

Introduced: 2/24/89
Referred: Community and Regional
Affairs, Labor and Commerce
and Finance

go00549s

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

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SENATE BILL NO. 191

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to employment contributions and to
the establishment of employment and training pro-
grams; and providing for an effective date."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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* Section 1. FINDINGS. The legislature finds that

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(1) an inadequate number of jobs exist in this state to meet the
needs of those seeking employment;

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(2) many Alaskans are having difficulty finding jobs, especially in
trying to meet the changing technology needs in this state;

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(3) employer and employee contributions paid into the unemployment
insurance system are used for payment of compensation to unemployed work-
ers, and that allocation of a small portion of employment contributions
paid by employees would provide money to develop a state training program
to meet the training needs of Alaskans;

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(4) a state employment training program would

(A) help prevent future claims against unemployment benefits;

(B) foster new jobs by encouraging businesses to locate in
Alaska due to availability of a skilled labor force and by minimizing
employers' unemployment costs; and

(C) increase training opportunities to those workers severely
affected by the fluctuations in the Alaskan economy or technological
changes in the workplace in the state;

(5) it would be beneficial to the state for employment training
programs funded by this Act to supplement, but not to displace, money

1 available to a training entity for public or private training, and not to
2 replace, parallel, compete with, or duplicate existing federally approved,
3 jointly administered apprenticeship and training programs.

4 * Sec. 2. AS 23 is amended by adding a new chapter to read:

5 CHAPTER 21. EMPLOYMENT ASSISTANCE AND TRAINING.

6 Sec. 23.21.010. EMPLOYMENT ASSISTANCE AND TRAINING PROGRAM.

7 There is created a two-year pilot project program, designed by the
8 state, to finance and award grants to employment assistance and train-
9 ing entities. Employment assistance and training entities shall
10 accord appropriate state agencies full access to accounting records
11 concerning grants received, to assure compliance with program stan-
12 dards.

13 Sec. 23.21.020. EMPLOYMENT ASSISTANCE AND TRAINING PROGRAM
14 ACCOUNT. The employment assistance and training program account is
15 established in the general fund. The commissioner of administration
16 shall separately account for money collected under AS 23.21.030 that
17 the department deposits in the general fund. The annual estimated
18 balance in the account may be appropriated by the legislature to the
19 department to implement this chapter. The legislature may appropriate
20 the lapsing balance of the account to the unemployment compensation
21 fund established in AS 23.20.130.

22 Sec. 23.21.030. SPECIAL EMPLOYEE UNEMPLOYMENT CREDIT AND CONTRI-
23 BUTIONS FOR PROGRAM. (a) In the manner provided in AS 23.20, the
24 department shall collect from an employee, who is contributing under
25 AS 23.20.290(d), one-tenth of one percent of the rate of contribution
26 payable by the employee under that subsection. Notwithstanding
27 AS 23.20.290(d), for the purposes of this chapter, beginning July 1,
28 1989 and continuing through June 30, 1991, for unemployment contri-
29 butions due for and collected during that period under AS 23.20, the

1 department shall credit an employee, who is contributing under
2 AS 23.20.290(d), with payment of one-tenth of one percent of the rate
3 of contribution payable by that employee under that subsection. The
4 department shall remit to the Department of Revenue, in accordance
5 with AS 37.10.050, money collected under this subsection.

6 (b) The department shall assess and collect, under AS 23.20.185
7 -- 23.20.275, interest and penalties for delinquent reports and pay-
8 ments due under this section. Interest and penalties collected shall
9 be handled in accordance with AS 23.20.130(d).

10 Sec. 23.21.040. PEOPLE TO BE SERVED. Within the limits of its
11 grant, an employment assistance and training entity receiving a grant
12 under AS 23.21.070 shall provide services set out in AS 23.21.050 to
13 Alaska residents who, immediately before beginning training or receiv-
14 ing benefits under a grant financed by this program,

15 (1) are unemployed, and

16 (A) receiving unemployment insurance benefits, or

17 (B) exhausted unemployment insurance benefits during

18 the past three years;

19 (2) are employed, but who might be displaced within the next
20 six months due to

21 (A) reductions in overall employment within a busi-

22 ness;

23 (B) elimination of the worker's current job; or

24 (C) a change in conditions of employment necessitating

25 a substantial revision in skills to remain employed; or

26 (3) have worked in covered employment during the last three
27 years, and are not currently eligible for unemployment insurance
28 benefits due to

29 (A) seasonal, temporary, part-time, or marginal

1 employment;

2 (B) lack of qualifying wages because of limited job
3 opportunity; or

4 (C) underemployment, but are in need of employment and
5 training assistance to obtain full-time employment.

