

**SB**

**57**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred: April 13, 1993

FURTHER REFERRALS:

Date of Committee Action: 4/23/93

The FINANCE Committee considered:

SB 57

SENATE BILL NO. 57

EXTEND S.T.E.P. PROGRAM TO 1996

"An Act relating to employment contributions and to extending the pilot project for the state training and employment program; and providing for an effective date."

RECOMMENDATIONS:  the same title  
 be replaced with \_\_\_\_\_  a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): \_\_\_\_\_ (Dept)

APPROVES PREVIOUS: \_\_\_\_\_ (Dept/Date)

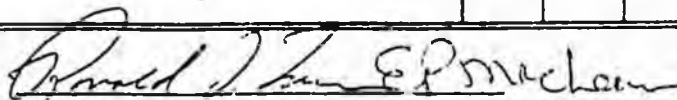
fiscal impact \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

zero fiscal note \_\_\_\_\_

zero fiscal note(s) SEC 4/8/93

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>EP Maclean</i> Maclean	✓				
<i>Ronald J. Larson</i> Larson	X				
<i>Mark Hanley</i> Hanley	X				
<i>Lease Martin</i> Martin	✓				
<i>Leah Parrell</i> Parrell	X				
<i>Jan Somers</i> GRISSNACHT	X				
<i>Tom Hoffman</i> Hoffman	✓				
<i>Mike Swann</i> NAVARRA	✓				
<i>Fay Fox</i> BROWN	✓				
<i>Carol Thomas</i> THIRRY	X				
<i>Richard Sale</i> FLYNN	X				

  
 RONALD J. LARSON  
 CHAIRMAN'S SIGNATURE  
Larson
Maclean

F I S C A L N O T

REQUEST:

Revision Date: \_\_\_\_\_ Affected Agency: DOLabor  
 Title: Extend STEP BRU: Employ. Security  
Prog. to 1996 Training Employ. Program  
 Sponsor: Rules/Governor Components: 1184  
 Requestor: Senate Finance

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
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REVENUE						
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FUNDING: (THOUSANDS OF DOLLARS)

General Fund						
Federal Fund						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

Full-Time						
Part-Time						
Temporary						

Estimate of FY 93 impact: 0.0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Funding for extension of the STEP program is included within the FY 94 operating budget.

Prepared By: *Drue Pearce* Date: 4/8/93  
 Senator Drue Pearce, Co-chair Phone: 465-4993  
 Senate Finance Committee

Prepared By: *Steve Frank* Date: 4/8/93  
 Senator Steve Frank, Co-chair Phone: 465-3709  
 Senate Finance Committee

F I S C A L N O T E

REQUEST:

Revision Date: \_\_\_\_\_ Affected Agency: DC&RA  
 Title: Extend STEP BRU: Employ Train.  
Prog. to 1996 Rural Develop. Service  
 Sponsor: Rules/Governor Components: 1178  
 Requestor: Senate Finance

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
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REVENUE						
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FUNDING: (THOUSANDS OF DOLLARS)

General Fund						
Federal Fund						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

Full-Time						
Part-Time						
Temporary						

Estimate of FY 93 impact: 0.0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Funding for extension of the STEP program is included within the FY 94 operating budget.

Prepared By: Tracy Pearce Date: 4/8/93  
 Senator Tracy Pearce, Co-chair Phone: 465-4993  
 Senate Finance Committee

Prepared By: Steve Frank Date: 4/8/93  
 Senator Steve Frank, Co-chair Phone: 465-3709  
 Senate Finance Committee

F I S C A L N O T E

REQUEST:

Revision Date: \_\_\_\_\_ Affected Agency: DC&RA  
 Title: Extend STEP BRU: Employ Train.  
Prog. to 1996 Rural Develop. Training  
 Sponsor: Rules/Governor Components: 1012  
 Requestor: Senate Finance

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (THOUSANDS OF DOLLARS)

General Fund						
Federal Fund						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

Full-Time						
Part-Time						
Temporary						

Estimate of FY 93 impact: 0.0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Funding for extension of the STEP program is included within the  
FY 94 operating budget.

