

**HB**

**559**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
 MAY 07 2004  
 SENATE FINANCE  
 COMMITTEE

DATE: 5/5/04

FURTHER:

DATE TURNED  
 IN TO OFFICE: 5 07 04

Finance Committee considered HOUSE BILL NO. 559 am

## HB 559 STEP PROGRAM CONTINUANCE

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

and recommends:

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

**Senate Bill:**  
 Same Title  
 New Title

**House Bill:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero.	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
Labor	4/22/04			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Tom Brown</i>	✓			
<i>D. Brewer</i>	✓			
<i>Ben Steiner</i>	✓			
COCHAIR:				
COCHAIR: <i>Gary Hill</i>	✓			

# FISCAL NOTE

REPORTED OUT

MAY 07 2004

SENATE FINANCE  
COMMITTEE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 559  
 (H) Publish Date: 4/26/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Department: Labor and Workforce Development  
 Title: STEP Program Continuance RDU: 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						
<b>TOTAL OPERATING</b>	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)						
<b>TOTAL</b>	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:

**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 #1

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

BILL VERSION: HB 559

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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

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Co-Chair

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Co-Chair

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### SPONSOR STATEMENT

**HOUSE BILL 559 am:** *An Act extending 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, through June 30, 2008. 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.

## SENATE COMMITTEE REPORT

DATE: 5/2/04

FURTHER: Finance

DATE TURNED  
IN TO OFFICE: 5/4/04

Labor and Commerce Committee considered HOUSE BILL NO. 559 am

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Department	Date	Fiscal	Indet.	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
LWF	4/22/04			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
Seckins <i>Ralph Seckins</i>	✓			
Davis <i>Bettye Davis</i>			X	
French <i>[Signature]</i>	X			
G. Stevens <i>[Signature]</i>			X	
CHAIR: <i>Bunde</i>	✓			

Seckins  
Davis  
French  
G. Stevens  
  
Bunde