

**SB**

**137**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
MAR 20 2001  
SENATE FINANCE  
COMMITTEE

DATE: 3/13/01

FURTHER:

Date of 5-Day Notice: \_\_\_\_\_  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 20 March 2001

Finance Committee considered **SENATE BILL NO. 137**

*ALASKA HUMAN RESOURCE INVESTMENT COUNCIL*

"An Act relating to the allocation of money appropriated to the Alaska Human Resource Investment Council; and providing for an effective date."

and recommends:

- be replaced with CS SB 137 (FIN)
- adopt previous CS - CS forthcoming - (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

- Senate Bill:**  
 same title  
 new title  
**House Bill:**  
 same title  
 technical title  
 new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
Multi-Agency (UoFA; ESED)	3/20/01	4,553.8		
Labor	3/19/01		✓	

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>	x			
<i>[Signature]</i>	x			
<i>[Signature]</i>	x			
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>	✓	✓		
COCHAIR: <i>[Signature]</i>	✓			

REPORTED OUT

MAR. 20 2001

FISCAL NOTE

SENATE FINANCE  
COMMITTEE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

BILL NO. CS SB 137 (FIN)

Revision Date: 03/20/01  
Title: Alaska Human Resource Investment Council

Dept. Affected Multi-agency (U of A; E&ED)  
BRU Various  
Component Various

Sponsor: Senator John Torgerson  
Requester: Senate FIN

Component Serial No.

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	4,553.8	4,553.8				
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>4,553.8</b>	<b>4,553.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1151 VoTech Ed	4,553.8	4,553.8				
<b>TOTAL</b>	<b>4,553.8</b>	<b>4,553.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY01) cost: 00

POSITIONS

Full-time	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Provisions for Second and Third-Year (FY02 and FY 03) Operation (sec. 1 of this legislation) are outlined below. FY04-07 will be addressed by the administrative board for the new program, Technical Vocational Education Program (TVEP).

The funds collected under AS 23.15 835, as technical vocational education program receipts are estimated to total \$4,553,800. The appropriation breakout of this amount is noted as follows: University of Alaska (67%) - \$3,051,046; Education & Early Development-Kotzebue Technical Center (11%) - \$500,918; Education & Early Development-Alaska Vocational Technical Center (22%)-\$1,001,836.

The Unemployment Insurance (UI) program has an existing UI tax unit which collects UI tax from Alaska employers and workers. This tax unit, and the infrastructure that currently exists to collect taxes from employers, was utilized to collect the TVEP funds. The collection process is identical to the existing system required for the State Training and Employment Program (STEP). The estimated cost related to collection and accounting for STEP and TVEP monies is \$300,000. Since STEP and TVEP each collect 1/10% from wages, the total UI collection and accounting cost of \$300,000 will be split 50/50. The total TVEP amount of \$150,000 is already shown as inter-agency receipts in the FY 2002 UI component budget. This TVEP amount is split between UA \$100,500, AVTEC \$33,000 and KTC \$16,500.

Prepared by

SENATE FINANCE COMMITTEE

SENATOR DAVE DONLON, Co-Chair

SENATOR PETE KELLY, Co-Chair

Date 3/20/2001

Phone 465-3892

Phone 465-2327

REPORTED OUT  
 MAR 20 2001  
 SENATE FINANCE  
 COMMITTEE

# FISCAL NOTE

STATE OF ALASKA  
 2001 LEGISLATIVE SESSION

Fiscal Note Number: SB 137  
 Bill Version: \_\_\_\_\_  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Department: Labor and Workforce Development  
 Title: Alaska Human Resource BRU: Office of the Commissioner  
Investment Council Component: Alaska Human Resource  
 Sponsor: Senator Torgerson Investment Council  
 Requester: Senate FIN Component Number: 2473

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1007 Inter-Agency Receipts						
<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>

Estimate of any current year (FY2001) cost: None

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 See Attached.

Prepared by: Jim Sanders, Executive Director Phone: 465-5937  
 Division: Alaska Human Resource Investment Council Date/Time: 3/19/01 8:56 AM.  
 Approved by: Ed Flanagan, Commissioner Date: 03/19/01  
 Agency: Department of Labor and Workforce Development

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

This bill appropriates approximately \$4,553.8 of Technical Vocational Education Program (TVEP) funds for the next two fiscal years to the following entities: 52 % to University of Alaska (appx. \$2,369.0), 32 % to Department of Education (DOE) Alaska Vocational Technical Education Center (AVTEC) (appx. \$1,457.2) and 16% to DOE Kotzebue Technical Center (KTC) (appx. \$728.6). This bill is related to new legislation passed last year (CH. 132 SLA 00, SB289, AS 23.15 Article 7) which established the TVEP account, expanded the duties of the Alaska Resource Human Investment Council (AHRIC), and appropriated \$3,425.0 of TVEP monies directly to the same three designated entities with the same percentages. The FY2001 fiscal notes appropriated \$3,425.0 to cover the initial startup year of the program (¾ of a state fiscal year).

