

SB

124

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
MAY 07 2007
SENATE FINANCE COMMITTEE

DATE: 4/25/07

FURTHER:

DATE TURNED
IN TO OFFICE: 5/08/2007

Finance Committee considered

SENATE BILL NO. 124

SB 124 ALASKA WORKFORCE INVESTMENT BD ALLOCATION

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

and recommends:

- be replaced with SCS or CS SB 124 (FIN)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
 Same Title
 New Title

HOUSE BILL:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

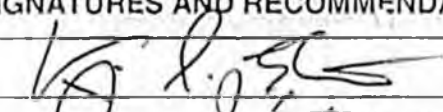
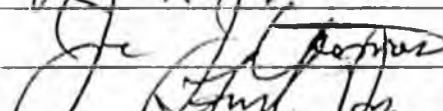
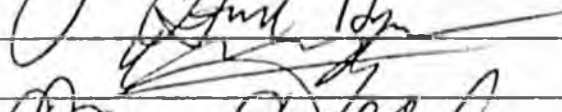
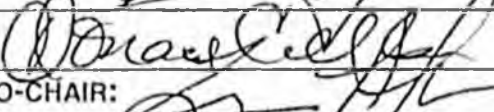



NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
Univ. of Alaska	5/7/07	41,300			
Labor	5/7/07	2912,200			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Elton	<input checked="" type="checkbox"/>			
	Thomas	<input checked="" type="checkbox"/>			
	Dyson			<input checked="" type="checkbox"/>	
	Huggins	<input checked="" type="checkbox"/>			
	Olson	<input checked="" type="checkbox"/>			
CO-CHAIR: 	Hoffman	<input checked="" type="checkbox"/>			
CO-CHAIR: 	Stedman	<input checked="" type="checkbox"/>			

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: CSSB124-UA-Sysbra-5-07-07
 Bill Version: CSSB 124 Ver V
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: University of Alaska
 Title Alaska Workforce Investment Board Allocation RDU University of Alaska
 Component Sysbra
 Sponsor Senator Olson
 Requester Senate L&C Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	41.3	41.3	41.3	41.3	41.3	41.3
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	41.3	41.3	41.3	41.3	41.3	41.3

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1151 Technical Voc Ed Program Rcpts	41.3	41.3	41.3	41.3	41.3	41.3
TOTAL	41.3	41.3	41.3	41.3	41.3	41.3

Estimate of any current year (FY2007) cost: 00

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

TVEP funding has been instrumental in UA's ability to meet Alaska's workforce training and educational needs and continues to be the primary source of funds for UA to continue to meet those needs. This bill reduces the allocation of TVEP funds the University receives from 55% to 36.0%, however due to the increase in the overall amount allocated to the TVEP account from .10% to .15%, there will be minimal change to the total amount allocated to the University of Alaska to invest in the workforce development priorities of the State.

Prepared by: Michelle Rizk
 Division: University of Alaska
 Approved by: Pat Pitney
 Agency: University of Alaska

Phone: 450-8187
 Date/Time: 5/7/07 3:00 PM
 Date: 5/7/2007

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note: SB124CS-DOLWD-CO-05-07-07

Bill Version: CSSB 124(FIN)

() Publish Date: _____

Revision Date/Time (Note if correction):
Title: Alaska Workforce Investment Board Allocation

Department: Labor and Workforce Development

RDU: Office of the Commissioner

Component: Commissioner's Office

Sponsor: Senator Olson

Requester: Senate Rules

Component Number: 340

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	2,912.2	2,912.2	2,912.2	2,912.2	2,912.2	2,912.2
Miscellaneous						
TOTAL OPERATING	2,912.2	2,912.2	2,912.2	2,912.2	2,912.2	2,912.2

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

CHANGE IN REVENUES (TVEP 1151)	2,887.5	2,887.5	2,887.5	2,887.5	2,887.5	2,887.5
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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						
1151 Technical Voc Ed Program Rcpts	2,912.2	2,912.2	2,912.2	2,912.2	2,912.2	2,912.2
TOTAL	2,912.2	2,912.2	2,912.2	2,912.2	2,912.2	2,912.2

Estimate of any current year (FY2007) cost: None

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: Guy Bell, Assistant Commissioner

Division: Office of the Commissioner

Approved by: Click Bishop, Commissioner

Agency: Department of Labor and Workforce Development

Phone: 465-2700

Date/Time: 5/7/07 3:42 PM

Date: 5/7/2007

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

BILL VERSION: CSSB 124(FIN)

ANALYSIS: (continued)

This bill increases the amount allocated to the Alaska Training and Vocational Education Program (TVEP) account from the current 0.10 percent (\$5.8 million) to 0.15 percent (\$8.7 million) of taxable wages that are subject to employee contributions under AS 23.20.290(d). This equates to an additional investment of approximately \$2.9 million per year into TVEP which would be used for grants to training entities. The bill also makes changes to the statutory distribution of the receipts.

