

HB

559

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 22, 2004

FURTHER REFERRALS:

Date of Committee Action: 4/26/04

The FINANCE Committee considered:

HB 559

HOUSE BILL NO. 559

STEP PROGRAM CONTINUANCE

"An Act repealing the termination of the state training and employment program; and providing for an effective date."

Recommends it be replaced with HCS or CS for _____
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

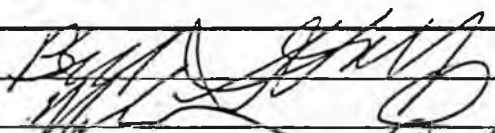
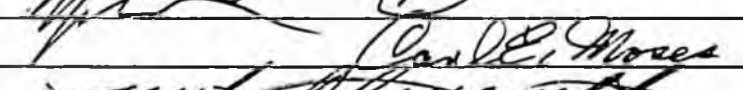
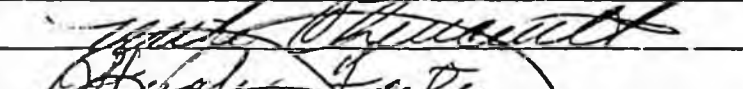
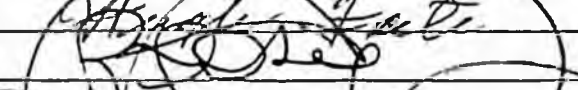
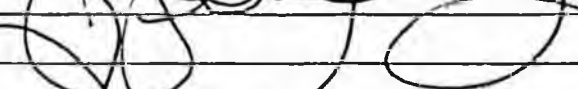

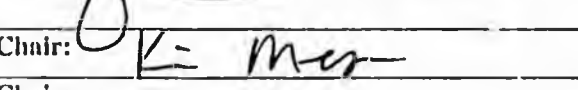

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- HSS
- LEG
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
LWF				✓

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	SOULE			✓	
	MOSES	✓			
	CHENAULT	✓			
	FOSTER	✓			
	FOSTER	X			
					
					
Vice Chair: 	Mayer	X			
Chair:					

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB559-DOLWD-CO-04-22-04
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
Title: STEP Program Continuance FDU: Office of the Commissioner
Component: Commissioner's Office
Sponsor: House FIN
Requester: House FIN Component Number: 340

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
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)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: None
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal: X

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See Attached Analysis

Prepared by: Guy Bell, Director Phone 465-2720
Division: Division of Administrative Services Date/Time 4/22/04 4:19 PM
Approved by: Greg O'Claray, Commissioner Date 4/22/2004
Agency: Department of Labor and Workforce Development

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL VERSION: HB559-DOLWD-CO-04-22-04

ANALYSIS: (continued)

This legislation repeals the termination date for the State Training and Employment Program (STEP) and makes it permanent. STEP collects a small part of each employee's wages to fund training for Alaskan workers. The Alaska Department of Labor and Workforce Development collects STEP revenues and administers the program with partner agencies and vendors. The Alaska Workforce Investment Board is responsible for oversight and direction. This program enables Alaskans to acquire the skills that assist them in moving from unemployment to work by annually making \$4.5 million available for training in high demand occupations and industries.

This is a consolidated Fiscal Note as STEP is budgeted in several department budget components. The Fiscal Note indicates no fiscal impact as all expenditure authorization for the program is included in the FY 2005 Governor's budget request.

Alaska State Legislature

House Finance Committee



State Capitol, Juneau, Alaska 99801-1182

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SPONSOR STATEMENT

HOUSE BILL 559: *An Act repealing the termination of the state training and employment program; and providing for an effective date.*

House Bill 559 reauthorizes the State Training and Employment Program (STEP), which was established by the Legislature in 1989. In 2002, the legislature reauthorized the program for an additional two years. STEP will sunset on June 30, 2004, without further action. STEP uses a small part of the employee Unemployment Insurance tax to fund training for Alaskan workers. The Alaska Department of Labor and Workforce Development collects STEP revenues and administers the program with partner agencies and vendors. The Alaska Workforce Investment Board is responsible for oversight and direction.

The STEP program assists Alaskans in moving from unemployment to work by annually making \$4.5 million available to trainees and training providers in Alaska. Since its inception, 16,000 Alaskan residents have trained under the STEP program.

In FY 2003, STEP paid for the training of 1,832 Alaskans. The rate of participants that enter employment after training is the highest of all State administered training programs at 83.5%.

In 1996, the legislature made several changes to increase accountability, cap administrative costs and re-emphasize Alaska hire.

Chapter 086

Chapter: CH086

Source: HCS CSSB 252(FIN)

Action Date: June 20, 2002

Effective Date: See chapter

02

AN ACT

Renaming the Alaska Human Resource Investment Council as the Alaska Workforce Investment Board and relating to its membership; relating to repayment on promissory notes for work-related items paid for by grant programs; extending the termination date of the state training and employment program; relating to employment and training activities; and providing for an effective date.

* Section 1. AS 14.35.020(b) is amended to read:

(b) When required by any of the Acts described in AS 14.35.010, the board shall

(1) prepare, submit, and supervise the administration of the plans for vocational education;

(2) select a state director of vocational education;

(3) establish the minimum qualifications for teachers, supervisors, or directors;

(4) determine the prorated basis on which money shall be available for the salary and necessary travel expenses of the state director of vocational education;

(5) consider the advice of the Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] established by AS 23.15.550 regarding employment training needs and advise that board [COUNCIL] in the development of vocational education programs.

* Sec. 2. AS 14.42.015(a) is amended to read:

(a) There is in the Department of Education and Early Development the Alaska Commission on Postsecondary Education consisting of

(1) two members of the Board of Regents of the University of Alaska designated by the members of that body;

(2) one person representing private higher education in the state selected jointly by the Boards of Trustees of Alaska Pacific University and Sheldon Jackson College from among their membership;

(3) one person representing the Department of Education and Early Development selected by the state Board of Education and Early Development;

(4) four persons broadly and equitably representative of the general public appointed by the governor;

(5) one member of the Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] established by AS 23.15.550 designated by the members of that body;

(6) one person from the members of the local community college advisory councils appointed by the governor;

(7) two members from the legislature, one of whom shall be appointed by the president of the senate and one by the speaker of the house of representatives;

(8) one person appointed in accordance with (e) of this section who is a full-time student as defined in AS 14.43.160;

(9) one administrator appointed by the governor from a proprietary institution of postsecondary education that has an authorization to operate in the state issued under AS 14.48.

* Sec. 3. AS 23.15.550 is amended to read:

Sec. 23.15.550. Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL]. (a) The Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] is established in the department. The board [COUNCIL] consists of the following voting members, not to exceed 26:

(1) the lieutenant governor or the lieutenant governor's designee;

(2) the commissioners of community and economic development, education and early development, health and social services, and labor and workforce

development, or each respective commissioner's designee;

(3) one representative from the University of Alaska;

(4) four additional representatives of education, with one from local public education, one from secondary vocational education, one from a postsecondary vocational education institution, and one from adult basic education;

(5) four representatives of business and industry, with at least one representative from the local workforce investment boards [PRIVATE INDUSTRY COUNCILS] appointed under 29 U.S.C. 2832 [29 U.S.C. 1512 AND SUBJECT TO RECONSTITUTION UNDER 29 U.S.C. 1515];

(6) four representatives of organized labor that the governor shall appoint from lists of nominees submitted by recognized state labor organizations; the governor may reject a list submitted under this paragraph and request that another list be submitted;

(7) at least one representative from an organization representing employment and training needs of Alaska Natives;

(8) at least one representative of a community-based [COMMUNITY BASED] service organization;

(9) at least one representative who has personal or professional experience with developmental disabilities; and

(10) at least one and up to five additional members of the private sector to ensure a private sector majority and regional and local representation on the board [COUNCIL].

(b) Additional nonvoting members may be appointed to the board [COUNCIL] from government or nongovernment entities.

(c) A member of the board [COUNCIL] under (a) of this section may appoint a designee to serve in place of the member [NAMED IN (a) OF THIS SECTION]. The member shall appoint the designee in writing.

* Sec. 4. AS 23.15.555 is amended to read:

Sec. 23.15.555. Appointment and term of members. (a) Members of the Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] other than those listed in AS 23.15.550(a)(1) and (2) are appointed by the governor and serve at the

pleasure of the governor. The governor may appoint one person to fill two or more of the places listed in AS 23.15.550(a) if the person is qualified in all of the areas the person represents. A member appointed to fill more than one place under this subsection is entitled to only one vote and may appoint only one designee to replace the member in the event the member is unable to attend a meeting.

(b) The voting members of the board [COUNCIL] other than those listed in AS 23.15.550(a)(1) and (2) serve for staggered four-year terms and may serve until a successor is appointed. An appointment to fill a vacancy shall be made in the same manner as the original appointment and for the balance of the unexpired term.

(c) The governor shall ensure that individuals appointed to the board [COUNCIL] have sufficient expertise to effectively carry out the duties of the board [COUNCIL]. Expertise of the board [COUNCIL] includes, where appropriate, knowledge of the long-term needs of individuals preparing to enter the work force; the needs of local, state, and regional labor markets; and the methods for evaluating the effectiveness of vocational training programs in serving varying populations.

* Sec. 5. AS 23.15.560 is amended to read:

Sec. 23.15.560. Compensation. Members of the Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] listed in or appointed under AS 23.15.550(a), including a designee of a member attending in place of the member, serve without compensation but are entitled to per diem and travel expenses authorized by law for boards and commissions under AS 39.20.180. Nonvoting members of the board [COUNCIL] appointed under AS 23.15.550(b) serve without compensation and are not entitled to per diem and travel expenses. A commissioner appointed under AS 23.15.550(a)(2) or the commissioner's designee is entitled to per diem and travel expenses as a state employee.

* Sec. 6. AS 23.15.565 is amended to read:

Sec. 23.15.565. Officers. The Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] shall elect a chair and a vice-chair from among the members listed in or appointed under AS 23.15.550(a)(5). The chair and vice-chair serve in their positions at the pleasure of the board [COUNCIL].

* Sec. 7. AS 23.15.570 is amended to read:

Sec. 23.15.570. Meetings, quorum, and committees. (a) The Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] shall meet not more than three times in a calendar year at the call of the chair to conduct its business. A majority of the members listed in or appointed to the board [COUNCIL] under AS 23.15.550(a) constitutes a quorum.

(b) The board [COUNCIL] shall establish an executive committee and four permanent standing committees as described in (c) - (g) of this section. The chair of a permanent standing committee must be from the private sector. The board [COUNCIL] may establish additional standing committees and special committees or subcommittees, not necessarily consisting of board [COUNCIL] members, to advise and assist the board [COUNCIL] in carrying out its functions assigned by federal or state statute. The permanent standing committees are

- (1) the assessment and evaluation committee;
- (2) the policy and planning committee;
- (3) the employment and placement committee; and
- (4) the workforce readiness committee.

(c) The executive committee consists of the chair and vice-chair of the board [COUNCIL], the immediate past chair of the board [COUNCIL], and the chairs of the four standing committees described in (d) - (g) of this section. The executive committee has the duties and may exercise the powers of the council between meetings of the board [COUNCIL]. The executive committee shall

- (1) report to the board [COUNCIL] in a timely fashion on actions taken on behalf of the board [COUNCIL]; and
- (2) supervise the affairs of the board [COUNCIL] between regular meetings of the board [COUNCIL].

(d) The assessment and evaluation committee shall

- (1) assess and evaluate programs, initiatives, and the delivery of services to help to ensure equitable distribution of quality education, training, and employment services statewide, especially to rural areas and to programs serving economically disadvantaged citizens;
- (2) call for and monitor the workforce development system for increased accountability in performance and continuous quality improvement along the

goals and strategies of the board's [COUNCIL'S] overall statewide strategic plan for workforce development;

(3) use evaluation and performance measures to gauge customer satisfaction within the workforce development system; and

(4) perform other duties assigned by the board [COUNCIL].

(e) The policy and planning committee shall

(1) build policies regarding day-to-day operations and long-term responsibilities of the board [COUNCIL];

(2) work to increase awareness of the board [COUNCIL] and its mission throughout the state;

(3) work with all other committees on a statewide strategic plan for workforce development; and

(4) perform other duties assigned by the board [COUNCIL].

(f) The employment and placement committee shall

(1) ensure the statewide strategic plan for workforce development addresses

(A) customer needs at the local level;

(B) moving welfare recipients into the workforce;

(C) promoting the hiring of state residents in jobs that have traditionally been filled by out-of-state workers;

(D) tailoring employment and training programs to suit state business, industry, and economic development needs;

(2) monitor the coordination of service delivery to promote efficiency and to prevent overlap of services among programs; and

(3) perform other duties assigned by the board [COUNCIL].

(g) The workforce readiness committee shall

(1) provide oversight for training, education, and employment programs to ensure the programs are delivering education and training that is relevant to local market needs and the career goals of state residents;

- (2) build partnerships between employers and quality workforce training programs;
- (3) work to connect the state public and private education systems with business, government, and labor to ensure that state residents are receiving workforce readiness skills throughout the education process; and
- (4) perform other duties assigned by the board [COUNCIL].

* Sec. 8. AS 23.15.575 is amended to read:

Sec. 23.15.575. Board [COUNCIL] as state planning entity. The Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] shall act as the lead state planning and coordinating entity for state human resource programs administered under

- (1) 29 U.S.C. 2801 - 2945 (Workforce Investment Act of 1998) [29 U.S.C. 1501 - 1792B (JOB TRAINING PARTNERSHIP ACT)];
- (2) 20 U.S.C. 2301 - 2471 (Carl D. Perkins Vocational and Applied Technology Education Act);
- (3) [20 U.S.C. 1201 - 1213D (ADULT EDUCATION ACT)];
- (4)] 29 U.S.C. 49 - 49I-1 (Wagner - Peyser Act);
- (4) federal law for work programs [(5) 42 U.S.C. 681 - 687 (JOB OPPORTUNITIES AND BASIC SKILLS TRAINING PROGRAM)] for needy families with children under the Social Security Act;
- (5) [(6)] the employment program established under 7 U.S.C. 2015(d)(4) (Food Stamp Act of 1977);
- (6) [(7)] all federal programs designated as successors to the programs listed in (1) - (5) [(1) - (6)] of this section; and
- (7) [(8)] all state laws involving employment training, vocational education, and workforce development [, AND COMMUNITY SERVICE].