Prepared By: Steve Pearce Date: 4/8/93  
 Senator Steve Pearce, Co-chair Phone: 465-4993  
 Senate Finance Committee

Prepared By: Steve Frank Date: 4/8/93  
 Senator Steve Frank, Co-chair Phone: 465-3709  
 Senate Finance Committee

Back-up

FISCAL NOTE

Bill Version: SB 57

(S) Publish Date: 1/22/93

Revision Date: \_\_\_\_\_ Dept. Affected: Community & Regional Affairs  
 Title: 'An Act relating to employment  
contributions and to extending the...project...' BRU: Employ/Train/Rural Development  
 Sponsor: \_\_\_\_\_ Component: Statewide Service Delivery  
 Recuslor: \_\_\_\_\_ COMPONENT SERIAL NO. 1178

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	78.0	79.5	81.0			
TRAVEL	7.2	7.2	7.2			
CONTRACTUAL	10.0	12.8	15.9			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	1218.6	1276.4	1335.6			
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>1313.8</b>	<b>1375.9</b>	<b>1439.7</b>			
CAPITAL						
REVENUE FUND SOURCE:	1007	1007	1007			

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1005 GF/MHTIA						
Other 1007 Interagency	1313.8	1375.9	1439.7			
<b>TOTAL</b>	<b>1313.8</b>	<b>1375.9</b>	<b>1439.7</b>			

POSITIONS:

FULL-TIME	1	1	1			
PART-TIME						
TEMPORARY						

Estimate of current (FY93) Impact \$ 0

ANALYSIS: (Attach a separate page if necessary)  
 The State Training and Employment Program (STEP) ends as of June 30, 1993. However, the above line item amounts and permanent full-time positions are contained in the department's operating budget request for FY 94 pending sunset review results. The position is a Grants Administrator II, Range 17.  
 SEE ATTACHMENT

Prepared by: Remond Henderson Phone: 465-4708  
 Division: Division of Administrative Services Date: 12/14/92  
 Approved by Commissioner: [Signature] Deputy Commissioner Date: 12/14/92  
 Agency: Department of Community & Regional Affairs

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Fiscal Note Analysis  
for

"An Act relating to employment contributions... and extending the pilot project..."  
for the State Training and Employment Program (STEP).

Program Effects

The bill authorizes a three year extension of a project for state funded training and employment programs. This additional time period will permit continuation of training and employment services to eligible participants throughout the state.

Comments

The Department of Community and Regional Affairs (DCRA) supports this bill. Through a unique agreement with the Alaska Department of Labor this department has offered the training opportunities to Alaskans utilizing the Service Delivery Areas set up under the federal Job Training Partnership Act (JTFA). The program is operated in all parts of the state and has proven to be an effective service delivery strategy.

Funds transferred under this agreement are to be considered a grant to the Alaska Job Training Partnership Office acting as the administrative agency for AJTC. Funds transferred under this agreement are granted to allow the AJTC to provide employment assistance and/or training grants in order to reduce future claims against unemployment benefits, foster new jobs by encouraging business to locate in the state due to the availability of a skilled labor force, and increase training opportunities for workers affected by economic fluctuation of technological change.

FISCAL NOTE

Bill Number: \_\_\_\_\_  
(S) Publish Date: 1/22/93

Revision Date: \_\_\_\_\_ Dept. Affected: Community & Regional Affairs  
Title: \*An Act relating to employment BRU: Employ/Train/Rural Development  
contributions and to extending the ...project... Component: State Employment & Training  
Sponsor: \_\_\_\_\_  
Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 1012

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	75.8	75.5	81.2			
TRAVEL	5.0	5.0	5.0			
CONTRACTUAL	20.8	22.9	25.1			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	1970.6	2063.8	2159.4			
MISCELLANEOUS						
TOTAL OPERATING	2072.2	2170.2	2270.7			

CAPITAL						
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REVENUE FUND SOURCE:	1007	1007	1007			
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1007 Interagency	2072.2	2170.2	2270.7			
TOTAL	2072.2	2170.2	2270.7			

POSITIONS:

FULL-TIME	1	1	1			
PART-TIME						
TEMPORARY						

Estimate of current (FY93) Impact \$ 0

ANALYSIS: (Attach a separate page if necessary)

The State Training and Employment program (STEP) ends as of June 30, 1993. However, the above line item amounts and permanent full-time position are contained in the department's operating budget request pending sunset review results. The position is a Grants Administrator III, Range 19.

