

SB

192

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: May 15, 2003

FURTHER REFERRALS:

Date of Committee Action: 5/16/03

The FINANCE Committee considered:

CSSB 192(L&C)

CS FOR SENATE BILL NO. 192(L&C)

DOLWD TEACHERS AND TRAINING PROGRAMS

"An Act relating to teachers and training programs in the Department of Labor and Workforce Development, to the placement in the exempt service of certified teachers employed by the Department of Labor and Workforce Development, to their eligibility to participate in the Teachers' Retirement System of Alaska, and to the functions of the Alaska Workforce Investment Board regarding the Kotzebue Technical Center and the Alaska Vocational Technical Center; relating to local workforce investment areas and boards; repealing the business incentive training program; and providing for an effective date."

Recommends it be replaced with HCS or CS for SB 192 (LTC)
 For Senate Bills with new title: Technical Title New Title: HCR Same Title New Title

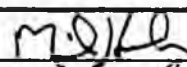
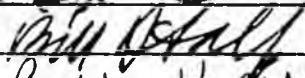

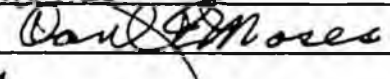

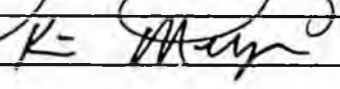
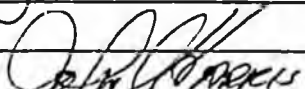
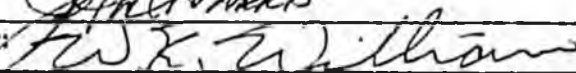
- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- ISS
- 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
DLWED		✓		

<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
	Howken	✓			
	STOLTZ			✓	
	KERTHILA			✓	
	MOSES			✓	
	FOSTER	X			
	Mayou	✓			
Chair: 	Harris	✓			
Chair: 	Williams	✓			

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSSB 192(L&C)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
 Title: DOL Teachers and Training Programs BRU: Business Partnerships
 Component: Business Services
 Sponsor: Senator Gary Stevens
 Requester: Senate L&C Component Number: 2658

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel	(50.0)	(50.0)	(50.0)	(50.0)	(50.0)	(50.0)
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(190.0)	(350.0)	(350.0)	(350.0)	(350.0)	(350.0)
Miscellaneous						
TOTAL OPERATING	(240.0)	(400.0)	(400.0)	(400.0)	(400.0)	(400.0)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	(240.0)	(400.0)	(400.0)	(400.0)	(400.0)	(400.0)
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	(240.0)	(400.0)	(400.0)	(400.0)	(400.0)	(400.0)

Estimate of any current year (FY2003) cost: None

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Section 1 of this bill will allow certified teachers employed by the Department of Labor and Workforce Development to remain in the Teachers' Retirement System. Section 2 amends the Alaska Workforce Investment Board membership by eliminating membership by Alaska's two Local Workforce Investment Boards (LWIBs). Section 6 of this legislation deletes AS 23.15.651c and AS 23.15.660 (2) which eliminates the two LWIBs. Because some costs will continue into the first half of FY 04 the savings from elimination of the LWIBs and related administrative support is estimated to be only 240.0 of federal funds in the first year. We expect this federal administrative savings to increase to 400.0 in FY 05 and subsequent years.

Prepared by: Katherine Farnham, Executive Director Phone: 269-7490
 Division: Division of Business Partnerships Date/Time: 5/7/03 11:50 AM
 Approved by: Greg O'Claray, Commissioner Date: 05/07/03
 Agency: Department of Labor and Workforce Development

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Senator Gary Stevens
Alaska State Legislature

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Sectional Analysis for CSSB 192

Section 1 AS 14.25.220 (42) Amends language so that teachers in the Alaska Department of Labor and Workforce Development will be Teachers Retirement System (TRS) eligible (Important that since AVTEC teachers are currently in TRS they stay in TRS even though they are moving to the Department of Labor)

Section 2 Conforming language for Workforce Investment Board so that there is one Workforce Investment Board.

Section 3 Adds Kotzebue Technical Center and AVTEC as programs within the Department of Labor and not the Department of Education any longer.

Section 4 Conforming language for one Workforce Investment Board.

Section 5 Amends language to so that existing teachers at AVTEC and skill centers that are exempt positions remain exempt positions.

Section 6 Repeals statutory language so that there is one Workforce Investment Board. Also repeals the Business Incentive Training Program, which has not been funded for many years.



Letter in
Support

Great careers for Alaska's future

April 24, 2003

Senator Fred Dyson
Alaska State Legislature
State Capitol
Juneau, Alaska 99811

Dear Senator Dyson,

I am writing to you today in support of SB 192. Senate Bill 192 is an important part of the overall effort needed to insure an effective transition of the Alaska Vocational Technical Center (AVTEC) from the Department of Education & Early Development to the Department of Labor and Workforce Development (DOLWD). This legislation will allow certificated instructional staff currently employed at AVTEC to remain in the Teacher Retirement System (TRS) after the transition to DOLWD. AVTEC employs some of the highest quality and technically competent instructors in Alaska. Many of these are mid-career professionals who have earned ten or more years of TRS member service. These instructors should be held harmless and allowed to remain in the TRS as AVTEC transitions to DOLWD. I appreciate your serious consideration of this bill and would be happy to answer any questions you might have on the impact it will have for AVTEC.

Sincerely,

Fred W. Esposito
Director

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SPONSOR STATEMENT-CSSB 192 (L&C) (Updated May 8, 2003)

This year, Governor Murkowski has proposed transferring the Alaska Vocational Technical Center (AVTEC) from the Department of Education and Early Development to the Alaska Department of Labor and Workforce Development. While the transfer of the school will be accomplished through the FY 2004 budget process, Senate Bill 192 will allow the transfer to occur with minimal disruption to the staff and operation of the school.

SB 192 would specifically grant statutory authority to the Department of Labor and Workforce Development to employ teachers who are members of the Teachers Retirement System (TRS) and would enable current AVTEC instructional staff to remain members of the TRS after AVTEC transfers to the Department of Labor and Workforce Development. It also would allow future AVTEC instructional staff to become TRS members. Without this bill, the current teachers at AVTEC would need to transfer to the Public Employees Retirement System (PERS). This would not only be unfair to employees who were originally hired under the TRS system, but it would hamstring AVTEC management in their teacher recruitment efforts. The management of AVTEC has found it advantageous to offer a TRS retirement benefit as an incentive to attract experienced teachers to accept employment at AVTEC. It would be a disincentive to experienced teachers who have accrued years of TRS membership at other educational institutions in the state to consider employment at AVTEC under PERS.

SB 192 also would make amendments to clarify that AVTEC and the Kotzebue Technical Center will continue to be under the oversight, planning, and coordination responsibilities of the Alaska Workforce Investment Board (AWIB) through the Department of Labor and Workforce Development.

At the request of the Department of Labor and Workforce Development, the Senate Labor and Commerce Committee passed a committee substitute that also amends AS 23.15.550(a) relating to the local workforce investment area and boards. This action will consolidate the workforce investment area and boards to one, allowing for the more efficient operation of the Alaska Workforce Investment Board and enable the State of Alaska to better meet the goals of the federal Workforce Investment Act.

The committee substitute also makes changes to AS 23.15.645(b) and repeals the business incentive program which has not been funded for many years

In summary, this bill would implement good public policy by facilitating the transfer of AVTEC from one agency to another, allowing employees to remain in TRS, by giving management a tool to attract quality employees, and by clarifying the authorities and responsibilities of AWIB.

I urge your prompt consideration and passage of this important bill.