SB 289 (AS 23.15.835) identifies the Department of Labor and Workforce Development as the entity that will collect from each employer an amount equal to one-tenth of one percent of the employee wages as set out in AS 23.20.175. The collection of TVEP funds first occurred in FY2001. There is a time lag on collections as revenues come in 30 days after the end of the calendar quarter. In FY2002 and subsequent years, we expect \$4,553,800 in revenues on an annual basis.

The Unemployment Insurance (UI) program has an existing UI tax unit which collects UI tax from Alaska employers and workers. This tax unit, and the infrastructure that currently exists to collect taxes from employers, was utilized to collect the TVEP funds under this bill. The collection process has been identical to the existing system required for the State Training and Employment Program (STEP). The STEP and TVEP funds are collected from workers through employers in addition to those collected for UI. The STEP currently pays for their fair and reasonable share of the process costs as established by a federally negotiated shared cost agreement. This is required since the UI program operations are exclusively funded by federal dollars and cannot contribute to non-federal program activities. In FY2001, we have applied the same requirements to the TVEP collections.

The estimated cost related to collection and accounting for STEP and TVEP monies is \$300,000. Since STEP and TVEP each collect 1/10% from employee wages, the total UI collection and accounting cost of \$300,000 will be split 50/50 between STEP and TVEP. This is the same UI tax collection cost and methodology used in FY2001. The total TVEP amount of \$150,000 is already shown as inter-agency receipts in the FY2002 UI component budget. This TVEP amount is split between UA \$78,000, AVTEC \$48,000 and KTC \$24,000.

The department does not anticipate an increase in operating costs as a result of this legislation.

Senate Finance COMMITTEE  
Amendment Number: #1  
Bill Number: SB 137  
Sponsor: Wilken Date: 3/19/01  
Logged In By: Mindy

ADOPTED  
22-LS0719A.1  
Cramer  
3/17/01

AMENDMENT

OFFERED IN THE SENATE  
TO: SB 137

BY SENATOR WILKEN

- 1 Page 1, line 12:
- 2 Delete "52 percent"
- 3 Insert "67 percent"
- 4
- 5 Page 1, line 13:
- 6 Delete "16 percent"
- 7 Insert "11 percent"
- 8
- 9 Page 1, line 14:
- 10 Delete "32 percent"
- 11 Insert "22 percent"

SENATE FINANCE COMMITTEE

2000 COMMITTEE ACTION

3/19/01

Bill Number	SB 137		
Amendment	#1		
Motion	adpt		
<u>Motion by</u>	Wilken		
<u>Objection by</u>	Austerman		
<u>Removed</u>	✓		
<u>Second Objection by</u>	Olson		
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Green			
Senator Hoffman			✓
Senator Leman	✓		
Senator Olson			✓
Senator Ward	✓		
Senator Wilken	✓		
Senator Austerman	✓		
Co-Chair Donley	✓		
Co-Chair Kelly	✓		
<u>Tally</u>			
Yea	6		
Nay	2		
Absent	1		
<u>MOTION</u>	PASS		

CS FOR SENATE BILL NO. 137(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATOR TORGERSON

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the allocation of money appropriated to the Alaska Human  
2 Resource Investment Council; and providing for an effective date."

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

4 \* Section 1. The uncodified law of the State of Alaska is amended by adding a new section  
5 to read:

6 ALLOCATION OF APPROPRIATIONS FOR FISCAL YEARS ENDING JUNE 30,  
7 2002, AND JUNE 30, 2003. (a) Notwithstanding AS 23.15.840(a), for the fiscal years  
8 ending June 30, 2002, and June 30, 2003, the money collected under AS 23.15.835 or  
9 otherwise appropriated to the Alaska Human Resource Investment Council shall be allocated  
10 directly in the following percentages to the following institutions for programs consistent with  
11 AS 23.15.820 - 23.15.850 and capital improvements:

12	University of Alaska	67 percent
13	Kotzebue Technical Center	11 percent
14	Alaska Vocational Technical Center	22 percent.

deleted:  
52 percent  
16 percent  
32 percent

1 \* Sec. 2. This Act takes effect July 1, 2001.

