

SB

245

SFIN

FILE

TONY KNOWLES
GOVERNOR



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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

SB 15

January 12, 1998

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

Dear President Miller:

The state training and employment program (STEP) has demonstrated its value as one means to help Alaskans achieve worthwhile employment. I transmit this bill to continue this vital program, now due to sunset on June 30, and maintain it in permanent law to ensure it will be available to Alaskans in the future.

The STEP was enacted in 1989 as a temporary, two-year pilot program. Its success led to the Legislature extending its existence three more times in subsequent years. With its last extension, in 1996, the STEP became a permanent program, but remains subject to a sunset provision. Since its last extension, the STEP has made great strides in addressing legislative concerns with the program.

This program is financed with a 0.1 percent contribution from employees' share of unemployment insurance. The STEP job training provided with this small contribution to the unemployment fund results in more working Alaskans and a decreased need to pay out unemployment insurance benefits. The program also assists Alaskans who need to upgrade their job skills in order to maintain their employability.

In fiscal year 1997, more than 1,500 individuals were enrolled in the STEP, an increase of 500 enrollees over the previous year. In one year, STEP clients have reduced claims for unemployment insurance resulting in about a \$1.5 million saving to the unemployment insurance trust fund. Along with the increased use of the program, the STEP administrators were successful in reducing federal recapture of unemployment insurance trust funds by 60 percent while holding administrative costs below 20 percent.

The Honorable Mike Miller
January 12, 1998
Page 2

It makes good sense to ensure the future existence of the STEP. The program enjoys widespread support from both labor and industry because it offers a vital component of a healthy economy -- preparing Alaskans for good jobs.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Knowles". The signature is written in a cursive style with a large initial "T".

Tony Knowles
Governor

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Bill Version: SB 245
(S) Publish Date: 1/16/98

Revision Date (Note if correction)		Dept. Affected	Office of the Governor
Title	"An Act repealing the termination date of the state training and employment program;..."	BRU	Commissions and Special Offices
Sponsor	Rules Committee	Component	Human Resource Investment Council
Requester	Governor	Component Serial No.	2055

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

This bill repeals the termination date of the State Training and Employment Program (STEP) to retain the program in permanent law. The Alaska Human Resource Investment Council (AHRIC) receives STEP funds via a budgeted RSA with the Department of Labor. AHRIC's FY99 operating budget request includes 106.8 in STEP funds. Assuming approval of this bill, there will be no fiscal impact for AHRIC.

Prepared by Michael A. Nizich, Administrative Director
 Division Division of Administrative Services
 Approved by Jim Ayers, Chief of Staff
 Agency Office of the Governor

Phone 465-3876
 Date 1/7/98
 Date 1/7/98

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Title: State Training & Employment Program

Date: 10/28/97

This bill repeals the termination date of the State Training and Employment Program (STEP) to retain the program in permanent law.

The Department of Labor, Employment Security Division will be submitting it's FY99 Operating Budget Request for the STEP component at the same level as the approved FY98 budget - \$4,046.1, assuming approval of this bill.

The STEP program generates restricted revenue through the collection of 0.1 percent of employee unemployment insurance contributions for employment and training programs, an occupational database, and accounting and collection activities.

FISCAL NOTE

No. 2

Bill Version: SB 245

(S) Publish Date: 1/15/98

**STATE OF ALASKA
1998 LEGISLATIVE SESSION**

Revision Date (Note if correction): _____
 Title: State Training & Employment
Program
 Sponsor: Rules Committee
 Requestor: Governor

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

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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CHANGE IN REVENUE FUND SOURCE #						
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY98) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

(See attached)

Prepared by: Rebecca Nance, Director Phone: 465-2711
 Division: Employment Security Date: 10/28/97
 Approved by Commissioner: Tom Cashen, Commissioner
 Agency: Department of Labor Date: 10/28/97

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Fiscal Note Analysis Continued

SB245
#3
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Title: State Training & Employment Program

Date: 1/14/98

This bill repeals the termination date of the State Training and Employment Program (STEP) to retain the program in permanent law.

The STEP program generates restricted revenue through the collection of 0.1 percent of employee unemployment insurance contributions for employment and training programs.

The Department of Community and Regional Affairs receives STEP funds through an inter-agency transfer from the Department of Labor. These funds are budgeted in two components, the State Training and Employment component and the Statewide Service Delivery (SSD) component. The Department's FY 99 budget request for all STEP funds is currently \$3,431.0 (STEP \$1763.3; SSD \$1,667.7). Subsequent to the introduction of the Governor's budget, it has come to the Department's attention this number is higher than the amount documented as an inter-agency transfer of \$3,268.5 in the Department of Labor's budget request. The Department plans to submit a budget amendment to reduce its request by (\$162.5) in line with the Department of Labor.