Prepared by: Remond Henderson Phone: 465-4708  
Division: Division of Administrative Services Date: 12/14/92

Approved by Commissioner: [Signature] Deputy Commissioner Date: 12/17/92

Agency: Department of Community & Regional Affairs

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for

"An Act relating to employment contributions... and extending the pilot project..."  
for the State Training and Employment Program (STEP).

Program Effects

The bill authorizes a three year extension of a project for state funded training and employment programs. This additional time period will permit continuation of training and employment services to eligible participants throughout the state.

Comments

The Department of Community and Regional Affairs (DCRA) supports this bill. Through a unique agreement with the Alaska Department of Labor this department has offered the training opportunities to Alaskans utilizing the Service Delivery Areas set up under the federal Job Training Partnership Act (JTFA). The program is operated in all parts of the state and has proven to be an effective service delivery strategy.

Funds transferred under this agreement are to be considered a grant to the Alaska Job Training Partnership Office acting as the administrative agency for AJTC. Funds transferred under this agreement are granted to allow the AJTC to provide employment assistance and/or training grants in order to reduce future claims against unemployment benefits, foster new jobs by encouraging business to locate in the state due to the availability of a skilled labor force, and increase training opportunities for workers affected by economic fluctuation of technological change.

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO : \_\_\_\_\_

Revision Date: \_\_\_\_\_  
 Title: "An Act relating to employment contributions and to extending the ... project.."  
 Sponsor: \_\_\_\_\_  
 Requestor: \_\_\_\_\_

Department Affected: Labor  
 BRU: Employment Security  
 Component: State Training & Employment Program  
 COMPONENT SERIAL NO. 1184

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	22.6	22.6	22.6			
TRAVEL						
CONTRACTUAL	3,625.9	3,786.0	3,950.3			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>3,648.5</b>	<b>3,808.6</b>	<b>3,972.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
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REVENUE FUND SOURCE:	STEP # 1054	STEP # 1054	STEP # 1054			
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**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
1054 St Trng & Emol Prog	3,648.5	3,808.6	3,972.9			
<b>TOTAL</b>	<b>3,648.5</b>	<b>3,808.6</b>	<b>3,972.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: \$ \_\_\_\_\_ 0.0

ANALYSIS: (Attach a separate page if necessary)

(See attached for analysis)

Prepared by: Judy G. Knight, Director Phone: 465-2712  
 Division: Employment Security Division Date: 11/13/92  
 Approved by Commissioner: C. W. Mahlen  
 Agency: Department of Labor Date: 11/13/92

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Fiscal Note Analysis  
for

"An Act relating to employment contributions...and extending the pilot project..."

This bill extends the state training and employment program for an additional three years. The program is funded by a contribution of one-tenth of one percent of covered worker wages collected by the Department of Labor. This is done at no cost to the worker by giving a credit of this amount from the employee contribution currently provided for in AS 23.20.290. The revenue is deposited in the State Employment and Training Program fund.

Revenue calculations are as follows:

	<u>FY 94</u>	<u>FY 95</u>	<u>FY 96</u>
Estimated taxable wages	\$3,840,500.00	\$4,009,100.00	\$4,182,000.0
Multiply by one-tenth of 1% to arrive at estimated revenues	3,840.5	4,009.1	4,182.0
Adjust for 95% collection rate	<u>(192.0)</u>	<u>(200.5)</u>	<u>(209.1)</u>
<u>Estimated total revenues available</u>	\$3,648.5	\$3,808.6	\$3,972.9

Of the money collected annually, the Department of Labor will retain \$22.6 for collection and accounting efforts and \$239.9 for maintaining the department's Occupational Data Base and for program review and evaluation. The annual evaluation report will include the resident hire information required by AS 36.10.130. The balance (\$3,386.0 in FY 94) will be transferred to the Department of Community & Regional Affairs for employment assistance and training grants.