* Sec. 9. AS 23.15.580 is amended to read:

Sec. 23.15.580. Functions of the board [COUNCIL]. (a) As the lead state planning and coordinating entity, the Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] has responsibility, to the extent authorized by federal and state law, for planning and coordinating federal, state, and local efforts in human resource programs in this state related to employment training, including the work

activities of the Alaska temporary assistance program under AS 47.27.

(b) The board [COUNCIL] shall

- (1) facilitate the development of statewide policy for a coordinated and effective employment training and education system in this state;
- (2) identify the human resource investment needs in the state and develop a plan to meet those needs;
- (3) review the provision of services and the use of money and resources by the human resource programs listed in AS 23.15.575;
- (4) assume the duties and functions of the state boards [COUNCILS] described under the laws relating to the federal human resource programs listed in AS 23.15.575;
- (5) advise the governor, state and local agencies, [AND] the University of Alaska, and other training entities on the development of state and local standards and measures relating to applicable human resource programs;
- (6) submit, to the governor and the legislature, a biennial strategic plan to accomplish the goals developed to meet human resource investment needs;
- (7) monitor for the implementation and evaluate the effectiveness of the strategic plan developed by the board [COUNCIL];
- (8) adopt regulations that set standards for the percentage of program expenses [A GRANT] that may be used for administrative costs; the regulations must clearly identify and distinguish between program expenses that may be included in administrative costs and those that may not be included in administrative costs; the percentage allowed for administrative costs may not exceed the lesser of 20 [15] percent of program expenses in the prior fiscal year or the amount permitted under the requirements of a federal program, if applicable;
- (9) report annually to the legislature, by the 30th day of the regular legislative session, on the performance and evaluation of training programs in the state subject to review under (f) of this section;
- (10) identify ways for agencies operating programs subject to oversight by the board [COUNCIL] to share resources, instructors, and curricula through collaboration with other public and private entities to increase training opportunities and reduce costs; and

(11) adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the purposes of AS 23.15.550 - 23.15.585.

(c) The board [COUNCIL] may receive money designated for human resource programs and may disburse money, including grants, to human resource projects in accordance with AS 37.07 (Executive Budget Act). The board [COUNCIL] may enter into partnership agreements through appropriate administrative agencies with private industry training entities within the state in order to facilitate the coordination of training opportunities.

(d) The board [COUNCIL] shall provide oversight for the planning and coordination of employment-related education training programs operated by the state or operated under contract with the state that are described in (f) of this section. The board [COUNCIL] shall require a training program listed in (f) of this section to meet the requirements of this subsection. The board [COUNCIL] shall, by regulation, establish appropriate penalties for programs that fail to meet the requirements of this subsection. The board [COUNCIL] may recommend to the legislature changes to enhance the effectiveness of the training programs it oversees under this section. A training program described in (f) of this section funded with money appropriated by the legislature must

(1) meet the standards adopted by the board [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;

(3) provide to the Department of Labor and Workforce Development the information required by the department for the preparation of the statistical information necessary for the board [COUNCIL] to evaluate programs by the standards set out in (e) of this section.

(e) The board [COUNCIL] shall develop standards that encourage agencies to contract for training programs that meet local demands and maximize the use of resources [PROGRAM'S CLASS SIZE]. The board [COUNCIL] shall adopt standards for the evaluation of training programs listed in (f) of this section with regard to the following:

(1) the percentage [PERCENT] of former participants who have a job one year after leaving the training program;

(2) the median wage of former participants seven to 12 months after leaving the program;

(3) the percentage [PERCENT] of former participants who were employed after leaving the training program who received training under the program that was related to their jobs or somewhat related to their jobs seven to 12 months after leaving the training program;

(4) the percentage [PERCENT] of former participants of a training program who indicate that they were satisfied with or somewhat satisfied with the overall quality of the training program;

(5) the percentage [PERCENT] of employers who indicate that they were satisfied with the services received through the workforce development system [QUALITY OF THE WORK OF NEW EMPLOYEES WHO HAD RECENTLY COMPLETED THE TRAINING PROGRAM].

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

(1) in the Department of Labor and Workforce Development or operated by the department:

(A) [ONE STOP CAREER CENTER;

(B) [JOB TRAINING PARTNERSHIP ACT] programs under 29 U.S.C. 2801 - 2945 (Workforce Investment Act of 1998) [29 U.S.C. 1501 - 1792B], assisting communities in moving toward a self-sustainable economy and providing training;

(B) [(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;

(C) [(D)] employment-related adult basic education;

[(E) SCHOOL-TO-WORK;]

(D) [(F)] employment training services operated as part of the Alaska temporary assistance program [TEMPORARY ASSISTANCE PROGRAM] (ATAP);

(E) [(G)] unemployment insurance grants provided under the federal training relocation assistance program;

(F) [(H)] Alaska works programs, assisting with the welfare-to-work program;

[(I) STATE TRAINING AND EMPLOYMENT PROGRAM, COORDINATED WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT;]

(2) in the Department of Education and Early Development or operated by the department, the non-public-school portions of the following programs:

(A) [HIGH SCHOOL COMPLETION PROJECT;

(B)] Kotzebue Technical Center;

(B) [(C)] Alaska Vocational Technical Center;

(C) [(D)] vocational education and technical preparation [TECH PREP];

(D) [(E)] Alaska Career Information System.

(g) The board [COUNCIL] shall assess the programs listed in this subsection and make recommendations to the legislature in its report required under (b)(9) of this section about whether to include one or more of these programs under the requirements of (f) of this section:

(1) in the Department of Community and Economic Development or operated by the department:

(A) local government assistance training and development, including the rural utility business advisory program;

(B) energy operations, providing training in management and administration of electric utilities and bulk fuel storage systems;

(2) in the Department of Corrections:

(A) Correctional Academy, training individuals applying for a correctional officer position;

(B) inmate programs, providing vocational technical training and education courses for inmates preparing to be released from a correctional facility;

(C) correctional industries program, providing inmates with jobs while they are incarcerated;

(3) in the Department of Environmental Conservation:

(A) remote maintenance worker program, providing training and technical assistance to communities to keep drinking water and sewage disposal systems running, and providing on-the-job training to local operators;

(B) water and wastewater operator training and assistance;

(C) federal drinking water operator training and certification;

(4) in the Department of Military and Veterans' Affairs: educational benefits for members of the Alaska National Guard and the Alaska Naval Militia;

(5) in the Department of Public Safety:

(A) fire service training to maintain emergency training skills for existing fire fighter staff and volunteers and individuals interested in becoming fire fighters;

(B) Public Safety Training Academy, training trooper recruits;

(6) in the Department of Transportation and Public Facilities:

(A) engineer-in-training program, providing on-the-job training for apprentice engineers to enable them to gain the experience necessary to be certified;

(B) statewide transportation improvement program, offered by the United States National Highway Institute;

(C) local technical assistance program, transferring technical expertise to local governments;

(D) Native technical assistance program, transferring technical expertise to Native governments;

(E) border technology exchange program, to coordinate highway issues with the Yukon Territory;

(7) in the Department of Labor and Workforce Development: vocational rehabilitation client services and special work projects, employment services, including job development, assisting individuals in finding employment, and assisting employed individuals in finding other employment [;

(8) IN THE DEPARTMENT OF ADMINISTRATION: ALASKA PROFESSIONAL DEVELOPMENT INSTITUTE, PROVIDING CONTINUING EDUCATION AND TRAINING FOR EMPLOYED WORKERS].

(h) The University of Alaska shall evaluate the performance of its training programs using the standards set out in (e) of this section and shall provide a report on the results to the board [COUNCIL] for inclusion in the board's [COUNCIL'S] annual report to the legislature.

(i) The board [COUNCIL] shall review each program listed in (f) of this section to determine whether it is in compliance with the standards set out in (d) and (e) of this section. If the board [COUNCIL] finds that a program has failed to comply with the standards set out in (d) and (e) of this section, it shall notify the program director of the failure. If the program director fails to improve the performance of the program within a reasonable time, the board [COUNCIL] shall notify the governor and the Legislative Budget and Audit Committee [LEGISLATIVE BUDGET AND AUDIT COMMITTEE] that the program is out of compliance. A contract entered into by a state agency relating to a training program set out in (f) of this section must contain terms consistent with this section.

(j) A department that operates or contracts for a training program listed in (f) of this section shall pay to the board [COUNCIL] a management assessment fee not to exceed .75 percent of the program's annual operating budget. The total amount received as management assessment fees may not exceed the board's [COUNCIL'S] authorized budget for the fiscal year. The board [COUNCIL] shall, by regulation, establish a method to determine annually the amount of the management assessment fee. If the amount the board [COUNCIL] expects to collect under this subsection exceeds the authorized budget of the board [COUNCIL], the board [COUNCIL] shall reduce the percentages set out in this subsection so that the total amount of the fees collected approximately equals the authorized budget of the board [COUNCIL] for the fiscal year. The board [COUNCIL] shall adopt regulations under AS 44.62 (Administrative Procedure Act) necessary to administer this subsection.

(k) Upon the enactment of a new federal or state program relating to work force development, the board [COUNCIL] shall

(1) advise the governor and the legislature on whether the board [COUNCIL] should provide oversight for the new program under this section; and

(2) make recommendations necessary to streamline and coordinate state efforts to meet the guidelines of the new program.

(l) For purposes of this section, "program"

(1) does not refer to the overall activities of an individual institution or individual fields of study or courses that are not associated with programs for which the board [COUNCIL] has oversight responsibility;

(2) may include a certificate or associate degree course or a course that is not for credit, whether it is offered by a public or private institute or contracted for by the private sector, so long as it is related to employment.

* Sec. 10. AS 23.15.585 is amended to read:

Sec. 23.15.585. Administration. (a) The governor shall appoint the executive director for the Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL]. The department shall provide professional, technical, and administrative staff for the Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL].

(b) Subject to legislative appropriations, and in accordance with AS 37.07 (Executive Budget Act), the board's [COUNCIL'S] budget is funded from programs for which the board [COUNCIL] is the lead state planning and coordinating entity under AS 23.15.575.

* Sec. 11. AS 23.15.640(c) is amended to read:

(c) The department shall [, TO THE EXTENT ECONOMICALLY FEASIBLE FOR THE INDIVIDUAL,] require an individual who participated in a program that was funded at least in part by a grant under AS 23.15.651 and that included as a program element the provision of necessary tools, work-related clothing, safety gear, or other necessities to obtain or retain employment under (a)(6) of this section to reimburse the department for the portion of the grant that was spent on an element listed in (a)(6) of this section. Repayment shall begin no later than six months after the individual completes or leaves the state training and employment program and may not be less than \$25 each calendar month. The department shall separately account for receipts under this subsection. The annual estimated receipts may be used by the legislature to make appropriations to the department to the employment assistance and training program account (AS 23.15.625) for grants under AS 23.15.651. The department shall institute collection procedures on outstanding promissory notes for amounts due under this subsection. Collection procedures must include obtaining a judgment for default on a promissory note. The department shall seek satisfaction of the judgment from an individual's permanent fund dividend to the extent possible under AS 43.23.065 until the judgment has been satisfied. The department shall implement this subsection by regulation.

* Sec. 12. AS 23.15.645(a) is amended to read:

(a) The department shall award a grant to the board [COUNCIL] to

(1) administer a state training and employment program; and

(2) award grants to qualified entities.

* Sec. 13. AS 23.15.645(b) is amended to read:

(b) When a grant is awarded to the board [COUNCIL], the department shall annually provide to the board [COUNCIL] a priority list of targeted projects or services, based on unemployment statistics, unemployment insurance claims, occupational and industrial projections, availability of other training and employment programs, and other relevant data. The department shall also provide annually to the board [COUNCIL] a priority list of criteria for eligibility to maximize services to those people most in need of training under AS 23.15.620 - 23.15.660. In developing the priority list for targeted projects and services, the department shall solicit comments from the Department of Education and Early Development, the Department of Community and Economic Development, the University of Alaska, organized labor, the board [COUNCIL], and the administrative entities of the local workforce investment [SUBSTATE SERVICE DELIVERY] areas established for the board [COUNCIL]. The department shall give preference to projects and services that train individuals in industries identified in the resident hire report required under AS 36.10.130 as employing a disproportionate percentage of nonresident individuals.

* Sec. 14. AS 23.15.645(d) is amended to read:

(d) The board, by regulation, [COUNCIL] shall establish grant administration requirements, including accounting procedures, that apply to qualified entities and their grantees.

* Sec. 15. AS 23.15.645(e) is amended to read:

(e) In making a grant under this section, the board [COUNCIL] shall require that the qualified entity and grantees of the qualified entity limit the amount of the grant proceeds spent on administration so that the total spent on administration from the proceeds of the employment assistance and training program account, including amounts spent by the board [COUNCIL] itself, does not exceed 20 percent of program expenses in the prior fiscal year [THE AMOUNT COLLECTED AND REMITTED IN ACCORDANCE WITH THE SHARED COST REQUIREMENTS OF THE FEDERAL OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-87 ENTITLED "COST PRINCIPLES FOR STATE AND LOCAL GOVERNMENTS" IS NOT CONSIDERED AN AMOUNT SPENT ON ADMINISTRATION UNDER THIS SUBSECTION].