There will be no cost to the Employment Security Division, Unemployment Insurance Component to implement these changes.

The department cannot quantify the impact of this change on unemployment insurance rates. On the one hand, employer tax rates may be higher with an additional \$2.9 million per year allocation to TVEP than they would be without such an allocation. On the other hand, the workers trained by virtue of TVEP funded programs are contributing to the UI program and reducing their call on unemployment benefits, thereby contributing to the solvency of the UI program and keeping employer rates lower than they would otherwise be.

This is a consolidated Fiscal Note for the Department of Labor and Workforce Development as the bill would affect the funding levels for a number of existing department budget components and it would also establish four new ones. In addition to this department, the bill also affects the funding received by the University of Alaska and the Department of Education and Early Development. See the following page for specifics on funding level changes.

There has been an update to the estimated revenues for the TVEP account. The department now has three quarters of receipt data for FY07 and as a result the revenue estimate for FY08 has been increased by \$235.0 from \$5,540.0 to \$5,775.0. This bill would increase the estimated revenue from \$5,775.0 to \$8,662.5, an increase of \$2,887.5.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

BILL VERSION: CSSB 124(FIN)

ANALYSIS: (continued)

TVEP Receipt Distribution

		<u>Current Distribution</u>		<u>Proposed Distribution</u>	<u>Change</u>
FY07 Est Ending Bal:		753.6		753.6	
FY08 Est Revenue:	(0.1%)	5,540.0	(0.15%)	8,662.5	3,122.5
Less Reserve:		(250.0)		(250.0)	
Net Available		<u>6,043.6</u>		<u>9,166.1</u>	<u>3,122.5</u>

Entity	Current		Proposed		Change
	Percent	FY08 Est	Percent	FY08 Est	
Revenue Collection					
Costs (DOLWD)		344.8		344.8	0.0
Administration		0.0		0.0	0.0
University of Alaska	55%	3,134.3	36.0%	3,175.7	41.4
Galena (DEED)	4%	228.0	3.0%	264.6	36.6
Kotzebue (DOLWD)	11%	626.9	8.0%	705.7	78.8
AVTEC (DOLWD)	22%	1,253.7	15.5%	1,367.3	113.6
SAVEC (DOLWD)	4%	228.0	3.0%	264.6	36.7
Yuut (DOLWD)	4%	228.0	8.0%	705.7	477.8
Delta (DOLWD)			3.0%	264.6	264.6
NACTEC (DOLWD)			3.0%	264.6	264.6
AWP (DOLWD)			15.5%	1,313.9	1,313.9
Ketchikan (DOLWD)			5.0%	441.1	441.1
Total	100%	6,043.6	100.0%	9,112.7	3,069.1

Note 1: Due to the use of revenue projections to determine the annual appropriation amount, actual receipts may be higher or lower than budgeted authorization. To accommodate revenue shortfalls a reserve of 250.0 is maintained.

Note 2: The FY08 Estimated Revenue of \$5,540.0 in the Current Distribution column shown above was the revenue estimate at the time the FY08 Governor's Budget was prepared and the distributions based on this estimate are those that are included in the budget request. The department now has receipt data for the first three quarters of FY07 and based on those figures has increased the estimate of revenue to be received in FY08 to \$5,775.0. The FY08 Estimated Revenue shown in the Proposed Distribution column above includes both the increased estimated revenue and the effect of increasing the contribution rate from 0.10% to 0.15%.

Note 3: The \$3,122.5 in the above Change column is made up of \$235.0 from increasing the revenue estimate and \$2,887.5 from increasing the rate.

ADOPTED

WORK DRAFT

WORK DRAFT

WORK DRAFT

25-LS0751VV
Kane
5/7/07

CS FOR SENATE BILL NO. 124()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR OLSON

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to unemployment contributions for the Alaska technical and vocational
2 education program and to the allocation of money appropriated to the Alaska
3 Workforce Investment Board; and providing for an effective date."

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

5 * Section 1. AS 23.15.835(a) is amended to read:

6 (a) In the manner provided in AS 23.20, the department shall collect from
7 each employee an amount equal to .15 [ONE-TENTH OF ONE] percent of the wages,
8 as set out in AS 23.20.175, on which the employee is required to make contributions
9 under AS 23.20.290(d). The department shall remit to the Department of Revenue, in
10 accordance with AS 37.10.050, money collected under this subsection.