STATE OF ALASKA
1998 LEGISLATIVE SESSION
Revision Date:

FISCAL NOTE

No. 13
Version: SB 245
(S) Publish Date: 1/16/98

Title: State Training and Employment Program

Dept. Affected: Community & Regional Affairs

BRU: Employment Training/Rural Development

Component: State Training & Employment Program

Sponsor: Rules Committee

Requestor: Governor

COMPONENT SERIAL NO. 1012

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current (FY98) impact \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

See attached page 2.

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-4708

Division: Administrative Services Date: 1/14/98

Approved by Commissioner: Mike Irwin, Commissioner *[Signature]* Date: 1/14/98

Agency: Department of Community & Regional Affairs

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Fiscal Note Analysis Continued

SB245
#4

Title: State Training & Employment Program

Date: 1/14/98

This bill repeals the termination date of the State Training and Employment Program (STEP) to retain the program in permanent law.

The STEP program generates restricted revenue through the collection of 0.1 percent of employee unemployment insurance contributions for employment and training programs.

The Department of Community and Regional Affairs receives STEP funds through an inter-agency transfer from the Department of Labor. These funds are budgeted in two components, the State Training and Employment component and the Statewide Service Delivery (SSD) component. The Department's FY 99 budget request for all STEP funds is currently \$3,431.0 (STEP \$1763.3; SSD \$1,667.7). Subsequent to the introduction of the Governor's budget, it has come to the Department's attention this number is higher than the amount documented as an inter-agency transfer of \$3,268.5 in the Department of Labor's budget request. The Department plans to submit a budget amendment to reduce its request by (\$162.5) in line with the Department of Labor.

FISCAL NOTE

Title: State Training and Employment Program
Sponsor: Rules Committee
Requestor: Governor

Dept. Affected: Community & Regional Affairs
BRU: Employment Training/Rural Development
Component: Statewide Service Delivery

COMPONENT SERIAL NO. 1178

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE:						
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current (FY98) impact \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

See attached page 2.

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-4708
Division: Administrative Services Date: 1/14/98
Approved by Commissioner: Mike Irwin, Commissioner *[Signature]* Date: 1/14/98
Agency: Department of Community & Regional Affairs

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CS FOR SENATE BILL NO. 245()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to standards for state training programs; extending the
2 termination date of the state training and employment program; and providing for
3 an effective date."

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

5 * **Section 1.** AS 44.19.626 is amended by adding new subsections to read:

6 (d) The council shall provide oversight for employment-related education
7 training programs operated by the state or operated under contract with the state that
8 are described in (e) of this section. The council shall require a training program listed
9 in (e) of this section to meet the requirements of this subsection. The council shall,
10 by regulation, establish appropriate penalties for programs and individuals who fail to
11 meet the requirements of this subsection. The council may recommend to the
12 legislature changes to enhance the effectiveness of the training programs it oversees
13 under this section. A training program described in (e) of this section funded with
14 money appropriated by the legislature must

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(1) meet the standards adopted by the council concerning the percentage of a grant that may be spent on administrative costs;

(2) be operated by an institution that holds a valid authorization to operate issued under AS 14.48 by the Alaska Commission on Postsecondary Education if the program is a postsecondary educational program operated by a postsecondary educational institution subject to regulation under AS 14.48.

(e) The following training programs are subject to the provisions of (d) of this section:

(1) in the Department of Administration: Alaska Professional Development Institute, providing continuing education and training for employed workers;

(2) in the Department of Community and Regional Affairs or operated by the department:

(A) One Stop Career Center;

(B) Job Training Partnership Act programs, assisting communities in moving toward a self-sustainable economy and providing training;

(C) state training and employment program (AS 23.15.620), providing training and employment services for people who are unemployed or likely to become unemployed, fostering new jobs, and increasing training opportunities for workers severely affected by fluctuations in the state economy or adversely affected by technology advances in the workplace;

(3) in the Department of Education or operated by the department:

(A) employment-related adult basic education;

(B) School-to-Work;

(C) vocational education and Tech Prep;

(D) Alaska Career Information System;

(E) high school completion project;

(F) Kotzebue Technical Center;

(G) Alaska Vocational Technical Center;

(4) in the Department of Health and Social Services: Alaskans on

1 Temporary Assistance Plan employment education and job training programs;
2 (5) in the Department of Labor:

3 (A) unemployment insurance grants provided under the federal
4 training relocation assistance program;

5 (B) Alaska works programs, assisting with the welfare-to-work
6 program;

7 (C) state training employment program, coordinated with the
8 Department of Community and Regional Affairs.

9 * **Sec. 2.** Section 6, ch. 116, SLA 1996, is amended to read:

10 Sec. 6. AS 23.15.620, 23.15.625, 23.15.630, 23.15.635, 23.15.640, 23.15.645,
11 23.15.651, and 23.15.660 are repealed June 30, 2002 [1998].

12 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).