* Sec. 16. AS 23.15.651 is amended to read:

Sec. 23.15.651. Duties of Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL]; grants; eligible entities. (a) In implementing this program under a grant received under AS 23.15.645, and subject to the limit of its grant, the board [COUNCIL] shall award grants, in accordance with the priority list established by the department under AS 23.15.645(b), to employment assistance and training entities. A training entity is eligible for a grant under this section if the entity meets program requirements and can demonstrate that

(1) its accounting systems include controls adequate to check the accuracy and reliability of accounting data, promote operating efficiency, and assure compliance with program requirements and generally accepted accounting principles; and

(2) its activities do not replace or compete in any way with a federally approved [, JOINTLY ADMINISTERED] apprenticeship program or any other existing training programs.

(b) The board [COUNCIL] may not award a grant if the grant would displace money available through existing public or private training programs.

(c) To provide administration of the program, the board [COUNCIL] may use the administrative entities of the local workforce investment [SUBSTATE SERVICE DELIVERY] areas.

(d) The board [COUNCIL] shall annually provide the department with financial and performance reporting on the activities of the program and recommendations concerning continuation of funding.

* Sec. 17. AS 23.15.660(1) is amended to read:

(1) "board" ["COUNCIL"] means the Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] established in AS 23.15.550;

* Sec. 18. AS 23.15.660 is amended by adding a new paragraph to read:

(4) "local workforce investment areas" means the areas established under 29 U.S.C. 2831.

* Sec. 19. AS 23.15.700(a) is amended to read:

(a) There is established in the department the business incentive training program. The incentive program shall be administered as a supplement to 29 U.S.C. 2801 - 2945 (Workforce Investment Act of 1998) [THE JOB TRAINING PARTNERSHIP ACT (P.L. NO. 97-300)].

* Sec. 20. AS 23.15.710 is amended to read:

Sec. 23.15.710. Administration. (a) The Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] shall oversee the incentive program. The local workforce investment [SERVICE DELIVERY] areas established under 29 U.S.C. 2831 [29 U.S.C. 1511 AND SUBJECT TO REDESIGNATION UNDER 29 U.S.C. 1515] shall be used in the administration of the incentive program. The local workforce investment boards [PRIVATE INDUSTRY COUNCILS] appointed under 29 U.S.C. 2832 [29 U.S.C. 1512 AND SUBJECT TO RECONSTITUTION UNDER 29 U.S.C. 1515] shall serve as the local workforce investment boards [PRIVATE INDUSTRY COUNCILS] for the incentive program.

(b) The board [COUNCIL] shall divide appropriations for the incentive program equally among the local workforce investment boards [PRIVATE INDUSTRY COUNCILS]. If a local workforce investment board [PRIVATE INDUSTRY COUNCIL] lacks sufficient money to fund a proposal, the local workforce investment board [PRIVATE INDUSTRY COUNCIL] may apply to the board [COUNCIL] for additional funding. The board [COUNCIL] may approve reallocation of money from one local workforce investment [SERVICE DELIVERY] area to another to fund a particular proposal if it finds that the reallocation will best serve the purposes of the program.

(c) The board [COUNCIL] shall adopt regulations under AS 44.62 (Administrative Procedure Act) to implement AS 23.15.700 - 23.15.810.

* Sec. 21. AS 23.15.720 is amended to read:

Sec. 23.15.720. Business incentive training plan. (a) A local workforce investment board [PRIVATE INDUSTRY COUNCIL] shall adopt a business incentive training plan for the local workforce investment [SERVICE DELIVERY] area. The plan must extend for two years to coincide with the term for 29 U.S.C. 2801 - 2945 (Workforce Investment Act of 1998) [THE JOB TRAINING PARTNERSHIP ACT (P.L. 97-300)] and must contain

(1) identification of the entity or entities that will administer the incentive program and be the grant recipient for grants from the state;

(2) a description of the services to be provided, including the estimated duration of service and the estimated training cost for each [PER] participant;

(3) procedures for identifying and selecting participants;

- (4) performance goals established in accordance with standards under AS 23.15.780;
- (5) procedures for awarding grants to businesses; and
- (6) the budget for two program years and any proposed expenditures for the succeeding two program years in as much detail as required by the grant administrator designated under AS 23.15.740.

(b) If changes in labor market conditions, funding, or other factors require substantial deviation from an approved business incentive training plan, the local workforce investment board [PRIVATE INDUSTRY COUNCIL] and the appropriate elected municipal official or officials shall submit a modification of the plan and the budget for review under AS 23.15.730.

* Sec. 22. AS 23.15.730 is amended to read:

Sec. 23.15.730. Review and approval of business incentive training plan. The business incentive training plan shall be published and made available for review and comment as an attachment to the job training plan as set out in 29 U.S.C. 2833 [29 U.S.C. 1515]. The business incentive training plan is subject to review and approval by the governor.

* Sec. 23. AS 23.15.740(a) is amended to read:

(a) Each local workforce investment board [PRIVATE INDUSTRY COUNCIL] shall designate an administrative entity to be the grant recipient and administrator for the region. An employer may apply to the grant administrator for a business incentive grant if the employer is a private for-profit or nonprofit corporation, partnership, or sole proprietor business. The grant administrator shall review applications and award grants.

* Sec. 24. AS 23.15.740(c) is amended to read:

(c) A business incentive training grant shall be used to recruit and train eligible employees for newly created permanent or permanent seasonal positions or to enable existing employees to acquire the skills necessary to qualify the employee to implement new technologies. A business incentive training grant may be used for occupations for which there is a demand in the area served or in another area to which the participant is willing to relocate and for emerging technologies in the state. In selecting recruiting and training programs, the local workforce investment boards [PRIVATE INDUSTRY COUNCILS] and the grant administrators may consider whether the occupation in which recruiting or training is sought is in a sector of the economy that has a high potential for sustained demand or growth.

* Sec. 25. AS 23.15.740(d) is amended to read:

(d) Only individuals eligible under the business incentive training plan and residing in the local workforce investment [SERVICE DELIVERY] area may be participants in employment and training activities funded under the business incentive training program. To be eligible for training or education services under AS 23.15.700 - 23.15.810, immediately before beginning training or education under the program, a person shall

(1) have been unemployed and

(A) receiving unemployment insurance benefits; or

(B) have exhausted the right to unemployment insurance benefits within the past three years;

(2) be liable to be displaced from work within the next six months because of

(A) reductions in overall employment within the business;

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

(C) a change in the conditions of the employee's job requiring that, to remain employed, the employee must have substantially different skills that the employee does not now possess; or

(3) have worked in a position covered by AS 23.20 at any time during the last three years and be ineligible for unemployment insurance benefits because the person

(A) was working in a seasonal, temporary, part-time, or other marginal employment;

(B) has insufficient qualifying wages because of limited job opportunities; or

(C) is employed, but, because the person is underemployed, the person needs employment assistance and training to obtain full employment.

* Sec. 26. AS 23.15.740(e) is amended to read:

(e) Payments to employers for on-the-job training of participants who experience multiple barriers to employment or are eligible under 29 U.S.C. 2801 - 2945 (Workforce Investment Act of 1998) [THE JOB TRAINING PARTNERSHIP ACT (P.L. 97-300)] may not average more than 80 percent of the wages paid by the employer to the participant. Payments to employers for on-the-job training of other participants may not average more than 50

percent of the wages paid by the employer to participants. The payments shall be considered to be in compensation for the extraordinary costs associated with training employees for new positions and the lower productivity of the participants.

* Sec. 27. AS 23.15.760(l) is amended to read:

(b) The board [COUNCIL] shall adopt regulations concerning retention of records.

* Sec. 28. AS 23.15.760(c) is amended to read:

(c) The board [COUNCIL] shall, not [NO] later than February 1 of each year, prepare a report concerning the incentive program and notify the legislature that the report is available.

* Sec. 29. AS 23.15.770(b) is amended to read:

(b) Personal liability insurance for members of the local workforce investment board [PRIVATE INDUSTRY COUNCIL] is an allowable cost.

* Sec. 30. AS 23.15.790 is amended to read:

Sec. 23.15.790. Limitation on certain costs. Not [NO] more than 15 percent of the money available to a local workforce investment [SERVICE DELIVERY] area for a fiscal year may be expended for the cost of administration. For purposes of this section, costs of program support, including counseling, that are directly related to the provision of education or training to participants may not be counted as part of the cost of administration.

* Sec. 31. AS 23.15.800 is amended to read:

Sec. 23.15.800. Selection of service providers. (a) The primary consideration in selecting agencies or organizations to deliver services within a local workforce investment [SERVICE DELIVERY] area is the effectiveness of the agency or organization in delivering comparable or related services based on demonstrated performance, in terms of the likelihood of meeting performance goals, cost, quality of training, and characteristics of participants. In complying with this subsection, proper consideration shall be given to community-based [COMMUNITY BASED] organizations as service providers.

(b) Appropriate education agencies in the local workforce investment [SERVICE DELIVERY] area shall be given the opportunity to provide educational services, unless the grant administrator determines that alternative agencies or organizations would be more effective or would have greater potential to enhance the participants' continued occupational and career growth.

(c) The grant administrator may not fund an occupational skills training program unless the level of skills provided in the program is in accordance with guidelines established by the local workforce investment board [PRIVATE INDUSTRY COUNCIL].

* Sec. 32. AS 23.15.810(1) is amended to read:

(1) "board" ["COUNCIL"] means the Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL];

* Sec. 33. AS 23.15.820 is amended to read:

Sec. 23.15.820. Powers and duties of the Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL]. (a) The Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] shall

(1) administer the Alaska technical and vocational education program established in AS 23.15.820 - 23.15.850;

(2) facilitate the development of a statewide policy for a coordinated and effective technical and vocational education training system in this state and, to the extent authorized by federal and state law, plan and coordinate federal, state, and local efforts in technical and vocational education programs;

(3) adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the purposes of AS 23.15.820 - 23.15.850, including regulations that set standards for the percentage of a grant that may be used for administrative costs; the regulations must clearly identify and distinguish between expenses that may be included in administrative costs and those that may not be included in administrative costs; the percentage allowed for administrative costs may not exceed the lesser of five percent or the amount permitted under the requirements of a federal program, if applicable;

(4) administer the grant program under AS 23.15.840 and establish grant administration requirements including accounting procedures that apply to qualified entities and their grantees.

(b) The board [COUNCIL] may

(1) receive money designated for technical and vocational education programs and may disburse money, including grants, to technical and vocational education projects in accordance with AS 37.07 (Executive Budget Act);

(2) enter into partnership agreements through appropriate administrative agencies with private industry training entities within the state in order to facilitate the coordination of training opportunities; and

(3) recommend to the legislature changes to enhance the effectiveness of the training programs it oversees under this section.

* Sec. 34. AS 23.15.830 is amended to read:

Sec. 23.15.830. Alaska technical and vocational education program account. The Alaska technical and vocational education program account is established in the general fund. The commissioner of administration shall separately account for money collected under AS 23.15.835 that the department deposits in the general fund. The legislature may appropriate the annual estimated balance in the account to the board [COUNCIL] to implement AS 23.15.820 23.15.850. The legislature may appropriate the lapsing balance of the account to the unemployment compensation fund established in AS 23.20.130.

* Sec. 35. AS 23.15.840(a) is amended to read:

(a) The board [COUNCIL] shall award grants, in accordance with the priority list adopted under (f) of this section, to technical and vocational education entities. A technical and vocational education entity is eligible for a grant under this section if the entity meets program requirements, the grant program is physically located in Alaska, and the entity can demonstrate that

(1) the entity's accounting systems include controls adequate to check the accuracy and reliability of accounting data, promote operating efficiency, and assure compliance with program requirements and generally accepted accounting principles;

(2) the entity's activities do not replace or compete in any way with a federally approved [, JOINTLY ADMINISTERED] apprenticeship program or any other existing training programs; and

(3) the entity has secure^d matching funds for the program for which the grant is requested.

* Sec. 36. AS 23.15.840(b) is amended to read:

(b) The board [COUNCIL] may not award a grant if the grant would displace money available through existing public or private technical and vocational education programs.

* Sec. 37. AS 23.15.840(d) is amended to read:

(d) A technical or vocational educational institution that receives a grant from the board [COUNCIL] shall give appropriate state agencies full access to accounting records concerning the grant to assure compliance with program standards.

* Sec. 38. AS 23.15.840(e) is amended to read:

(e) In making a grant under this section, the board [COUNCIL] shall require that the qualified entity and grantees of the qualified entity limit the amount of the grant proceeds spent on administration so that the total spent on administration from the proceeds of the technical and vocational education program account, including amounts spent by the board [COUNCIL] itself, does not exceed five percent. A training program funded by the board [COUNCIL] must

(1) meet the standards adopted by the board [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 if the program is a postsecondary educational program operated by a postsecondary educational institution subject to regulation under AS 14.48.

* Sec. 39. AS 23.15.840(f) is amended to read:

(f) To the extent that funding is available, grants shall be awarded to entities that apply for funding by the deadline established by the board [COUNCIL] by regulation. The board [COUNCIL] shall give priority to grant applications from qualified entities whose purpose is listed first on the list of priorities adopted under this subsection. If money remains after grants for the first priority have been awarded, the board [COUNCIL] may make grants to entities whose purpose is listed next on the list of priorities. The board [COUNCIL] shall proceed in this fashion until it has exhausted the money available for granting for the year. The board [COUNCIL] shall adopt a priority list each year based on economic, employment, and other relevant data in order to maximize employment opportunities for participants.