11 * Sec. 2. The uncodified law of the State of Alaska enacted in sec. 1, ch. 102, SLA 2001, as
12 amended by sec. 48, ch. 86, SLA 2002, and sec. 1, ch. 133, SLA 2004, is amended to read:

13 Section 1. ALLOCATION OF APPROPRIATIONS FOR FISCAL YEARS
14 ENDING JUNE 30, 2008 [2005], THROUGH JUNE 30, 2013 [2010].

1 Notwithstanding AS 23.15.840(a), for the fiscal years ending June 30, 2008 [2005],
2 through June 30, 2013 [2010], the money collected under AS 23.15.835 or otherwise
3 appropriated to the Alaska Workforce Investment Board (formerly known as the
4 Alaska Human Resource Investment Council) shall be allocated directly in the
5 following percentages to the following institutions for programs consistent with
6 AS 23.15.820 - 23.15.850 and capital improvements:

7	University of Alaska	<u>36</u> [55] percent
8	Galena Project Education Vocational Training Center	<u>3</u> [4] percent
9	Kotzebue Technical Center	<u>8</u> [11] percent
10	Alaska Vocational Technical Center	<u>15.5</u> [22] percent
11	<u>Northwestern Alaska Career and Technical Center</u>	<u>3</u> percent
12	Southwest Alaska Vocational and Education Center	<u>3</u> [4] percent
13	Yuut Elitnaurviat, Inc. People's Learning Center	<u>8</u> [4] percent
14	<u>Delta Career Advancement Center</u>	<u>3</u> percent
15	<u>Alaska Works Partnership</u>	<u>15.5</u> percent
16	<u>Ketchikan Job Center</u>	<u>5</u> percent.

17 * Sec. 3. This Act takes effect July 1, 2007.

SB 124: Allocation Changes to Alaska Workforce Investment

State FY	Total Dollars	Less DOLWD Costs	Available	UA	Kotz	AVTEC	Galena	SAVEC	Yuut	Delta	NACTEC	AWP	Totals
CURRENT PROGRAM													
2007	5,584.8	344.8	5,240.0	2,882.0 55%	576.4 11%	1,152.5 22%	209.6 4%	209.6 4%	209.6 4%	0.0	0.0	0.0	5,239.7 100%
2008	6,043.6	344.8	5,698.8	3,134.3 55%	626.9 11%	1,253.7 22%	228.0 4%	228.0 4%	228.0 4%	0.0	0.0	0.0	5,698.8 100%
Under SB 124 (L&C)													
2008	9,166.1	344.8	8,821.3	3,263.9 37%	749.8 8.5%	1,411.4 16%	308.7 3.5%	308.7 3.5%	749.8 8.5%	308.7 3.5%	308.7 3.5%	1,411.4 16%	8,821.3 100%
SB 124 (L&C) vs FY 08			3,122.5	129.5	122.9	157.7	30.8	30.8	521.9	308.7	308.7	1,411.4	3,122.5

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: SB124-UA-Sysbra-4-30-07
Bill Version: CSSB 124 (L&C)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: University of Alaska
Title Alaska Workforce Investment Board Allocation RDU University of Alaska
Component Sysbra
Sponsor Senator Olson
Requester Senate L&C Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	129.6	129.6	129.6	129.6	129.6	129.6
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	129.6	129.6	129.6	129.6	129.6	129.6

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						
1151 Technical Voc Ed Program Rcpts	129.6	129.6	129.6	129.6	129.6	129.6
TOTAL	129.6	129.6	129.6	129.6	129.6	129.6

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

TVEP funding has been instrumental in UA's ability to meet Alaska's workforce training and educational needs and continues to be the primary source of funds for UA to continue to meet those needs. This bill reduces the allocation of TVEP funds the University receives from 55% to 37%, however due to the increase in the overall amount allocated to the TVEP account from 10% to 15%, the University of Alaska would receive an additional \$129.6 thousand to invest in the workforce development priorities of the State.

Prepared by: Michelle Rizk
Division: University of Alaska
Approved by: Pat Pitney
Agency: University of Alaska

Phone: 450-8187
Date/Time: 4/30/07 5:00 PM
Date: 4/30/2007

Alaska State Legislature

Out of Session:
Legislative Information Office
P.O. Box 1630
Nome, AK 99762-1630
(907) 443-5555
(907) 443-2162 (Fax)

In Session:
State Capitol
Juneau, AK 99801-1182
(800) 597-3707
(907) 465-3707
(907) 465-4821 (Fax)