These expenditures and revenues are included in the FY 94 proposed operating budget for the Department of Labor.

Assumptions:

1. Program would continue for three additional years (FY 94 - FY 96).

# STATE OF ALASKA

## DEPARTMENT OF LABOR

### OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 21149  
JUNEAU, ALASKA 99802-1149  
PHONE: (907) 465-2700

FAX: (907) 465-2784

April 15, 1993

The Honorable Ron Larson  
Co-Chair, House Finance Committee  
Alaska State Legislature  
State Capitol, Room 502  
Juneau, AK 99801-1182


Dear Representative Larson:

Senate Bill No. 57, extending the State Training and Employment Program to 1996, passed the Senate 18-0 and was transmitted to the House on April 12, 1993. The House Labor & Commerce Committee referral was waived and it has been scheduled for a hearing in the House Finance Committee on April 23, 1993.

A sectional analysis, fiscal notes and position papers from the Department of Labor and the Department of Community & Regional Affairs, a copy of the enabling legislation, a brief overview and selected program statistics are enclosed for your information. The packet of information has also been provided to each committee member. If you would like additional information concerning this legislation, please do not hesitate to contact my Special Assistant, Arbe Williams.

Thank you for scheduling Senate Bill No. 57 for a hearing before the House Finance Committee.

Sincerely,

  
Charles W. Mahlen  
Commissioner

Enclosures

# DEPARTMENT OF LABOR

## *SECTIONAL ANALYSIS*

### SENATE BILL NO. 57

"An Act relating to employment contributions and to extending the pilot project for the state training and employment program; and providing for an effective date."

#### Section 1.

Extends for three years, through June 30, 1996, the dates for the collection of revenues for the State Training and Employment Program and the dates that wages for employment are subject to STEP contributions.

#### Section 2.

Modifies the repealer in Chapter 95, SLA 1989, as amended by Chapter 17, SLA 1991, to July 1, 1996 to reflect the three year extension of the State Training and Employment Program.

#### Section 3.

Provides for an effective date of June 30, 1993.

**BILL NO:** SENATE BILL NO. 57

**DATE:** February 4, 1993

**TITLE:** Extending STEP until 1996

**CONTACT:** Arbe Williams  
465-2700

The State Training and Employment Program (STEP) was enacted in 1989 as a two year pilot project and was extended for two years in 1991. The project is scheduled to end June 30, 1993. Senate Bill No. 57 proposes to extend STEP for three years an expiration date of June 30, 1996.

Preliminary results are that this pilot project, administered jointly by the Departments of Labor and Community & Regional Affairs, in cooperation with the Alaska Job Training Council, provides much needed job training to unemployed workers. This project also assists Alaskans who need to upgrade their job skills in order to maintain their employability. STEP has broad based support from both industry and labor.

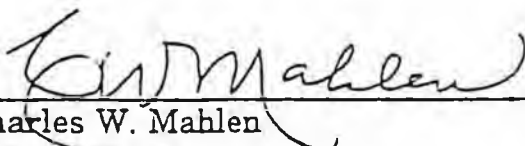
Preliminary results are encouraging. However, project evaluation is in the initial stages. A three year extension of the project would allow the department to continue to evaluate the effectiveness of the project; to continue to collect and analyze statistical and program information to ensure that the removal of STEP funds from the UI Trust Fund does not adversely affect employer tax rates; and to ensure that the project serves the people as listed in the enabling legislation and adheres to the statutory language that STEP "...would

(A) help prevent future claims against unemployment benefits;

(B) foster new jobs by encouraging businesses to locate in the state 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 state economy or technological changes in the workplace in the state."

The Department strongly supports the extension of the State Training and Employment Program.

  
\_\_\_\_\_  
Charles W. Mahlen  
Commissioner

Date: 2/4/93

**POSITION PAPER/Department of Labor**

STATE OF ALASKA  
DEPARTMENT OF COMMUNITY  
& REGIONAL AFFAIRS

POSITION PAPER

Bill No.: SB 57 by Request of the Governor

Title: An Act relating to the employment contributions and to extending the pilot project for the state training and employment program; and providing for an effective date.