* Sec. 40. AS 23.15.850(1) is amended to read:

(1) "board" ["COUNCIL"] means the Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL];

* Sec. 41. AS 23.20.110(a) is amended to read:

(a) Except as provided in (h) and (i) of this section, the department shall hold information obtained from an employing unit or individual in the course of

administering this chapter and determinations as to the benefit rights of an individual confidential and may not disclose them or open them to public inspection in a manner that reveals the identity of the individual or employing unit. A claimant or an employing unit, or the legal representative of the claimant or the employing unit, is entitled to information from the records of the department to the extent necessary to properly present or protest a claim or determination under this chapter. Subject to restrictions that the department prescribes by regulation, the information may be made available to an agency of this state or another state or federal agency charged with the administration of an unemployment compensation law or the maintenance of a system of public employment offices, or, for the purposes of the Federal Unemployment Tax Act, to the Internal Revenue Service of the United States, or, for tax purposes, to the Department of Revenue. Information obtained in the course of administering this chapter or in connection with the administration of the employment service may be made available to persons or agencies for purposes appropriate to the operation of a public employment service or the administration of employment and training programs planned or coordinated by the Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] under AS 23.15.550 - 23.15.585.

* Sec. 42. AS 24.60.080(h) is amended to read:

(h) A legislator, a legislative committee other than the Select Committee on Legislative Ethics, or a legislative agency may accept [(1)] a gift of (1) volunteer services for legislative purposes so long as the person making the gift of services is not receiving compensation from another source for the services, or (2) [A GIFT OF] the services of a trainee who is participating in an educational program approved by the committee if the services are used for legislative purposes. The committee shall approve training under a program of the University of Alaska and training under 29 U.S.C. 2801 - 2945 (Workforce Investment Act of 1998) [29 U.S.C. 1501 - 1792B (JOB TRAINING PARTNERSHIP ACT)]. A legislative volunteer or educational trainee shall be considered to be a legislative employee for purposes of compliance with this section, AS 24.60.030 - 24.60.039, 24.60.060, 24.60.085, 24.60.158 - 24.60.170, 24.60.176, and 24.60.178. If a person believes that a legislative volunteer or educational trainee has violated the provisions of one of those sections, the person may file a complaint under AS 24.60.170. The provisions of AS 24.60.170 apply to the proceeding.

* Sec. 43. AS 39.50.200(a)(8) is amended to read:

(8) "public official" means

(A) a judicial officer;

- (B) the governor or the lieutenant governor;
- (C) a person hired or appointed in a department in the executive branch as
 - (i) the head or deputy head of the department;
 - (ii) the director or deputy director of a division;
 - (iii) a special assistant to the head of the department;
 - (iv) a person serving as the legislative liaison for the department;
- (D) an assistant to the governor or the lieutenant governor;
- (E) the chair or a member of a state commission or board other than physician members or alternates of the Alaska Teachers' Retirement Board appointed under AS 14.25.035(a)(2) or of the Public Employees' Retirement Board appointed under AS 39.35.030(d);
- (F) state investment officers and the state comptroller in the Department of Revenue;
- (G) the executive director of the Alaska Tourism Marketing Council;
- (H) the chief procurement officer appointed under AS 36.30.010;
- (I) the executive director of the Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL]; and
- (J) each appointed or elected municipal officer;

* Sec. 44. AS 39.50.200(b)(55) is amended to read:

(55) Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] (AS 23.15.550):

* Sec. 45. AS 44.31.020 is amended to read:

Sec. 44.31.020. Duties of department. The Department of Labor and Workforce Development shall

- (1) enforce the laws, and adopt regulations under them concerning employer-employee relationships, including the safety, hours of work, wages, and conditions of workers, including children;
- (2) accumulate, analyze, and report labor statistics;

- (3) operate systems of workers' compensation and unemployment insurance;
- (4) gather data reflecting the cost of living in the various election districts of the state upon request of the director of personnel under AS 39.27.030; in this paragraph, "election district" has the meaning given in AS 39.27.020(b);
- (5) operate the federally funded employment and training programs under 29 U.S.C. 2801 - 2945 (Workforce Investment Act of 1998) [29 U.S.C. 1501 - 1792B (JOB TRAINING PARTNERSHIP ACT)]; and
- (6) administer the state's program of adult basic education.

* Sec. 46. AS 23.15.660(3) is repealed.

* Sec. 47. The uncodified law of the State of Alaska enacted in sec. 6, ch. 116, SLA 1996, as amended by sec. 9, ch. 85, SLA 1998, is amended to read:

Sec. 6. AS 23.15.620, 23.15.625, 23.15.630, 23.15.635, 23.15.640, 23.15.645, 23.15.651, and 23.15.660 are repealed June 30, 2004 [2002].

* Sec. 48. The uncodified law of the State of Alaska enacted in sec. 1, ch. 102, SLA 2001 is amended to read:

Section 1. ALLOCATION OF APPROPRIATIONS FOR FISCAL YEARS ENDING JUNE 30, 2002, AND JUNE, 2003. Notwithstanding AS 23.15.840(a), for the fiscal years ending June 30, 2002, through June 30, 2006 [AND JUNE 30, 2003], the money collected under AS 23.15.835 or otherwise appropriated to the Alaska Workforce Investment Board [ALASKA HUMAN RESOURCE INVESTMENT COUNCIL] shall be allocated directly in the following percentages to the following institutions for programs consistent with AS 23.15.820 - 23.15.850 and capital improvements:

University of Alaska 63 percent

Galena Project Education Vocational Training Center 4 percent

Kotzebue Technical Center 11 percent

Alaska Vocational Technical Center 22 percent.

* Sec. 49. The uncodified law of the State of Alaska is amended by adding a new section to read:

REPORT TO THE LEGISLATURE. The Department of Labor and Workforce Development shall present a written report to the legislature on the state training and resources program within 10 days of the beginning of the First Regular Session of the Twenty-Third Alaska State Legislature. The report must include

- (1) an outreach plan for the state training and resources program;
- (2) a certification verification plan;
- (3) the department's recommendations on allowable nonadministrative costs for program expenses;
- (4) a data collection and reporting plan;
- (5) the status of the governor's discretionary fund for statewide activities established as part of the 1999 Alaska Human Resource Investment Council action plan; and
- (6) the department's recommendations on including reimbursable employers in the state training and employment program, and excluding current and former employees of reimbursable employers from the program.

* Sec. 50. The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: MEMBERS AND TERMS OF THE ALASKA WORKFORCE INVESTMENT BOARD; EXECUTIVE DIRECTOR. (a) On the effective date of this section, the members of the Alaska Workforce Investment Board created in AS 23.15.550, as amended by sec. 3 of this Act, are the same persons who, on the day before the effective date of this section, served as members of the Alaska Human Resource Investment Council under AS 23.15.550 as that section appeared on the day before the effective date of this section. The members described in this section shall serve the remainder of their unexpired terms.

(b) The person serving as executive director of the Alaska Human Resource Investment Council on the day before the effective date of this section shall serve, under the same terms and conditions, as executive director of the Alaska Workforce Investment Board created in AS 23.15.550, as amended by sec. 3 of this Act.

* Sec. 51. The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: EXECUTIVE COMMITTEE OF ALASKA WORKFORCE INVESTMENT BOARD. Notwithstanding AS 23.15.570(c), as amended by sec. 7 of this Act, the executive committee of the Alaska Workforce Investment Board, created in AS 23.15.550, as amended by sec. 3 of this Act, shall include the immediate past chair of the Alaska Human Resource Investment Council, created by AS 23.15.550 as that section appeared on the day before the effective date of this section. The immediate past chair of the Alaska Human Resource Investment Council shall serve on the executive committee until an immediate past chair of the Alaska Workforce Investment Board exists.

* Sec. 52. The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. (a) Notwithstanding sec. 57 of this Act, the state agencies affected by this Act may proceed to adopt regulations necessary to implement the respective changes made by secs. 1 - 46 of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the statutory change.

(b) To the extent that the regulations are not inconsistent with the purposes of this Act, regulations implementing AS 23.15.550 - 23.15.850 that are in effect on the day before the effective date of this subsection remain as valid regulations implementing this Act. The affected state agencies may continue to administer and enforce the regulations described in this subsection.

(c) To the extent consistent with this Act, the regulations attorney is instructed to change terms in the Alaska Administrative Code relating to the Alaska Human Resource Investment Council, as follows:

(1) "Alaska Human Resource Investment Council" to "Alaska Workforce Investment Board";

(2) "council," in relation to the change described in (1) of this subsection, to "board."

* Sec. 53. The uncodified law of the State of Alaska is amended by adding a new section to read:

REVISOR OF STATUTES INSTRUCTIONS. The revisor of statutes is instructed to change the heading of art. 4 of AS 23.15 from "Alaska Human Resource Investment Council" to "Alaska Workforce Investment Board."

* Sec. 54. The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY OF SEC. 47. If sec. 47 of this Act takes effect after June 29, 2002, sec. 47 of this Act is retroactive to June 29, 2002.

* Sec. 55. Section 47 of this Act takes effect June 29, 2002.

* Sec. 56. Section 52(a) of this Act takes effect immediately under AS 01.10.070(c).

* Sec. 57. Except as provided in secs. 55 and 56 of this Act, this Act takes effect July 1, 2002.

Chapter: CH085

Source: HCS CSSB 334(FIN) am H

Action Date: June 11, 1998

Effective Date: June 12, 1998

98

AN ACT

Relating to guidelines and standards for state training programs; relating to the Alaska Human Resource Investment Council; extending the termination date of the state training and employment program; and providing for an effective date.

* Section 1. AS 44.19.620 is amended by adding a new subsection to read:

(c) A member of the council under (a) of this section may appoint a designee to serve in place of the member named in (a) of this section. The member shall appoint the designee in writing.

* Sec. 2. AS 44.19.621 (a) is amended to read:

(a) Members of the Alaska Human Resource Investment Council other than those listed in AS 44.19.620 (a)(1) and (2) are appointed by the governor and serve at the pleasure of the governor. The governor may appoint one person to fill two or more of the places listed in AS 44.19.620 (a) if the person is qualified in all of the areas the person represents. A member appointed to fill more than one place under this subsection is entitled to only one vote and may appoint only one designee to replace the member in the event the member is unable to attend a meeting.

* Sec. 3. AS 44.19.622 is amended to read:

Sec. 44.19.622. Compensation. Members of the Alaska Human Resource Investment Council listed in or appointed under AS 44.19.620 (a), including a designee of a member attending in place of the member, serve without compensation but are entitled to per diem and travel expenses authorized by law for boards and commissions under AS 39.20.180 . Nonvoting members of the council appointed under AS 44.19.620 (b) serve without compensation and are not entitled to per diem and travel expenses. A commissioner appointed under AS 44.19.620 (a)(2) or the

commissioner's designee is entitled to per diem and travel expenses as a state employee.

* Sec. 4. AS 44.19.623 is amended to read:

Sec. 44.19.623. Officers. The Alaska Human Resource Investment Council shall elect a chair and a vice-chair from among the members listed in or appointed under AS 44.19.620 (a)(5) [AS 44.19.620 (a) WHO ARE FROM THE PRIVATE SECTOR. THEY SHALL ALSO ELECT A VICE-CHAIR]. The chair and vice-chair serve in their positions at the pleasure of the council.

* Sec. 5. AS 44.19.624 is amended to read:

Sec. 44.19.624. Meetings, quorum, and committees. (a) The Alaska Human Resource Investment Council shall meet not more than three times in a calendar year at the call of the chair to conduct its business. A majority of the members listed in or appointed to the council under AS 44.19.620 (a) constitutes a quorum.

(b) The council shall establish an executive committee and four permanent standing committees as described in (c) - (g) of this section. The chair of a permanent standing committee must be from the private sector. The council may establish additional standing committees and special committees or subcommittees, not necessarily consisting of council members, to advise and assist the council in carrying out its functions assigned by federal or state statute. The permanent standing committees are

- (1) the assessment and evaluation committee;
- (2) the policy and planning committee;
- (3) the employment and placement committee; and
- (4) the workforce readiness committee.

* Sec. 6. AS 44.19.624 is amended by adding new subsections to read:

(c) The executive committee consists of the chair and vice-chair of the council, the immediate past chair of the council, and the chairs of the four standing committees described in (d) - (g) of this section. The executive committee has the duties and may exercise the powers of the council between meetings of the council. The executive committee shall

- (1) report to the council in a timely fashion on actions taken on behalf of the council; and

(2) supervise the affairs of the council between regular meetings of the council

(d) The assessment and evaluation committee shall

(1) assess and evaluate programs, initiatives, and the delivery of services to help to ensure equitable distribution of quality education, training, and employment services statewide, especially to rural areas and to programs serving economically disadvantaged citizens;

(2) call for and monitor the workforce development system for increased accountability in performance and continuous quality improvement along the goals and strategies of the council's overall statewide strategic plan for workforce development;

(3) use evaluation and performance measures to gauge customer satisfaction within the workforce development system; and

(4) perform other duties assigned by the council.

(e) The policy and planning committee shall

(1) build policies regarding day-to-day operations and long-term responsibilities of the council;

(2) work to increase awareness of the council and its mission throughout the state;

(3) work with all other committees on a statewide strategic plan for workforce development; and

(4) perform other duties assigned by the council.

(f) The employment and placement committee shall

(1) ensure the statewide strategic plan for workforce development addresses

(A) customer needs at the local level;

(B) moving welfare recipients into the workforce;

(C) promoting the hiring of state residents in jobs that have traditionally been filled by out-of-state workers;

(D) tailoring employment and training programs to suit state business, industry, and economic development needs;

(2) monitor the coordination of service delivery to promote efficiency and to prevent overlap of services among programs; and

(3) perform other duties assigned by the council.

(g) The workforce readiness committee shall

(1) provide oversight for training, education, and employment programs to ensure the programs are delivering education and training that is relevant to local market needs and the career goals of state residents;

(2) build partnerships between employers and quality workforce training programs;

(3) work to connect the state public and private education systems with business, government, and labor to ensure that state residents are receiving workforce readiness skills throughout the education process; and

(4) perform other duties assigned by the council.