Senate Finance COMMITTEE  
Amendment Number: # 1  
Bill Number: SB 137  
Sponsor: Wilken Date: 3/19/01  
Logged In By: Mindy

22-LS0719A.1  
Cramer  
3/17/01

amend  
(failed)

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR WILKEN

TO: SB 137

- 1 Page 1, line 12:
- 2 Delete "52 percent"
- 3 Insert "67 percent" 151
- 4
- 5 Page 1, line 13:
- 6 Delete "16 percent"
- 7 Insert "11 percent" 13
- 8
- 9 Page 1, line 14:
- 10 Delete "32 percent"
- 11 Insert "22 percent" 26

SENATE FINANCE COMMITTEE  
2000 COMMITTEE ACTION

<b>Bill Number</b>			
<b>Amendment</b>	#1		
<b>Motion</b>	amend		
<b><u>Motion by</u></b>	O		
<b><u>Objection by</u></b>			
<b>Removed</b>			
<b><u>Second Objection by</u></b>			
<b><u>Committee Member</u></b>	<b>Y</b>	<b><u>Vote</u></b>	<b>N</b>
Senator Wilken			✓
Senator Austerman			✓
Senator Green		—	
Senator Hoffman	✓		
Senator Laman			✓
Senator Olson	✓		
Senator Ward			✓
Co-Chair Donley			✓
Co-Chair Kelly			✓
<b><u>Tally</u></b>			
Yea	2		
Nay	6		
Absent	1		
<b><u>MOTION</u></b>	<b>FAIL</b>		



# ALASKA STATE LEGISLATURE

## **SENATOR JOHN TORGERSON**

- ◆ CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
- ◆ CHAIR, SENATE RESOURCES COMMITTEE

Session:  
State Capitol, Room 427, Juneau, AK 99801  
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45457 Kenai Spur Hwy., Suite 101B, Soldotna, AK 99669  
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### **SB 137 – Alaska Human Resource Investment Council Sponsor Statement**

SB 137 extends the first year allocation provisions of a new program enacted in the 21<sup>st</sup> Legislature via SB 289 (CHAPTER 132 SLA 00).

Because the program established in 2000 was new and time consuming development of regulations regarding its administration were necessary, funds collected the first year of the program were directly allocated to the University of Alaska, the Alaska Vocational and Technical Center, and the Kotzebue Technical Center.

These publicly funded institutions provide technical and vocational programs for Alaskans in urban and rural areas. A review of the uses of the first year funds by these public institutions clearly shows how necessary those funds were.

For example, AVTC used some of the funds to replace 1970's welders, clearly a much needed equipment replacement to bring the facility to date with industry practices. Basic equipment needs for the Automotive, Diesel and Heavy Equipment programs were met with the funds and efforts are underway for student housing.

The University of Alaska Fairbanks serves the rural area via branch campuses in Bristol Bay, Chukchi, Interior Aleutians, Kuskokwim, Northwest and Tanana Valley. University of Alaska Southeast serves Juneau, Ketichkan and Sitka. The University of Alaska Anchorage serves the Kenai Peninsula, Kodiak, Matanuska-Susitna, and Prince William Sound.

After review of the expenditures of the first year's collection, SB 137 extends the date of direct allocation to the named public institutions for two more years. The purpose of the extension is to allow those institutions to properly prepare their respective facilities for the influx of new students into the system.

SB 137 (S-FIN) 3-14-01: mj

#### **REPRESENTING THE KENAI PENINSULA**

*Anchor Point Bear Creek Clam Gulch Cooper Landing Crown Point Fritz Creek Happy Valley Halibut Cove Homer Hope Kachemak City Kachemak Sela  
Kasilof Lowell Point Moose Pass Nunatak Nikolaevsk Ninilchik Port Graham Raddolna Seward Seldovia Soldotna Stariski Sterling Vognesenka*

# ALASKA VOCATIONAL TECHNICAL CENTER

“ PROVIDING ACCESSIBLE TECHNICAL  
AND RELATED TRAINING TO A  
STATEWIDE MULTI-CULTURAL  
POPULATION FOR EMPLOYMENT IN  
THE DYNAMIC ALASKAN COMMUNITY ”

Volume 8, Issue 1  
February 2001



## INSIDE THIS ISSUE:

- Summer Academy 2001
- Marine Simulator Update
- SB 289 Funds

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## Applied Learning Summer Academy 2001 “Meeting State & Industry Standards through Applied Academics”

For the past two summers, AVTEC has hosted the Applied Summer Academy—a unique combination of vocational/technical training, contextual teaching methods, and standards-based curriculum development. Educators, secondary and post secondary, from all over the state, attend workshops to upgrade technical skills and work together to develop new teaching applications to meet state and industry standards.