SB 57 provides for a three (3) year extension of the State Training and Employment Program (STEP) originally enacted under Chapter 95 SLA 1989. This program is designed to determine the benefits of a state funded training program directed toward unemployed or marginally underemployed persons in Alaska.

At least four (4) other states use the unemployment insurance trust for training purposes such as this. At least half of all states provide similar training through general fund appropriations. The anticipated effects of the program are a reduction in future claims against unemployment insurance; promotion of the new job growth in higher skill occupations; and improvement in local hire through workforce competitiveness improvements.

The bills fiscal note seeks an appropriation of \$3,386 million from the unemployment insurance trust fund, the same source as in the initial years of this program. This funding amount is projected to provide training for approximately 2,300 participants in job training and employment assistance.

DCRA FISCAL NOTE: \$3,386.0 (attached)

DCRA POSITION: Strong Support.

Edgar Blatchford  
Commissioner

1-26-93  
Date

## ALASKA'S STATE TRAINING AND EMPLOYMENT PROGRAM (STEP) A BRIEF OVERVIEW

Purpose: The Alaska State Training and Employment Program was established to:

- Help prevent future claims against unemployment benefits.
- Foster new jobs by encouraging businesses to locate in the state due to the availability of a skilled labor force and by minimizing employers' unemployment costs, and
- Increase training opportunities to those workers severely affected by the fluctuations in the state economy or technological changes in the workplace.

History:

- STEP was established in 1989 as a two-year pilot project under Chapter 95, SLA 1989.
- The program was extended in 1991 as a two-year pilot under Chapter 17, SLA 1991.
- As of November 22, 1992 more than 2,400 participants have completed STEP training.
- STEP will be repealed as of July 1, 1993, unless it is reauthorized as a pilot program.

Program Operation:

- **FUNDING:** The program is funded through employee contributions to Unemployment Insurance (UI). One-tenth of one percent of each worker's wages subject to regular UI contributions is collected by the Alaska Department of Labor (DOL) and put into a special "Employment Assistance and Training Program Account." The money is then appropriated by the state legislature to fund STEP.
- **WHO NEEDS TRAINING:** DOL establishes eligibility priorities as identified in Chapter 95, SLA 1989 and targets projects and services based upon labor market information and input from the Alaska departments of Community and Regional Affairs, Education, and Commerce and Economic Development as well as the University of Alaska, organized labor, Alaska Native organizations, the Alaska Job Training Council (AJTC), and the private industry councils.
- **HOW THE FUNDS ARE ALLOCATED:** DOL may award a grant to the AJTC to implement the program. The AJTC, through the Job Training Partnership Office, allocates funds to the three service delivery areas (SDAs) using a formula that reflects target population characteristics. Each SDA contracts with training organizations in the communities it serves to deliver such services as classroom training, on-the-job training, and so on and/or keeps funds to provide services directly to clients.

- **HOW FUNDS ARE MATCHED WITH THOSE WHO NEED TRAINING:**

Contractors actively recruit clients for their projects; and the SDA's market their programs through mailings, a referral network with partner social service agencies, and presentations to other organizations. Participants must meet one of eight employment-related criteria specified in the legislation (such as unemployed and receiving UI benefits, unemployed and exhausted the right to UI benefits within the past three years.). SDA's also directly provide training and services to clients in their respective areas.

Alaska State Training and Employment Program  
Selected Program Statistics:  
July 1989 to November 1992

- Two thirds of the program participants were between the ages of 30 and 54. Twenty eight percent were female.
- Sixty nine percent of program participants were eligible for the program because they were receiving or had exhausted their unemployment insurance benefits.
- Nineteen percent of STEP program completers entered a new job that had never before been filled.
- The Employment Assistance Demonstration Project, conducted by the Alaska Department of Labor, was designed to provide intensive employment assistance workshops to unemployment insurance recipients. The program showed an overall placement rate of 29.6%.
- For successful STEP participants, the average wage for the four quarters after STEP training increased by 8% compared to the four quarter average wage before training. The average wage of all Alaska workers was virtually stagnant during this same time period.
- The average number of claims by quarter for the year following completion of the STEP program was 24% less than the number of claims submitted in the quarter immediately before STEP training.
- The average number of weeks claimed by STEP participants after program completion was 17.9 compared to 16.3 weeks for the total claimant population.
- For those currently working and for which occupational data is available, approximately 64 percent are working in occupations related to their training.

