current projected distribution for FY 21 might be higher than \$11.5 million due to more people returning to work post Covid additionally contributing to UI. She was happy to take questions.

Representative Josephson asked if the State Training and Employment Program (STEP) was re-authorized separately. Representative Wool indicated that STEP was a separate program that was also paid with UI receipts. He believed the total withdraw from UI was split between TVEP and STEP. He invited his staff to make additional comments. Ms. Carrick reported that STEP took a .10 percent contribution. The total UI contribution between STEP and TVEP was .26 percent.

Representative Josephson clarified that traditionally, the list was embedded in statute rather than the department accepting applications from grantees through regulations. Representative Wool indicated Representative Josephson was correct. The recipient list had changed. However, recipients did not apply for grants each year with the exception of the recipients of funding received by the University of Alaska. The university distributed within its system based on applications.

Representative Edgmon spoke in strong support of the bill. He referred to slide 7 and pointed out that SAVEC was located in King Salmon rather than Dillingham.

[9:13:47 AM](#)

Representative LeBon asked how the allocations were decided. Representative Wool indicated that the recipients

were determined including the addition or deletion of recipients at the policy level. Representative LeBon clarified that the allocation was determined by the legislature. Representative Wool confirmed that the legislature had the power to add or subtract recipients.

Representative LeBon noted that the University of Alaska went from an allocation of 63 percent to 45 percent. He wondered if there had been push back from the university. He had not. Representative Wool thought the university was satisfied with 45 percent but would not want to see it drop any further. He suggested that it was possible that legislators from other districts had influenced the distribution at other times.

Representative LeBon asked if Representative Wool was suggesting any change in the formula. Representative Wool confirmed that he was not suggesting any change or alteration in the distribution. He simply wanted to re-authorize the bill in the current year.

[9:16:02 AM](#)

Vice-Chair Ortiz clarified that the University of Alaska decided where its portion was distributed. He asked if he was correct. Representative Wool responded that the representative was correct. Ms. Cothren from the University of Alaska had done a presentation in the House Labor and Commerce Committee which provided details about the university's portion. He had given an abridged presentation in the current committee.

Vice-Chair Ortiz referred to slide 3 of the current presentation that showed the types of training provided. He asked if there was a breakdown of the funding spent for each type of training. Representative Wool thought some analysis had been done. He did not believe a specific formula was used. He noted that the university might distribute things differently as well. He thought his staff had additional information.

Ms. Carrick relayed that the TVEP Annual Report, included in members' packets, broke down the types of training offered with each recipient. She did not think percentages of funding per types such as fisheries or mining were provided for the overall program. However, the information was available for the University of Alaska's portion. The

rest of the programs listed major accomplishments and the major trainings they offered. It was possible to approximately extrapolate how much money was going to various industries.

Vice-Chair Ortiz commented that certain programs might have attracted more attention in previous years and other programs might merit increased attention as things changed and Alaska's economy changed. He wondered whether there was flexibility and adaptability to meet changes of the times in terms of where the state's investments were directed.

Representative Wool thought Representative Ortiz had a great point. He brought up the example of information technology which played a different role in the current job market than it did in 2000. Renewable Energy was an example of a program playing a different role over time. He suggested that Ms. Cothren from the university might be able to comment. The university changed its distribution more frequently than the TVEP recipient list. The university had more flexibility in emphasizing certain programs.

[9:20:26 AM](#)

TERI COTHREN, ASSOCIATE VICE PRESIDENT OF WORKFORCE DEVELOPMENT, UNIVERSITY OF ALASKA (via teleconference), thanked Representative Wool and his staff for sponsoring and introducing HB 100. The University of Alaska managed its portion of TVEP as a single allocation. It had an internal competitive process with the goal that the university had flexibility in being able to be responsive to current and emerging workforce priorities. In the TVEP advocacy packet there was a breakdown of how the university was addressing those priorities. Health was one of the largest and fastest growing sectors. Fisheries, seafood, and maritime received 14 percent in FY 20. Resources and energy including oil, gas, and mining received 18 percent. Another portion went to information technology. During the current year's internal process, the university received an emerging industry request to develop a program that would help train technicians to address the needs for electric vehicles and to provide funding to support equipment for the program. The university tried to address upcoming career and education needs in the state.

Co-Chair Merrick thanked the bill sponsor. She indicated the committee would hear public testimony on the bill on Friday, April 16, 2021. Amendments were due in her office by the end of the day on Saturday, April 17, 2021.

Co-Chair Merrick reviewed the agenda for the afternoon meeting.

HB 100 was HEARD and HELD in committee for further consideration.

ADJOURNMENT

[9:22:53 AM](#)

The meeting was adjourned at 9:22 a.m.