6 Sec. 23.21.050. SERVICES FOR ELIGIBLE PEOPLE. Subject to the
7 limits of its grant, an entity receiving a grant under AS 23.21.070
8 shall provide one or more program elements, including

9 (1) industry-specific training;

10 (2) on-the-job training;

11 (3) institutional or classroom job-linked training;

12 (4) support services, including allowances;

13 (5) relocation assistance; or

14 (6) provisions of necessary tools, work-related clothing,
15 safety gear, or other necessities to obtain or retain employment.

16 Sec. 23.21.060. DUTIES OF THE DEPARTMENT. (a) The department
17 may award a grant to

18 (1) the State Job Training Coordinating Council to adminis-
19 ter an employment assistance and training program and to award pilot
20 project grants to qualified entities; or

21 (2) other qualified training entities to provide services
22 listed in AS 23.21.050.

23 (b) If a grant is awarded to the State Job Training Coordinating
24 Council, the department shall annually provide to the council a pri-
25 ority list of targeted projects or services, based on unemployment
26 statistics, unemployment insurance claims, occupational and industrial
27 projections, availability of other training and employment programs,
28 and other relevant data. In developing the priority list for targeted
29 projects and services, the department shall solicit comments from the

1 Department of Community and Regional Affairs, Department of Education,
2 Department of Commerce and Economic Development, University of Alaska,
3 organized labor, the council, and the administrative entities of the
4 substate service delivery areas established for the council.

5 (c) The department may adopt regulations necessary to implement
6 this chapter.

7 Sec. 23.21.070. DUTIES OF STATE JOB TRAINING COORDINATING COUN-
8 CIL. (a) In implementing this program under a grant received under
9 AS 23.21.060(a)(1), and subject to the limit of its grant, the State
10 Job Training Coordinating Council shall award a pilot project grant
11 for a period of up to two years, in accordance with the priority list
12 established by the department under AS 23.21.060(b), to an employment
13 assistance and training entity if the entity meets program require-
14 ments and can demonstrate that

15 (1) its accounting systems include controls adequate to
16 check the accuracy and reliability of accounting data, promote operat-
17 ing efficiency, and assure compliance with program requirements and
18 generally accepted accounting principles; and

19 (2) its activities do not replace or compete in any way
20 with a federally approved jointly administered apprenticeship program
21 or any other existing training programs.

22 (b) Subject to the limits of its grant, the council may not
23 award a pilot project grant if the grant would displace money avail-
24 able through existing public or private training programs.

25 (c) The Department of Community and Regional Affairs shall pro-
26 vide administrative support to the council to administer the program.
27 To provide administration of the program, the council may use the
28 administrative entities of the substate service delivery areas estab-
29 lished for the council.

1 (d) The council shall annually provide the department with
2 financial and performance reporting on the activities of the program
3 and recommendations concerning continuation of funding.

4 Sec. 23.21.080. DEFINITIONS. In this chapter,

5 (1) "council" means the State Job Training Coordinating Council
6 established in the Department of Community and Regional Affairs under
7 29 U.S.C. 1532 and Administrative Order Number 74 of the governor;

8 (2) "department" means the Department of Labor;

9 (3) "program" means the employment assistance and training
10 program established under this chapter; and

11 (4) "substate service delivery areas" means those areas desig-
12 nated by the governor under 29 U.S.C. 1532.

13 Sec. 23.21.090. SHORT TITLE. This chapter may be cited as the
14 Alaska Employment Assistance and Training Program Act.

15 * Sec. 3. AS 23.21.010, 23.21.020, 23.21.030, 23.21.040, 23.21.050,
16 23.21.060, 23.21.070, 23.21.080, and 23.21.090 are repealed.

17 * Sec. 4. Sections 1 and 2 of this Act take effect July 1, 1989.

18 * Sec. 5. Section 3 of this Act takes effect July 1, 1991.