## STEP Program Statistics From Start of Program Through November 22, 1992

Demographic Characteristics		STEP Program Eligibility	
Male	1,751	Are receiving unemployment insurance benefits	1,352
Female	680	Have exhausted the right to unemployment insurance benefits	321
White	1,734	Employed but liable to be displaced within next six months because:	
Black	108	Reduction in overall employment within a business	104
Hispanic	81	Elimination of a workers current job	56
AK Native/American Indian	448	Change in conditions of employment that require learning substantially different skills	291
Asian or Pacific Islander	60	Have worked in a position covered by AS 23.20 during the last 3 years, but not now eligible for unemployment insurance benefits because:	
Age 16-21	161	Employment has been seasonal, temporary, part-time or marginal	193
Age 22-29	472	Qualifying wages are insufficient because of limited job opportunity	66
Age 30-54	1,626	They are underemployed and need employment assistance and training to obtain full employment	48
Age 55+	172	Source: Job Training Partnership Office	

Program Services Provided	
Industry specific training	722
OJT	54
Institutional or classroom job-linked training	1,406
Supportive services including allowances	505
Relocation assistance	0
Provision of necessary tools, clothing, safety equipment	24
Employment assistance	152
Note: Multiple services provided to program participants. Source: Job Training Partnership Office.	

Outcomes of STEP Participants	
Entered new job (job never filled before)	416
Entered job which had been vacated	197
Received training to protect against fluctuations in the economy and to prepare for technological changes in the workplace	1,340
Reduction of current and/or future claims against unemployment insurance (improved skill level to make participants more employable)	250
Nonpositive outcomes	181
Source: Job Training Partnership Office	

Alaska State wide Training and Employment Program  
Training Activity by Selected Eligibility Criterion\*

Training Activity	Eligibility Criterion						
	SFY 90						
	Skills not in demand	Limited area employment	Physical/Mental disabilities	Older Worker	Member Welfare home	UI claims for 13+ wks.	Face long term unemployment
Industry specific							
On the job training							
Classroom training	51	79	2	7	11	36	66
Support Services	7	9		4	1	7	5
Relocation Assistance							
Tools, Clothing, etc.							
Career counseling							
Upgrading skills							

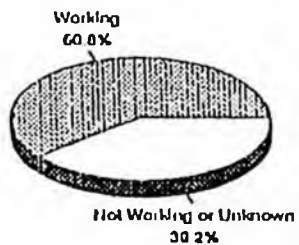
Training Activity	Eligibility Criterion						
	SFY 91						
	Skills not in demand	Limited area employment	Physical/Mental disabilities	Older Worker	Member Welfare home	UI claims for 13+ wks.	Face long term unemployment
Industry specific	45	64	1	8	7	22	57
On the job training	14	10	2	6	1	3	15
Classroom training	599	584	35	153	56	213	487
Support Services	126	113	14	42	7	56	133
Relocation Assistance							
Tools, Clothing, etc.	3	4		1			3
Career counseling	29	26	1	4	4	9	23
Upgrading skills	1						1

\*Criterion may vary by program year. Data represents 1482 clients who received services in the first 2 years of program operation.

A participant may use more than one training activity

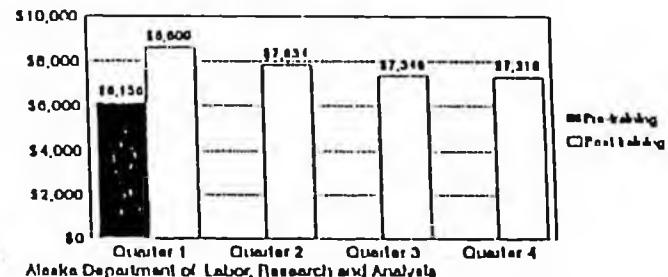
Sources: Alaska Department of Labor, Research and Analysis