* Sec. 7. AS 44.19.626 (b) is amended to read:

(b) The council shall

(1) facilitate the development of statewide policy for a coordinated and effective employment training and education system in this state;

(2) identify the human resource investment needs in the state and develop a plan to meet those needs;

(3) review the provision of services and the use of money and resources by the human resource programs listed in AS 44.19.625 ;

(4) assume the duties and functions of the state councils described under the laws relating to the federal human resource programs listed in AS 44.19.625 ;

(5) advise the governor, [AND] state and local agencies, and the University of Alaska on the development of state and local standards and measures relating to applicable human resource programs;

(6) submit, to the governor and the legislature, a biennial strategic plan to accomplish the goals developed to meet human resource investment needs;

(7) monitor for the implementation and evaluate the effectiveness of the strategic plan developed by the council;

(8) adopt regulations that set standards for the percentage of a grant that may be used for administrative costs; the regulations must clearly identify and distinguish between expenses that may be included in administrative costs and those that may not be included in administrative costs; the percentage allowed for administrative costs may not exceed the lesser of 15 percent or the amount permitted under the requirements of a federal program, if applicable;

(9) report annually to the legislature, by the 30th day of the regular legislative session, on the performance and evaluation of training programs in the state subject to review under (f) of this section;

(10) identify ways for agencies operating programs subject to oversight by the council to share resources, instructors, and curricula through collaboration with other public and private entities to increase training opportunities and reduce costs; and

(11) [(8)] adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the purposes of AS 44.19.620 - 44.19.627.

* Sec. 8. AS 44.19.626 is amended by adding new subsections to read:

(d) The council shall provide oversight for the planning and coordination of employment-related education training programs operated by the state or operated under contract with the state that are described in (f) of this section. The council shall require a training program listed in (f) of this section to meet the requirements of this subsection. The council shall, by regulation, establish appropriate penalties for programs that fail to meet the requirements of this subsection. The council may recommend to the legislature changes to enhance the effectiveness of the training programs it oversees under this section. A training program described in (f) of this section funded with money appropriated by the legislature must

(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;

(3) provide to the Department of Labor the information required by the department for the preparation of the statistical information necessary for the council to evaluate programs by the standards set out in (e) of this section.

(e) The council shall develop standards that encourage agencies to contract for training programs that maximize the program's class size. The council shall adopt standards for the evaluation of training programs listed in (f) of this section with regard to the following:

(1) the percent of former participants who have a job one year after leaving the training program;

(2) the median wage of former participants seven to 12 months after leaving the program;

(3) the percent of former participants who were employed after leaving the training program who received training under the program that was related to their jobs or somewhat related to their jobs seven to 12 months after leaving the training program;

(4) the percent of former participants of a training program who indicate that they were satisfied with or somewhat satisfied with the overall quality of the training program;

(5) the percent of employers who indicate that they were satisfied with the quality of the work of new employees who had recently completed the training program.

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

(1) 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;

(2) in the Department of Education or operated by the department, the non-public-school portions of the following programs:

- (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;

(3) in the Department of Health and Social Services: employment training services operated as part of the Alaska Temporary Assistance Program (ATAP);

(4) in the Department of Labor:

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

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

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

(g) The council shall assess the programs listed in this subsection and make recommendations to the legislature in its report required under (b)(9) of this section about whether to include one or more of these programs under the requirements of (f) of this section:

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

(A) local government assistance training and development, including the rural utility business advisory program;

(B) energy operations, providing training in management and administration of electric utilities and bulk fuel storage systems;

(2) in the Department of Corrections:

(A) Correctional Academy, training individuals applying for a correctional officer position;

(B) inmate programs, providing vocational technical training and education courses for inmates preparing to be released from a correctional facility;

(C) correctional industries program, providing inmates with jobs while they are incarcerated;

(3) in the Department of Environmental Conservation:

(A) remote maintenance worker program, providing training and technical assistance to communities to keep drinking water and sewage disposal systems running, and providing on-the-job training to local operators;

(B) water and wastewater operator training and assistance;

(C) federal drinking water operator training and certification;

(4) in the Department of Military and Veterans' Affairs: educational benefits for members of the Alaska National Guard and the Alaska Naval Militia;

(5) in the Department of Public Safety:

(A) fire service training to maintain emergency training skills for existing fire fighter staff and volunteers and individuals interested in becoming fire fighters;

(B) Public Safety Training Academy, training trooper recruits;

(6) in the Department of Transportation and Public Facilities:

(A) engineer-in-training program, providing on-the-job training for apprentice engineers to enable them to gain the experience necessary to be certified;

(B) statewide transportation improvement program, offered by the United States National Highway Institute;

(C) local technical assistance program, transferring technical expertise to local governments;

(D) Native technical assistance program, transferring technical expertise to Native governments;

(E) border technology exchange program, to coordinate highway issues with the Yukon Territory;

(7) in the Department of Education: vocational rehabilitation client services and special work projects;

(8) in the Department of Labor: employment services, including job development, assisting individuals in finding employment, and assisting employed individuals in finding other employment;

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

(h) The University of Alaska shall evaluate the performance of its training programs using the standards set out in (e) of this section and shall provide a report on the results to the council for inclusion in the council's annual report to the legislature.

(i) The council shall review each program listed in (f) of this section to determine whether it is in compliance with the standards set out in (d) and (e) of this section. If the council finds that a program has failed to comply with the standards set out in (d) and (e) of this section, it shall notify the program director of the failure. If the program director fails to improve the performance of the program within a reasonable time, the council shall notify the governor and the legislative budget and audit committee that the program is out of compliance. A contract entered into by a state agency relating to a training program set out in (f) of this section must contain terms consistent with this section.

(j) A department that operates or contracts for a training program listed in (f) of this section shall pay to the council a management assessment fee not to exceed .75 percent of the program's annual operating budget. The total amount received as management assessment fees may not exceed the council's authorized budget for the fiscal year. The council shall, by regulation, establish a method to determine annually the amount of the management assessment fee. If the amount the council expects to collect under this subsection exceeds the authorized budget of the council, the council shall reduce the percentages set out in this subsection so that the total amount of the fees collected approximately equals the authorized budget of the council for the fiscal year. The council shall adopt regulations under AS 44.62 (Administrative Procedure Act) necessary to administer this subsection.

(k) Upon the enactment of a new federal or state program relating to work force development, the council shall

(1) advise the governor and the legislature on whether the council should provide oversight for the new program under this section; and

(2) make recommendations necessary to streamline and coordinate state efforts to meet the guidelines of the new program.

(l) For purposes of this section, "program"

(1) does not refer to the overall activities of an individual institution or individual fields of study or courses that are not associated with programs for which the council has oversight responsibility;

(2) may include a certificate or associate degree course or a course that is not for credit, whether it is offered by a public or private institute or contracted for by the private sector, so long as it is related to employment.

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

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

* Sec. 10. TRANSITION. Notwithstanding the requirement in AS 44.19.623 , as amended by sec. 4 of this Act, that the chair and the vice-chair of the council be members of the council appointed under AS 44.19.620 (a)(5), a member who is serving as chair or vice-chair of the council on the day before the effective date of this Act may continue to serve in that capacity until the expiration of the member's term of office. However, if the vice-chair is a commissioner of a department of state government, the office becomes vacant on the effective date of this Act and the council shall elect a vice-chair who meets the requirements of AS 44.19.623 , as amended by sec. 4 of this Act.

* Sec. 11. This Act takes effect immediately under AS 01.10.070 (c).

Chapter: CH116

Source: CSSB 229 (L&C)

Action Date: June 28, 1996

Effective Date: See Chapter

96

AN ACT

Relating to employment contributions, to the calculation of unemployment insurance benefits, and to the state training and employment program; and providing for an effective date.

* Section 1. FINDINGS. The legislature finds that

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

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

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

(4) a state training and employment program 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;

(5) it would be beneficial to the state for state training and employment programs funded by the state training and employment program to

supplement, but not to displace, programs funded by money available to a training entity for public or private training, and not to replace, parallel, compete with, or duplicate existing federally approved, jointly administered apprenticeship and training programs;

(6) it would be beneficial to the state to make the state training and employment program a permanent state program to benefit Alaska workers, businesses, and industry.

* Sec. 2. AS 23.15 is amended by adding new sections to read:

ARTICLE 4A. STATE TRAINING AND EMPLOYMENT PROGRAM.

Sec. 23.15.620. STATE TRAINING AND EMPLOYMENT PROGRAM. There is created in the department a program to finance and award grants to employment assistance and training entities. Employment assistance and training entities shall give appropriate state agencies full access to accounting records concerning grants received to assure compliance with program standards.

Sec. 23.15.625. EMPLOYMENT ASSISTANCE AND TRAINING PROGRAM ACCOUNT. The employment assistance and training program account is established in the general fund. The commissioner of administration shall separately account for money collected under AS 23.15.630 that the department deposits in the general fund. The annual estimated balance in the account may be appropriated by the legislature to the department to implement AS 23.15.620 - 23.15.660. The legislature may appropriate the lapsing balance of the account to the unemployment compensation fund established in AS 23.20.130 .

Sec. 23.15.630. SPECIAL EMPLOYEE UNEMPLOYMENT CREDIT AND CONTRIBUTIONS FOR PROGRAM. (a) In the manner provided in AS 23.20, the department shall collect from each employee an amount equal to one-tenth of one percent of the wages, as set out in AS 23.20.175 , on which the employee is required to make contributions under AS 23.20.290 (d). The department shall remit to the Department of Revenue, in accordance with AS 37.10.050 , money collected under this subsection.

(b) Notwithstanding AS 23.20.290 (d), the department shall credit each employee with an amount equal to the amount collected from the employee under (a) of this section against unemployment contributions owed by the employee under AS 23.20.

(c) The department shall assess and collect, under AS 23.20.185 - 23.20.275, interest and penalties for delinquent reports and payments due

under this section. Interest and penalties collected shall be handled in accordance with AS 23.20.130 (d).

Sec. 23.15.635. PEOPLE TO BE SERVED. Within the limits of its grant, an employment assistance and training entity receiving a grant under AS 23.15.651 shall provide services set out in AS 23.15.640 to state residents who, immediately before beginning training or receiving benefits under a grant financed by this program,

(1) are unemployed and

(A) are receiving unemployment insurance benefits; or

(B) have exhausted the right to unemployment insurance benefits within the past three years;

(2) are employed, but liable to be displaced within the next six months because of

(A) reductions in overall employment within a business;

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

(C) a change in conditions of employment requiring that, to remain employed, the employee must learn substantially different skills that the employee does not now possess; or

(3) have worked in a position covered by AS 23.20 at any time during the last three years, and are not currently eligible for unemployment insurance benefits because

(A) their employment has been seasonal, temporary, part-time, or marginal;

(B) their qualifying wages are insufficient because of limited job opportunity; or

(C) they are employed but, because they are underemployed, they are in need of employment assistance and training to obtain full employment.

Sec. 23.15.640. SERVICES FOR ELIGIBLE PEOPLE. Subject to the limits of its grant, an entity receiving a grant under AS 23.15.651 shall provide one or more program elements. The program elements include

(1) industry-specific training;

(2) on-the-job training;

(3) institutional or classroom job-linked training;

(4) support services, including allowances;

(5) relocation assistance; or

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

Sec. 23.15.645. DUTIES AND POWERS OF THE DEPARTMENT. (a) The department shall award a grant to the council to

(1) administer a state training and employment program; and

(2) award grants to qualified entities.

(b) When a grant is awarded to the council, the department shall annually provide to the council a priority list of targeted projects or services, based on unemployment statistics, unemployment insurance claims, occupational and industrial projections, availability of other training and employment programs, and other relevant data. The department shall also provide annually to the council a priority list of criteria for eligibility to maximize services to those people most in need of training under AS 23.15.620 - 23.15.660. In developing the priority list for targeted projects and services, the department shall solicit comments from the Department of Community and Regional Affairs, Department of Education, Department of Commerce and Economic Development, University of Alaska, organized labor, the council, and the administrative entities of the substate service delivery areas established for the council. The department shall give preference to projects and services that train individuals in industries identified in the resident life report required under AS 36.10.130 as employing a disproportionate percentage of nonresident individuals.

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

(d) The council shall establish grant administration requirements including accounting procedures that apply to qualified entities and their grantees.

(e) In making a grant under this section, the council shall require that the qualified entity and grantees of the qualified entity limit the amount of the grant proceeds spent on administration so that the total spent on administration from the proceeds of the employment assistance and training program account, including amounts spent by the council itself, does not exceed 20 percent. The amount collected and remitted in accordance with the

shared cost requirements of the federal Office of Management and Budget Circular A-87 entitled "Cost Principles for State and Local Governments" is not considered an amount spent on administration under this subsection.

Sec. 23.15.651. DUTIES OF ALASKA HUMAN RESOURCE INVESTMENT COUNCIL; GRANTS; ELIGIBLE ENTITIES. (a) In implementing this program under a grant received under AS 23.15.645 , and subject to the limit of its grant the council shall award grants, in accordance with the priority list established by the department under AS 23.15.645 (b) to employment assistance and training entities. A training entity is eligible for a grant under this section if the entity meets program requirements and can demonstrate that

(1) its accounting systems include controls adequate to check the accuracy and reliability of accounting data, promote operating efficiency, and assure compliance with program requirements and generally accepted accounting principles; and

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

(b) The council may not award a grant if the grant would displace money available through existing public or private training programs.

(c) To provide administration of the program, the council may use the administrative entities of the substate service delivery areas.

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

Sec. 23.15.660. DEFINITIONS. In AS 23.15.620 - 23.15.660,

(1) "council" means the Alaska Human Resource Investment Council established in AS 44.19.620 ;

(2) "program" means the state training and employment program established in AS 23.15.620 - 23.15.660; and

(3) "substate service delivery areas" means those areas designated by the governor under 29 U.S.C. 1532.

* Sec. 3. AS 23.20.290 (c) is amended to read:

(c) Beginning January 1, 1997 [JANUARY 1, 1981], the rate of contributions for each employer is 80 [82] percent of the average benefit cost rate multiplied by the employer's experience factor set out in column C of the table in this subsection opposite the employer's applicable rate class set out in column A plus the fund solvency adjustment required under (f) of this section. However, the rate of contributions for an employer may not be less than one percent or more than six and one-half percent. The rate of contributions for an employer in rate class 21 may not be less than 5.4 percent. The rate of contributions for an employer must be rounded to the nearest 1/100th [ONE-HUNDREDTH] of one percent.