The Summer Academy 2000 offered 30 different workshops. The Summer Academy for 2001 will offer similar workshops with some new offerings as well.

For more information contact Beverly Grogan or Debra Burdick at 224-4149 or 1-800-478-5389. Registration is available on line at [avtec.alaska.edu](http://avtec.alaska.edu)

## Marine Simulator Update

The Alaska Maritime Training Center hosted an Open House to introduce AVTEC's two million dollar ship bridge simulator. Invitations were sent to legislators, industry leaders, and community members.

Simulator classes began the second week in January with full enrollment. Many scheduled classes are full for the training year and have a waiting list. Industry partners

such as Crowley Maritime and the Alaska Marine Highway System are booking custom classes. The simulator has four bridges which

can separate different ships within a single scenario. Instructors in a nearby control room can add icebergs, floating logs, wind, fog, or swells at the click of a button. They can also wreak havoc with the ship's radar and other equipment, forcing student mariners to adjust.

Thanks to Senator Stevens, who secured the federal grant money, AVTEC is now home to one of the most advanced ship navigation simulators in the world.



Jim Herbert, Maritime  
Instructor

## SB 289 Monies Provide Program Upgrades and Improvements

Senate Bill 289 monies have allowed AVTEC's **Business & Office Technology Department** to replace outdated computer and office equipment, upgrade software applications, and create a training environment that is ergonomically correct. These monies have made it possible for the Department to purchase new curriculum resources for Microsoft Office 2000 and the licensing for SAM 2000 (Skills Assessment Manager), a tool used to help validate students' computer skills.

The **Learning Resources Department** has upgraded technology and added resources as a result of obtaining SB 289 monies. Fourteen PC workstations have been added and the math curriculum has updated software applications and added the use of the internet as a classroom resource. The **Seward Community Learning Center** can now offer instruction to the community in

most current software applications. Technical library services have also been upgraded: the Online Public Access Catalog (OPAC) has been installed on AVTEC's intranet giving staff access to the library's holdings from their desktops. AVTEC staff now has access to GrantStation, a searchable database for grant funding.

The **Industrial Electricity** program purchased a power conduit bending machine, computers, Fluke handheld oscilloscopes, and Power Line analyzers with SB 289 monies.

The **Department of Applied Technologies** utilized SB 289 monies to purchase three parts washers for the Automotive, Diesel, and Heavy Equipment programs, two computers, a printer, and other additional equipment to bring the department in compliance with EPA and OSHA regulations. The **Welding Technology** program received twelve

new stick rod welding machines, two TIG welders, a remote welder control systems for the individual booths, and other smaller components. The **Diesel Engine Technology** program benefited by ordering three electronically controlled engines, and four heavy-duty engine stands and adapters. The **Heavy Equipment and Automotive Technology** programs received a wheel alignment machine, two vehicle lifts, an anti-freeze recycler, and a transmission jack. Funds from SB 289 are also being used to update audio visual materials and delivery.



## AVTEC Receives Scholarship funds from UNOCAL & Alyeska

AVTEC has applied for and been awarded **Alyeska Section 29 Scholarship** funds in the amount of \$20,000. The goal of the **Alaska Native Scholarship Fund** is to provide monetary support for Alaska Natives to acquire education and/or training needed to prepare for jobs with Alyeska Pipeline and its contractors on the Trans Alaska Pipeline System. The scholarship funds will be awarded in \$1000 increments to qualified applicants. There will be two deadlines by which applicants must apply – March 31, 2001 and September 30, 2001.

**UNOCAL** has awarded AVTEC \$10,000 in scholarship funds. The intent is to support women and minorities entering skilled trades that support the oil and gas industry. Interested applicants should contact AVTEC's Business Office at (907) 224-3322 or 1-800-478-5389.

For information about AVTEC programs or to request a catalog please call: 1-800-478-5389 or 1-907-224-3322. AVTEC Admissions Office, P.O. B. 889, Seward, Alaska 99664

Visit our website at [avtec.alaska.edu](http://avtec.alaska.edu)