**Work Status in 2nd Quarter 1992 of STEP Participants  
Completing Program in SFY 00-91**



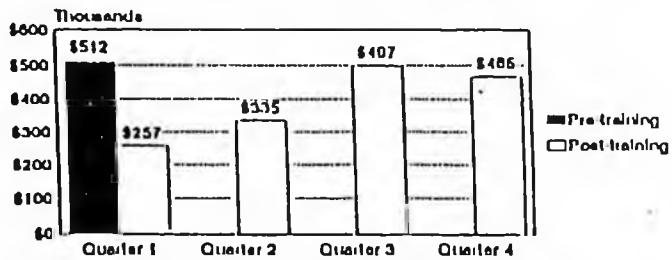
Source: Alaska Department of Labor, Research and Analysis

**Average Quarterly Earnings  
For STEP Participants SFY 90-91**



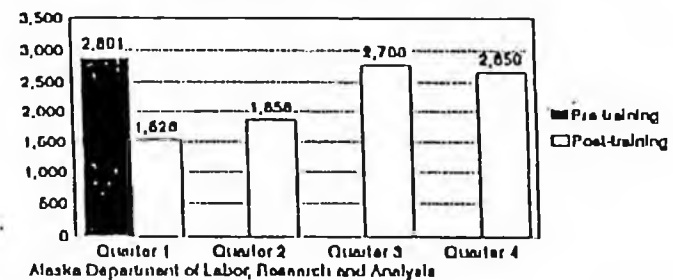
Alaska Department of Labor, Research and Analysis

**Total Regular Alaska Unemployment Insurance Payments  
For STEP Participants SFY 00-91**



Source: Alaska Department of Labor, Research and Analysis

**Total Regular Alaska Unemployment Insurance Benefit Weeks  
For STEP Participants SFY 00-91**



Alaska Department of Labor, Research and Analysis

## Chapter 17

## AN ACT

1 Relating to employment contributions and to extending the pilot project for state training  
2 and employment programs; and providing for an effective date.

3  
4  
5  
6 \* Section 1. Section 2, ch. 95, SLA 1989, is amended to read:

7       Sec. 2. STATE TRAINING AND EMPLOYMENT PROGRAM. There is created a  
8 [TWO-YEAR] pilot project program to finance and award grants to employment assistance and  
9 training entities. Employment assistance and training entities shall give appropriate state agencies  
10 full access to accounting records concerning grants received to assure compliance with program  
11 standards.

12 \* Sec. 2. Section 4(a), ch. 95, SLA 1989, is amended to read:

13       (a) In the manner provided in AS 23.20, the department shall collect from each employee  
14 an amount equal to one-tenth of one percent of the wages, as set out in AS 23.20.175, on which  
15 the employee is required to make contributions under AS 23.20.290(d). This subsection applies  
16 to amounts due and collected from July 1, 1989, through June 30, 1993 [1991], on wages for  
17 employment performed from July 1, 1989, through June 30, 1993 [1991]. The department shall  
18 remit to the Department of Revenue, in accordance with AS 37.10.050, money collected under  
19 this subsection.

20 \* Sec. 3. Section 15, ch. 95, SLA 1989, is amended to read:

21       Sec. 15. Section 13 of this Act takes effect July 1, 1993 [1991].

Chapter 17

· Eff. 6/6/91

1    \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

WALTER J. HICKEL  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 22, 1993

The Honorable Rick Halford  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear President Halford:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that extends for three years the pilot project for the state training and employment program.

The pilot project was enacted in 1989 (ch. 95, SLA 1989) as a two-year program, and was extended for two additional years (to July 1, 1993) in 1991 (ch. 17, SLA 1991). This bill amends sec. 4(a), ch. 95, SLA 1989, as amended by ch. 17, SLA 1991, to extend the date for collecting money through the unemployment insurance system to support the training program, and again extends the expiration date of the project (to June 30, 1996).

The pilot project, administered by the Department of Labor and the Department of Community and Regional Affairs, provides much-needed job training to unemployed workers in order to reduce unemployment insurance benefit expenditures. This project also assists Alaskans who need to upgrade their job skills in order to maintain their employability. This training program has broad-based support from both labor and industry.

I urge your prompt consideration and passage of this bill.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel  
Governor