COLUMN A COLUMN B COLUMN C

Rate Class Cumulative Experience

Ratable Payroll Factor

at least but less than

(percent) (percent)

15.40

2510.45

31015.50

52025.60

62530.65

73035.70

83540.80

94045.90

1045501.00

1150551.00

1255601.10

1360651.20

1465701.30

1570751.35

1675801.40

1780851.45

1885901.50

1990951.55

209599.991.60

2199.991.65.

* Sec. 4. AS 23.20.290 (d) is amended to read:

(d) Beginning January 1, 1997 [JANUARY 1, 1981], and for each succeeding year thereafter, the rate of contributions payable by each employee of an employer who is subject to AS 23.20.165 is 20 [18] percent of the average benefit cost rate as determined in (e) of this section rounded to the nearest 1/100th [ONE-TENTH] of one percent. However, the rate of contributions for an employee may not be less than one-half percent or more than one percent.

* Sec. 5. AS 23.20.350 (d) is amended to read:

(d) An individual who is eligible under (a) of this section is entitled to receive the weekly benefit amount set out in column (B) of the table in this subsection that is opposite the amount set out in column (A) of the individual's base period wages determined under (c) of this section:

(A)(B)

Base Period Wages Weekly Benefit

Amount

At least But less than

01,000\$ 0

1,0001,25044

1,2501,50046

1,5001,75048
1,7502,00050
2,0002,25052
2,2502,50054
2,5002,75056
2,7503,00058
3,0003,25060
3,2503,50062
3,5003,75064
3,7504,00066
4,0004,25068
4,2504,50070
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4,7505,00074
5,0005,25076
5,2505,50078
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6,2506,50086
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10,75011,000122
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26,750248.

* Sec. 6. AS 23.15.620 , 23.15.625, 23.15.630, 23.15.635, 23.15.640, 23.15.645, 23.15.651, and 23.15.660 are repealed June 30, 1998.

* Sec. 7. Sections 3 - 5 of this Act apply to benefit years for unemployment insurance beginning on or after January 1, 1997.

* Sec. 8. Sections 1 and 2 of this Act take effect July 1, 1996.

* Sec. 9. Sections 3 - 5 and 7 of this Act take effect January 1, 1997.

State of the Alaska Workforce Investment System

Where We Were — State FY 2002

What We Did — State FY 2003

Where We Are Going — State FY 2004



Alaska Department of Labor and Workforce Development
Division of Business Partnership
Alaska Workforce Investment Board

Putting Alaskans in good jobs.

—from the State Training Employment and Program (STEP)

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Where We're Going - SFY 04

AWIB Strategies
Industry Focus
Regional Focus

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Alaska Department of
Labor and Workforce Development

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Building connections that put Alaskans into good jobs

February 12, 2004

I am pleased to present you with the annual State of the Alaska Workforce Investment System report.

Each year the Alaska Workforce Investment Board (AWIB) presents a report to the Alaska State Legislature on the performance and evaluation of training programs within its purview, as authorized by AS 23.15.580(b)(9). This year we have integrated two other program reports into this document – the *State Training and Employment Program Annual Report* and the *Training Program Performance for Program Year 2002* – to streamline the process and bring greater rigor and clarity to Alaska's Workforce Investment System.

The Alaska Workforce Investment Board recognizes the accomplishments it has made in the three years since the Workforce Investment Act was implemented, but it also understands the need for continuous improvement and the many challenges Alaska still faces. We welcome your involvement and support and look forward to working closely with you to build a quality workforce and a secure future for all Alaskans.

Alice J. Galvin, Ed.D., Chair
Alaska Workforce Investment Board

SUMMARY RECOMMENDATIONS

The Alaska Workforce Investment Board (AWIB) and the Department of Labor and Workforce Development are committed to ensuring all possible employment opportunities for Alaskans. The board has assessed the state of the workforce investment system and offers the following recommendations:

Governor & Legislature

- ❖ The legislature should make the highly successful State Training and Employment Program a permanent part of the workforce development system.
- ❖ The Governor should continue to hold the system accountable; set standards for outcomes and expect a return on workforce investment.
- ❖ The legislature should continue the Technical Vocational Education Program.

Other Stakeholders

- ❖ Business and industry must make a greater investment in training in order to achieve their Alaskan hire goals.
- ❖ Communities need to unite around a common goal that integrates healthy communities, education, economic development and workforce development activities together to improve the quality of life.
- ❖ Investors must raise expectations for increased quality in training and more Alaskans employed after training.
- ❖ Training providers and employers should foster alignment and investment in a career and technical education system for Alaska.

Training & Service Providers

- ❖ Investors should end the duplication of effort created through multiple systems; look for opportunities to match funding sources and share responsibilities between private and public resources.
- ❖ Providers should be more nimble and responsive to business needs, the changing economy, and the workforce needs of the future.
- ❖ Educators and employers should prepare Alaska's youth for Alaskan jobs by creating employability standards.
- ❖ The Alaska Job Center Network should make it easier for employers and workers to connect.
- ❖ Service providers should implement the board policies that embed industry-based skill standards in workforce development and training.

These recommendations are focused on an economic future that will result in healthy communities, a strong workforce, and a growing economy.

FY 2002 Program Performance Measures												
Alaska Employment and Earnings for Months 1 to 12 (One Year) Before and After Training												
	# Exiting	# Employed			Total Earnings		QTRs Worked		AVG Earnings per QTR		Total Median Earnings	
		Before	After	% Emp After	Before	After	Before	After	Before	After	Before	After
Training Programs												
WIA Title 1B Youth	653	290	454	89.5	\$738,229	\$2,102,084	637	1,077	\$1,159	\$1,952	\$1,366	\$2,414
WIA Title 1B Adult	380	300	314	82.6	\$2,777,759	\$5,593,348	869	1,012	\$3,197	\$5,527	\$7,203	\$15,287
WIA 1B Dislocated Workers	219	183	177	80.8	\$4,431,876	\$4,702,069	621	626	\$7,137	\$7,511	\$19,626	\$24,289
STEP	1,423	1,309	1,310	92.1	\$37,818,628	\$41,837,474	4,369	4,457	\$8,656	\$9,387	\$23,848	\$27,024
Denali Training Fund	619	539	563	91	\$8,957,986	\$11,496,430	1,712	1,840	\$5,232	\$6,248	\$10,941	\$14,927
TAA and NAFTA-TAA	61	59	36	59	\$2,387,412	\$1,317,735	97	132	\$12,119	\$9,983	\$34,331	\$29,694
Work Search	765	491	605	79.1	\$3,106,783	\$6,009,545	1,271	1,809	\$2,444	\$3,322	\$4,020	\$7,483
Vocational Education Programs												
Carl Perkins-Secondary	2,987	1,920	2,407	80.6	\$5,951,973	\$17,489,916	4,608	6,470	\$1,292	\$2,703	\$1,997	\$4,890
Carl Perkins-Postsecondary	4,828	3,675	3,738	77.4	\$61,078,709	\$79,634,238	11,720	12,349	\$5,211	\$6,449	\$11,344	\$17,280
Adult Basic Education	1,434	861	1,032	72	\$7,733,556	\$11,152,510	2,348	3,037	\$3,294	\$3,672	\$5,352	\$7,977
Training Institutes												
Alaska Technical Center	160	128	142	88.8	\$3,135,991	\$4,056,898	426	470	\$7,361	\$8,632	\$19,699	\$28,536
AVTEC	1,212	924	987	81.4	\$24,791,665	\$28,351,817	3,051	3,269	\$8,126	\$8,673	\$20,453	\$23,771
UA Vocational Education	5,601	4,113	4,130	73.7	\$80,275,562	\$93,857,916	13,326	13,577	\$6,024	\$6,913	\$14,869	\$18,628
<small>Notes: Includes an unduplicated count of individuals with reported SSN exiting a program. One individual may participate in more than one program. Includes Alaska reported employment and wage information only. Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.</small>												

The tables on pages four and five describe training program performance according to the five statutory requirements listed in AS.23.15.580(e):

1. The percentage of participants who have a job one year after leaving the training program
2. The median wage of participants 7 to 12 months after leaving the program
3. The percentage of participants employed who received training related to their jobs 7 to 12 months after leaving the program
4. The percentage of participants who were satisfied with the training services
5. The percentage of employers who were satisfied with the services

Note that the first table shows data for participants at the one-year mark before and after training and the second table shows data for the six-month mark before and after training.

Where We Were *2001*

FY 2002 Program Performance Measures												
Alaska Employment and Earnings for Months 7 to 12 (Six Months) Before and After Training												
	# Exiting	# Employed			Total Earnings		QTRs Worked		AVG Earnings per QTR		Total Median Earnings	
		Before	After	% Emp After	Before	After	Before	After	Before	After	Before	After
Training Programs												
WIA Title 1B Youth	653	197	326	49.9	\$350,422	\$1,001,623	301	495	\$1,164	\$2,023	\$1,073	\$1,659
WIA Title 1B Adult	380	248	270	71.1	\$1,464,792	\$2,724,787	426	483	\$3,438	\$5,641	\$4,468	\$9,362
WIA 1B Dislocated Workers	219	174	163	74.4	\$2,352,619	\$2,323,379	321	305	\$7,329	\$7,618	\$10,820	\$12,600
STEP	1,423	1,201	1,188	83.5	\$16,907,604	\$19,171,847	2,129	2,102	\$7,942	\$9,121	\$11,367	\$13,178
Denali Training Fund	619	495	500	80.8	\$4,447,406	\$5,480,964	859	893	\$5,177	\$6,138	\$5,869	\$7,841
TAA and NAFTA-TAA	61	55	34	55.7	\$1,305,800	\$693,079	100	65	\$13,058	\$10,663	\$23,261	\$18,192
Work Search	765	397	506	66.1	\$1,687,552	\$2,984,825	644	866	\$2,620	\$3,447	\$2,892	\$4,533
Vocational Education Programs												
Carl Perkins-Secondary	2,987	1,451	1,931	64.6	\$3,086,155	\$8,138,225	2,192	3,070	\$1,408	\$2,651	\$1,653	\$2,758
Carl Perkins-Postsecondary	4,828	3,308	3,301	68.4	\$30,162,413	\$39,379,558	5,828	6,003	\$5,175	\$6,560	\$6,744	\$10,361
Adult Basic Education	1,434	724	877	61.2	\$4,046,555	\$5,672,593	1,209	1,494	\$3,347	\$3,797	\$3,654	\$4,941
Training Institutes												
Alaska Technical Center	160	114	126	78.8	\$1,461,911	\$1,924,149	205	232	\$7,131	\$8,294	\$8,792	\$14,815
AVTEC	1,212	833	865	71.4	\$11,855,820	\$14,555,068	1,507	1,582	\$7,867	\$9,200	\$12,755	\$15,107
UA Vocational Education	5,601	3,506	3,617	64.6	\$38,248,063	\$46,386,480	6,361	6,567	\$6,013	\$7,064	\$8,940	\$11,239

Notes: Includes an unduplicated count of individuals with reported SSN exiting a program. One individual may participate in more than one program. Includes Alaska reported employment and wage information only.
Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Highlights of Alaska's Performance

- All of the training programs measured exceeded the one-year retention rate measure. Some exceeded the measure by as much as 30 points demonstrating that those trained had the skills to keep their jobs.
- All the training programs improved the overall six-month median earnings of their participants. Twelve of the thirteen exceed the performance target of a \$1,000 increase.
- Five of seven programs had more than 50% of those who completed training go to work in an occupation related to their training. For one program over 95% were working in a related occupation.
- Of the six programs that measure customer satisfaction, the average rate of overall participant satisfaction with training was over 84%, and all of these exceeded the negotiated target of 65%.

Customer Satisfaction

The ability to measure and compare customer satisfaction is new for FY 02. Prior to this report, programs did not consistently collect customer satisfaction information. The satisfaction is measured on a scale of 1 to 10 with 10 representing excellence and 1 representing total dissatisfaction. The customer satisfaction rates, which all exceed the 65% negotiated target, indicate an overall satisfaction with the training programs.

This year, six programs captured customer satisfaction data for participants:

- ❖ Alaska Vocational Technical Education Center 88%
- ❖ University of Alaska Vocational Students 81%
- ❖ WIA Adult Program 85%
- ❖ WIA Dislocated Worker Program 85%
- ❖ WIA Youth Program 78%
- ❖ STEP 89%

Customer Satisfaction Measures for FY 2002 Exiting Participants							
		Mean			Median		
		Overall Satisfaction	Meeting Expectations	Compares to Ideal	Overall Satisfaction	Meeting Expectations	Compares to Ideal
Training Programs	WIA Youth	7.8	7.8	7.6	8	8	8
	WIA IB Adult	8.5	8.3	8.3	9	9	9
	WIA IB Dis.Worker	8.5	8.3	8.2	9	9	9
	STEP	8.9	8.9	8.6	10	10	10
Training Institutes	AVTEC	8.8	8.3	8.3	10	9	9
	UA Vocational Education	8.1	7.5	7.6	9	9	8

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	653	653
% w/Alaska Wage and Salary Employment	69.5	49.9
Median Total Earnings	\$2,414	\$1,073
% of Workers Employed in Related Occupations	NA	6.0
Number of Alaska Wage and Salary Employed	454	326

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The Youth Program performance represents youth age 14 through 21. It has a broad spectrum of outcomes from remaining in school to entering employment.

WIA TITLE IB ADULT PROGRAM

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	380	380
% w/Alaska Wage and Salary Employment	82.5	71.1
Median Total Earnings	\$15,287	\$4,468
% of Workers Employed in Related Occupations	NA	48.7
Number of Alaska Wage and Salary Employed	314	270

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The Adult Program deals with individuals entering the workforce for the first time or after an extended period away from work.

WIA TITLE IB DISLOCATED WORKER PROGRAM

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	219	219
% w/Alaska Wage and Salary Employment	80.8	74.4
Median Total Earnings	\$24,289	\$10,820
% of Workers Employed in Related Occupations	NA	71.1
Number of Alaska Wage and Salary Employed	177	163

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The Dislocated Worker Program returns skilled workers to jobs. The related occupations indicator is at an acceptable level given that participants have experience and are supplementing it with training.

Where We Work STATE TRAINING AND EMPLOYMENT PROGRAM

Training Program Performance Indicators For Participants Exiting in 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	1,423	1,423
% w/Alaska Wage and Salary Employment	92.1	83.5
Median Total Earnings	\$27,024	\$11,367
% of Workers Employed in Related Occupations	NA	97.6
Number of Alaska Wage and Salary Employed	1,310	1,188

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

STEP is Alaska's only state-funded training program. It is one of the highest performing programs serving those who contributed to unemployment insurance.

DENALI TRAINING FUND

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	619	619
% w/Alaska Wage and Salary Employment	91.0	80.8
Median Total Earnings	\$14,927	\$5,869
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	563	500

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Data indicate that many of the training participants in rural Alaska entered the workforce and increased their wages substantially over a one-year period.

TRADE ADJUSTMENT ASSISTANCE PROGRAM

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	61	61
% w/Alaska Wage and Salary Employment	59.0	55.7
Median Total Earnings	\$29,694	\$23,261
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	36	34

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The TAA program participants had the highest median wage for the one-year period after exit. The program is operated by the Employment Security Division.

Where We Work CARL PERKINS VOCATIONAL PROGRAMS - Secondary

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	2,987	2,987
% w/Alaska Wage and Salary Employment	80.6	64.6
Median Total Earnings	\$4,890	\$1,653
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	2,407	1,931

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The Carl Perkins vocational programs are based on the principle that young people are much more likely to move to the labor force if they have marketable skills.

CARL PERKINS VOCATIONAL PROGRAMS - Postsecondary

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	4,828	4,828
% w/Alaska Wage and Salary Employment	77.4	68.4
Median Total Earnings	\$17,280	\$6,744
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	3,738	3,301

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Like the Carl Perkins Secondary program, the students who complete vocational training are much more likely to find employment.

ADULT BASIC EDUCATION

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	1,434	1,434
% w/Alaska Wage and Salary Employment	72.0	61.2
Median Total Earnings	\$7,977	\$3,654
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	1,032	877

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

In FY 02 more than 28% of ABE participants were enrolled in another training program. The program is operated by the Employment Security Division.

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	160	160
% w/Alaska Wage and Salary Employment	88.8	78.8
Median Total Earnings	\$28,536	\$8,792
% of Workers Employed in Related Occupations	NA	88.1
Number of Alaska Wage and Salary Employed	142	126

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Within one year of completing training, in Kotzebue, over 88% of graduates entered work in an occupation related to their training.

ALASKA VOCATIONAL TECHNICAL CENTER

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	1,212	1,212
% w/Alaska Wage and Salary Employment	81.4	71.4
Median Total Earnings	\$23,771	\$12,755
% of Workers Employed in Related Occupations	NA	95.7
Number of Alaska Wage and Salary Employed	987	865

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

As a statewide vocational training center, AVTEC was highly successful in assisting graduates to obtain jobs related to their training.

UNIVERSITY OF ALASKA VOCATIONAL EDUCATION PROGRAM

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	5,601	5,601
% w/Alaska Wage and Salary Employment	73.7	64.6
Median Total Earnings	\$18,628	\$8,940
% of Workers Employed in Related Occupations	NA	83.7
Number of Alaska Wage and Salary Employed	4,130	3,617

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Participants attending the university receive technical training that helps them become competitive in their fields.

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	765	765
% w/Alaska Wage and Salary Employment	79.1	66.1
Median Total Earnings	\$7,483	\$2,892
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	605	506
<i>Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.</i>		

Work Search is a program related to Public Assistance that has a *work first* tenet providing training only when other strategies have not worked.

ALASKA WORKFORCE INVESTMENT BOARD EVALUATION

Alaska's employment and training programs remain strong and well suited to the state of the economy. Areas for improvement were identified in FY 03 based upon performance results from FY 02. Better performance from several of the training programs is expected in FY 04. Overall, the trend for the training programs is positive. They appear to be meeting the needs of business and industry by training participants for high-demand occupations in the labor market.

It is important to monitor annual income performance. Declining wages may be a sign of economic concerns beyond the skill of Alaska's workforce.

The AWIB finds Alaska's workforce development programs meet or exceed statutory performance standards. An area to monitor for improvement is the ratio of training to employment, which is expected to increase. Only two programs fell below the FY 02 measure. Six programs did not measure the ratio of training to employment in related occupations. This ratio was significantly low for the youth program. The youth program represents a training program with different goals for different ages of youth, where many of the participants are too young to train for specific occupations.

The State Training and Employment Program (STEP) consistently performs at a level higher than most other training programs, despite being considered a pilot program for nearly sixteen years.

The board wants to ensure that the state receives the maximum benefit for its investment in employment and training programs. To this end a Return On Investment ratio should be developed for the training programs to aid in evaluation. The AWIB continues to advocate for adequate resources for job-training programs.

Alaska's training programs respond to employer needs. Areas for improvement have been identified and strategies developed. The Governor has made a strong commitment to develop Alaska's workforce using the state's training programs.

Fiscal Year 03 was a year of transition and change.

With the election of a new administration under Governor Frank Murkowski, the board saw an elevated commitment to economic and workforce development. In his first few weeks in office Governor Murkowski revitalized the workforce system when he demanded that the state reduce administrative overhead, get better at investing workforce development resources, and start performing at the level expected of the system. The board was called upon to play a leadership role in designing a new system, pulling stakeholders together, and realigning the local areas. The board also pursued important issues around vocational development and the quality of training.

Early in the fiscal year the board settled a long-standing discussion on the role of skill standards in Alaska's workforce system by setting timelines for adoption and enforcement of nationally recognized, industry-based skill standards. The standards were intended to improve the quality of vocational training in Alaska and in turn attract new business and industry. Second, the board accepted the Vocational Training Education Providers Group (VTEP) as an ad hoc subcommittee of the Workforce Readiness Committee. The VTEP identified service gaps and developed strategies to meet the needs. This group of training providers support nationally recognized, industry-based skill standards.

In November of 2002 the board passed a resolution directing an ambitious statewide activities plan calling for development of a certificate of Youth Employability Skills, creating a workforce information Clearinghouse, analyzing the status of youth services, and updating the 1997 report on vocational education in Alaska.

The full redesign and development of the administration of the workforce system was the most significant change in Fiscal Year 03. With the Governor's issuance of Administrative Order 210 the board dissolved two local area boards collapsing their responsibilities into a single statewide board. This resulted in a streamlined and simple system that business and industry could more easily access. The effort also modified the State Unified Plan and implemented a statewide planning area in FY 04.

**Performance measure data, including retention of jobs and wage gains, is derived from Unemployment Insurance records. Compiling the data takes up to five quarters after exiting training. This is why federal performance data lags behind other state or fiscal reporting.*

Workforce development programs have different measures. However, each program is evaluated according to five performance standards defined in statute. Several of the programs can provide preliminary data on their performance prior to the required reporting period.* Examples of programs with measures, other than those defined in state statute, are the Workforce Investment Act programs.

The Workforce Investment Act of 1998 (WIA) targeted nine key areas of program performance. Under WIA, four basic programs of service delivery are measured: Adult Program, Dislocated Worker Program, Older Youth Program and Younger Youth Program. The Adult, Dislocated Worker and Older Youth programs share four performance measures. These measures are Entered Employment Rate, Six Month Retention Rate, Six Month Earnings Change Rate, and the Employment and Credential Rate. The Younger Youth program has three measures: Skill Attainment Rate, Diplomas or Equivalent Rate and, Retention Rate. Finally, two customer satisfaction rates are measured for participants and employers. The participant satisfaction rate is an aggregate of participants from all four programs. These measures track overall WIA performance as well as individual performance. Alaska has collected this information for three years now. What follows is a brief analysis of each program.

WIA Older Youth Program, Ages 19-21

The older youth program has experienced the most difficulty with performance since the start of the program in FY 00. The program has been plagued with poor participant enrollment and poor credential attainment. Further, outcomes for entered employment and earnings change have been declining.

In FY 03 USDOL implemented a corrective action plan with Alaska to improve performance and halt the downward trend. This effort resulted in performance improvements. In FY 03 Alaska's performance in the Older Youth program was acceptable. None of the negotiated performance measures were exceeded. Nonetheless, for the first time Alaska exceeded the minimally acceptable threshold for the Employment and Credential Attainment Rate.

WIA Younger Youth Program, Ages 14-18

In contrast to the Older Youth Program, the performance in the Younger Youth program is generally acceptable. The program has over 1,100 participants and exceeded two out of three performance measures. Those measures reveal a trend of steady improvement.

Placement and retention are areas where the program is meeting acceptable performance but could be improved. Several issues may contribute to this including: lack of timely data entry, lack of clarity on the definitions of placement and retention, and a greater emphasis on the other two measures at the expense of the third. The program administrator is encouraged to maintain performance while determining the cause for the low performance in placement and retention as well as and to conduct additional analysis and develop strategies for improvement.

WIA Adult Program

The adult program primarily serves low-income individuals who experience barriers to employment such as childcare, transportation, training, and criminal convictions. The performance of the Adult program indicates the program is successful and exceeding all of the measures. The Adult program had over 500 new enrollments in FY 03 and exited 241 individuals. The total number of participants served was over 1,700. With such a high number of new registrations and a low number of participants exiting the program, it is important to determine how services will be provided if funding is reduced.

This valuable program has been the cornerstone of job-training programs for many years. It is successful and is providing a wide range of assistance to its participants. However, with declining funds it is important to more closely manage the rate at which clients are served, the rate at which they exit the program, and enter employment.

WIA Dislocated Worker Program

The primary objective of the dislocated worker program is to return workers who were laid-off, through no fault of their own, back to work. Performance measures indicate the program is successful yet the number of participants reported as having entered employment is only 188 out of 241 people who exited the program. According to the data, more than 1,200 individuals are actively being served. The new enrollments for FY 03 are just over 400. With high new enrollments and low exit rates, it appears that participants are spending more time enrolled in this program.

This program has significantly more resources than other WIA job-training programs. It appears that resources are not fully utilized since large amounts of funding are carried over from one year to the next. Given the increase in participants, the low numbers actually entering employment, and significant unspent funds, it would be appropriate to analyze the service delivery structure to improve program efficiencies and address possible issues with decisions to exit and enroll participants. Nonetheless, for those served, this is a successful program and has the capacity to meet the needs of other dislocated workers.

Denali Training Fund

As a short-term intensive training program, the Denali Training Fund has had a positive impact on the skills of workers in rural Alaska. In FY 03 the Denali Training Fund provided targeted training to 607 trainees in the construction and related industries. This program is significant because it does not fit the standard measurements of success. People in Denali Training Fund projects are looking for short-term training associated with the

Other Training Programs

construction, maintenance, and operations of public infrastructure in rural Alaska. The program has over an 85% placement rate in jobs, many of which are short-term or seasonal. The value in the Denali Training Fund is the way that it expands the skill base of rural Alaskans. This means when construction projects are proposed for rural Alaskan communities the residents will have the skills to accept jobs associated with the projects. In conjunction with the Denali Commission Training Subcommittee, the program administrator should seek out ways to promote training that leads to longer-term employment for participants.

Trade Adjustment Assistance

Trade Adjustment Assistance (TAA) is available to workers who lose their jobs or whose hours of work and wages are reduced as a result of increased imports from or a shift in production to another country. TAA includes a variety of benefits and reemployment services to help unemployed workers prepare for and obtain suitable employment. Benefits include job search and relocation allowances, training benefits, wage replacement for approved workers over 50 and a health care tax credit for continuing health insurance coverage after separation from the affected employment.

The recent decline in the salmon industry due to increased foreign imports has allowed many affected workers to enroll in TAA. This program will be effective in meeting their needs for reemployment in Alaska's workforce.

State Training and Employment Program

The State Training and Employment Program (STEP), established in 1989, is intended to provide job-training opportunities for Alaska residents who need these services in order to work and do not have access to other federally funded training programs. Since inception, STEP has provided training opportunities for 16,284 Alaskans. An additional 1,658 residents are slated to receive training before June 30, 2004, either through a customized training grant or a Job Center. A total of 17,942 people who would not otherwise have received services are served by STEP.

STEP is one of the highest performers in the mix of job training programs within the workforce development system. STEP helped people increase wages, remain employed or become employed. The annual performance report provided by the Department of Labor and Workforce Development Research and Analysis Section clearly demonstrates the consistent success of this program.

An important ingredient for the program's success is a self-generating funding mechanism. A very small set aside from Unemployment Insurance tax contributions provides 100% of program revenue. No program revenue comes from the state's general fund. Federal funding and national priorities do not affect the amount of revenue available or priorities for this program.

The programs most valuable characteristic is its flexibility. STEP allows for responsiveness to the unique needs of the Alaskan workplace. Eligibility for STEP is simple. One must (a) want to work, (b) be a resident and intend to stay in Alaska, (c) have worked in a job covered by Unemployment Insurance, (d) have a real job opportunity upon the completion of training, and finally (e) not have access to federal funds. STEP participants are screened for federal program services before they are registered in a STEP funded training program.

An example of how the flexibility built into the STEP program serves Alaskans is a current project that partners with the Nuniwarmiut Reindeer and Seafood Products manufacturing plant. This plant is located in the City of Mekoryuk, which sits on the north shore of Nunivak Island surrounded by the Bering Sea. In Mekoryuk, unemployment exceeds 46%; the per capita income is \$11,957 and 23% of the population lives below the poverty level.

The Nuniwarmiut Reindeer and Seafood Products plant recently expanded its harvesting capacity to include the processing of value-added retail food products. STEP funds were used to provide the training required to work in the new plant. Thirteen Mekoryuk residents learned how to make, package and sell the finished

State Training and Employment Program

products. They also learned how to safely use the industrial equipment in the plant's new commercial kitchen. Eleven of the thirteen trainees have newly created jobs directly resulting from this \$60,000 STEP investment.

Recent changes to the workforce development system, specifically the consolidation of the local service delivery areas, enable STEP to provide more job training opportunities than ever before. Streamlining brought a dramatic increase in the amount of funds allocated for direct training.

The table below demonstrates that even though the overall STEP fund decreased 12% in the current year, the allocation for training increased 68%.

STEP Analysis	2003	2004	Increase/Decrease in \$	By %
Total Fund	\$5,256,800	\$4,634,100	\$(622,700)	-12%
Training	\$2,260,447	\$3,792,751	\$1,532,304	+68%

The opportunity to apply for grants has more than doubled since implementation of the Division of Business Partnership's New Workforce Investment Strategy that offers a single application for multiple funding streams. Current grants exceed the total volume of grants last year as shown in the table below with no grants duplicated.

STEP Training Grants	July 1 – June 30, 2003	Current Year	July 1 – June 30, 2004
MOA/Mat-Su	7	Grants Renewed	10
Balance of State	19	Investment Strategy	18
Duplicates	4	Duplicates	0
Total Non-Duplicated	22	Total Non-Duplicated	28

This has broadened the STEP applicant pool by more than 100% resulting in an expanded variety of training options. In the second grant cycle in the winter of 2004, 16 applicants out of 24 had not previously applied for STEP grants until now.

State Training and Employment Program

The table below shows the percentage of grants funded according to industry categories at the beginning of the year compared to the distribution of grants and shows the increased variety of training options. STEP is, by statute, aligned directly to the priority industries defined by the Alaska Workforce Investment Board.

Grant Distribution by Industry	July 1, 2004	Currently
<i>Construction</i>	61%	47%
<i>Transportation</i>	0	6%
<i>Information Technology</i>	14%	11%
<i>Health Care</i>	0	4%
<i>Education</i>	13%	18%
<i>Seafood</i>	6%	6%
<i>Hospitality</i>	0	5%
<i>Occupations in Demand</i>	6%	3%
<i>total</i>	100%	100%

Grantees receive ongoing technical assistance, formal training, and participate in at least one forum per year. The forums address grantee issues. An electronic newsletter, STEP Update, is distributed to grantees to shine a light on particularly outstanding programs or individual success stories.

In the Job Centers, actions have been taken to build awareness of program requirements including on site staff training, the distribution of written and electronic learning tools, and a monthly teleconference. These efforts are designed to address issues that come up and provide technical assistance for staff providing individual services.

Community outreach is an important part of the effort to increase program awareness. Staff participate in professional conferences and outreach efforts, such as serving on a panel, or providing written information and/or slide presentations whenever possible.

The integration of STEP grants and Job Center services will bring consistency to the program. Individual applications and monthly reporting requirements are now standardized. Program data is interpreted and entered into the system according to the same rules across the state. Consistency will insure the accountability needed to continue the success of this program for Alaskan workers who have no other options.

Alaska's vocational training programs are highly effective at meeting the needs of their students while keeping pace with the needs of business and industry. The Alaska Vocational Technical Center (AVTEC) in Seward reports that 96% of their graduates are employed in a training-related occupation. In response to the priority on the healthcare industry by the board, AVTEC partnered with a non-profit business and state agency to begin Certified Nurse Assistant and Licensed Practical Nursing programs. The University of Alaska (UA) is offering training in 65 different vocational disciplines in areas such as healthcare, process technology and information technology.

The university programs are successful at getting people ready for jobs in high demand areas. The university had nearly 100% of its successful dental assistants, dental hygienists, and community health aides, return for continued education.

Other programs are training students in rural Alaska for jobs in demand. The Carl Perkins programs are expanding the performance of secondary and post-secondary training facilities in response to such trends as national skill standards. The Adult Basic Education programs are responding to the need for basic skills before vocational training. Participants in these programs are successful and often go on to find employment related to their training.

The workforce development and vocational programs form the backbone of Alaska's job-training system. The training program performance demonstrates that they meet the goals of the board and the state. The vocational programs are responsive to student and industry needs. Alaska's overall job-training and workforce development system has several opportunities for improvement. Program administrators have developed strategies to improve these programs. Performance and accountability continuously improves as these programs evolve.

University of Alaska Vocational Education Programs

There were 16,600 students enrolled in one or more vocational education courses at UA in FY 03. Of those 16,600 students, 5,600 have not re-enrolled in vocational education programs and are considered "exiters". The post-training performance of these exiters, as measured by Alaska wage and salary employment, is very favorable. A majority took just a single course, while others were enrolled in a full-length degree or certificate program. UA, through its 15 campuses around the state, offers 2000 vocational education courses and nearly 200 different programs covering 65 different vocational disciplines. In addition, UA campuses offer a significant number of programs that meet established state and national industry skills standards for certification.

Recent growth in UA vocational education programs has focused on nursing, allied health areas, process technology, information technology and specific regional needs such as marine welding at the Ketchikan campus. Increasing and sustaining program capacity in these areas was made possible through industry partnerships, legislative appropriation, and distribution of the Technical Vocational Education Program (TVEP) funding. Business partnerships with the health care providers and the Alaska Process Industry Careers Consortium, are two examples.

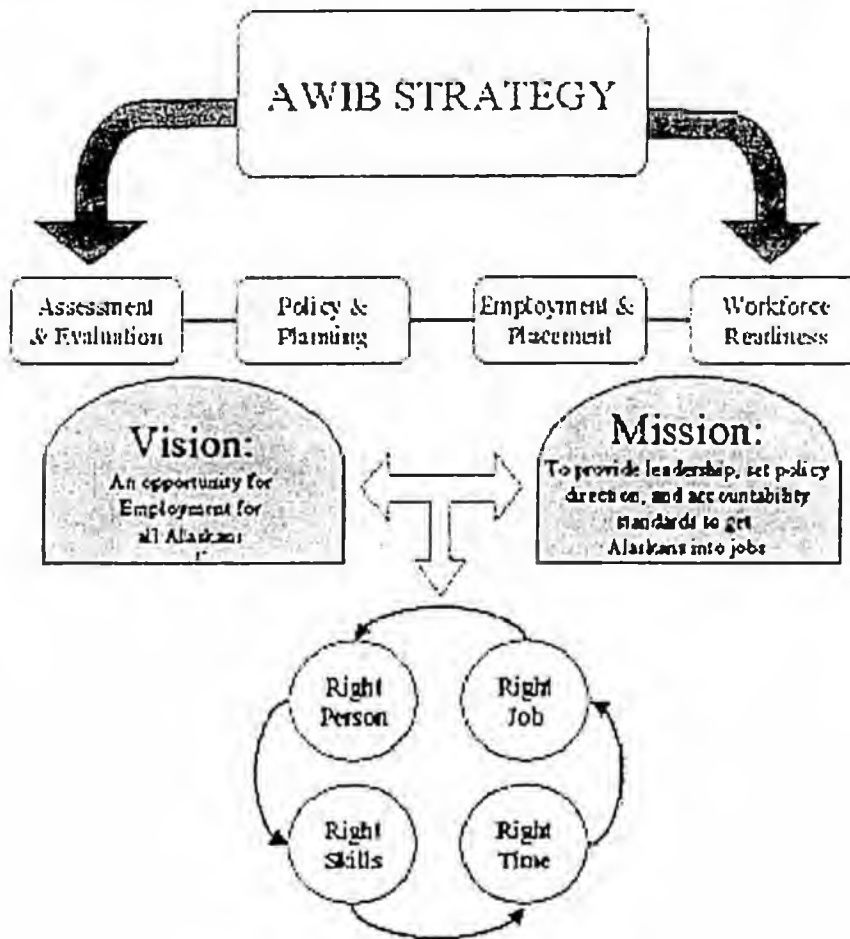
After UA training, vocational students increased their wages by an average of 17%. This increase applies to all students exiting from UA vocational training. It includes those who have only taken one vocational education class to learn a skill, advance their career, or even out of curiosity as well as those who obtained a certificate or degree. Those students who completed a full vocational degree or certificate program demonstrated an average 70% increase from pre-training wages.

Overall, 74% of UA vocationally trained students are employed and earned \$94 million in the year after training. Post-training employment of UA students is much higher in some of the board high priority occupations such as dental assistant (100%), dental hygienist (100%), community health aide (95%), process technology operator (85%), and nurse (80%). For areas such as information technology (58% employment) and aviation technology (54% employment), it is important to consider UA's mission in providing life long learning. Many training participants improve their knowledge and skills to better participate in an advancing society, or in small businesses not included in these employment statistics.

Regarding customer satisfaction, the University of Alaska is the only open admissions service provider of training. It is also unique in providing training to a broad cross section of students in all regions of the state.

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Workforce development is everyone's business.



The Alaska Workforce Investment Board made a critical decision this year that is driving its strategic planning and thinking for the future of the workforce. Alaska needs to provide real opportunities for employment for all Alaskans. This means getting the RIGHT person for the job with the RIGHT skills. It means helping Alaskans land the RIGHT job at the RIGHT time.

If this is going to happen then the board needs to provide leadership and guidance, hold people and programs accountable and point them in the right direction.

Board Strategies

Thinking strategically means looking forward and seeing the opportunities and stumbling blocks. The board has seen the future and it lies in connecting people with good jobs. Some of the key strategies the board will use to navigate the future include:

- Focusing training resources on industry gaps;
- Increasing local business involvement in identifying local needs;
- Coordinate economic and workforce development through regional councils;
- Create a clearinghouse of workforce information;
- Develop strong partnerships with rural and native communities and;
- Improve workforce system performance.

Responding to Alaska's Employment Trends

Already the Alaska Workforce Investment Board has changed the system for better. Implementation of the *New Workforce Investment Strategy* has increased the amount of grant funds at work in the workforce development system. In the first half of this year over \$700,000 was awarded in grants creating job-training opportunities for 326 residents. The process continues in quarterly grant cycles.

Governor Murkowski challenged business and industry throughout Alaska to make a serious commitment to hiring Alaskans in "good" paying jobs. In just a few months, over twenty major employers signed a pledge committing to a goal of 90% or higher resident hire. By targeting our training funds on the industries most in need of skilled workers we are helping these employers live up to their commitment.

Within the last weeks of 2003, the Division of Business Partnerships was awarded a National Emergency Grant to help individuals affected by the salmon industry decline make the difficult transition to new jobs. Alaska's ten-year long salmon fishery decline created an economic disaster for those working in the industry. This grant will help more than 400 workers with job training opportunities and other assistance to help them land on their feet as contributing members of Alaska's economy.

INDUSTRY FOCUS

A critical component of the board workforce development strategy is targeting priority industries for investment with workforce development resources. With help from the Alaska Department of Labor and Workforce Development, Division of Administrative Services, Research and Analysis Section and input from industry consortia, the board identifies and targets industries for workforce development through training.

In 2003 the industries were organized in three categories. Category one represents the high demand critical industries that are at a crisis with their workforce. Category two represents industries with high growth potential and good jobs. Category three represents industries identified by the administration that have a high demand for workers based on the levels of non-residency.

Healthcare is the top priority industry. In the first quarter of this year the Division of Business Partnerships awarded over \$160,000 in grants targeted toward the healthcare industry. The

training programs focused on nursing and nurses' aides as well as information technology in healthcare.

The second category includes construction, information technology and transportation. All are growth industries in Alaska and all represent occupations with good paying jobs.

The third category includes seafood, education, and the hospitality industry. The decline in the salmon industry requires more effort to train Alaskans working in the industry. The need for skilled teachers and others associated with education is reflected in rural schools. Tourism or hospitality is a growth industry with a great potential to provide seasonal jobs to those who might otherwise have no job at all.

In 2004, the board reiterated these industry priorities for another year, while adding a fourth category, resource development—specifically mining, oil, and gas. This sector represents high economic growth potential and offers Alaskan some of the best jobs in the state.

Consortia

Many of the industries represented on this list is supported by coalitions of business, public and non-profit organizations dedicated to the advancement of workforce in their industry. The consortia provide leadership on workforce development issues and are advocates for training better skilled workers. The consortia include:

- ❖ Alaska State Hospital and Nursing Home Association
- ❖ Alaska Process Industry Careers Consortium
- ❖ Alaska Hospitality Alliance
- ❖ Transportation Consortium
- ❖ Information Technology Careers Consortium
- ❖ Construction Industry Consortium

REGIONAL FOCUS

FY 04 is the first year with a single board providing advice and guidance to Alaska's workforce system. A critical component necessary for effective guidance is communication from the regional level up to the Alaska Workforce Investment Board. The state board hopes to engage new regional councils in meaningful dialogue about the development of the regions. An important lesson learned in past years is that economic and workforce development must be considered together. Thus the board is looking for entities and organizations that can examine both aspects of Alaska's future and offer effective counsel to the board. The regional councils will share information, review local outcomes

and help set the priorities within the regions.

What is a workforce regional council?

Regional Councils are important in defining local needs when it comes to economic and workforce development. They can originate from a variety of different organizations or a consortium of entities. Economic development councils might make good regional councils. Associations of business and industry in the local area could fill the need. Even a combination of business, industry, economic development, local government and native representation might be appropriate for a particular region. The salient point is that regional councils must represent and speak for the region. Without that authority and validity it is not likely that the full range of a region's needs will be adequately represented. The board has developed guidelines and procedures for creating regional councils. Local officials and leadership are encouraged to contact the board for additional information.