SENATOR DONALD C. OLSON

DISTRICT T

Alakanuk
Ambler
Anaktuvuk Pass
Atkasuk
Barrow
Brovig Mission
Browerville
Buckland
Chevak
Deering
Diomede
Elim
Emmonak
Gambell
Golovin
Hooper Bay
Kaktovik
Kiana
Kivalina
Kobuk
Kotlik
Kotzebue
Koyak
Mountain Village
Noatak
Nome
Noorvik
Nuiqsut
Nunam Iqua
Pilot Station
Pitka's Point
Point Hope
Point Lay
Savoonga
Scammon Bay
Selawik
Shaktolik
Shishmaref
Shungnak
St. Mary's
St. Michael
Stebbins
Teller
Unalakleet
Wainwright
Wales
White Mountain

SPONSOR STATEMENT

SB 124, Alaska Workforce Investment

I introduced SB 124 to initially increase support for the adult voc/tech training programs by the Northwestern Alaska Career and Technical Center (NACTEC) in Nome. But this bill should be expanded to address the training needs throughout Alaska in anticipation of the forthcoming pipeline construction. Acting to increase Alaska's construction trades workforce before a gas line construction start ensures that the greatest number of Alaskans will participate in building the gas line.

A key component in any effort to train Alaskans for gas line construction jobs or any public construction jobs for that matter is the state's trade union apprenticeship programs. In this regard, the Alaska Works Partnership, Inc. (AWP) has put together a program that offers the training expertise for all the trades operating under one umbrella organization. Moreover, AWP has effectively reached out to bring residents from all areas of Alaska both urban and rural into their program. Equally important, AWP has extended their training programs and expertise to other voc/tech programs in Alaska through cooperative arrangements. These efforts have proven to be very effective in providing skilled workers for local construction projects from residents of the community or region.

I urge your favorable consideration of an expanded SB 124. It is timely and essential for Alaskan jobs on the gas line.



ASSOCIATED GENERAL CONTRACTORS of ALASKA

8005 SCHOON STREET, SUITE 100 • ANCHORAGE, ALASKA 99518
TELEPHONE (907) 561-5354 • FAX (907) 562-6118

April 26, 2007

Senator Donny Olson
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Re: CS for SB 124

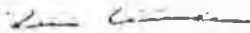
Dear Senator Olson:

As Alaska looks to the future, one of the challenging issues confronting the State concerns providing training today for the workforce of tomorrow. Alaska needs training providers that can furnish that training so Alaskans can enjoy the economic benefits that accrue from well paying jobs available to trained workers. If Alaskans aren't trained and available when the opportunities present themselves, many of the best jobs will go to non-residents because they have the required skills.

CS for SB124 will provide money to selected training providers to assure that Alaskans can receive the required training in Alaska for the jobs that exist in Alaska. AGC of Alaska supports CS for 124 and encourages passage.

AGC would hope that the training institutions are required to report periodically to assure everyone that the money is actually being used for training, and not for overhead.

Sincerely


Richard Cattanach, Executive Director

FAIRBANKS
P.O. BOX 6005 • FAIRBANKS, AK 99706
TELEPHONE (907) 452-1809



Northwestern Alaska Career and Technical Center

P.O. Box 131

Nome, AK 99762

Telephone: 907-443-3507 or 907-443-7682

Fax: 907-443-7076

Email: jselvey@nomeschools.com or jselvey@bssd.org

Web Page: <http://nactec.bssd.org/>

March 23, 2007

Senator Donny Olson
Room 514
State Capitol
Juneau, AK 999801-1182

Dear Senator Olson,

The students and community members of northwestern Alaska appreciate all of your support of NACTEC. We also appreciate and support the introduction of Senate Bill 124.

NACTEC provides Career and Technical Education programs for high school students of Nome Public Schools and the Bering Strait School District. Through our various partnerships with Kawerak, the University of Alaska Northwest, Bering Strait School District, and the Nome Public Schools, NACTEC also provides or lends support for educational services for adults throughout the region.

NACTEC currently receives funding through legislative appropriation and the Alaska Native Education Grant (Washington D.C., Department of Education). The SB 124 funds will allow NACTEC to make great strides toward our goal of financial sustainability.

Thank you for your efforts and please contact me if you have questions or concerns.

Sincerely,

Jeff Selvey, NACTEC Director

Cc: Representative Richard Foster
Dr. John Davis, Superintendent BSSD
Stan Lujan, Superintendent NPS
Jim Hickerson, Director of Administration, BSSD
Mayor Denise Michels, City of Nome
Randy Romenesko, City Manager, Nome



**DELTA
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dba Delta Equipment Rentals

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April 12, 2007

Senator Donny Olson
State Capitol, Room 432
Juneau, AK 99801-1182

Dear Senator Olson:

My company, Delta Industrial Services, fully supports the inclusion of the Delta Career Advancement Center in your revised version of SB124. We operate a welding shop, equipment rental yard and industrial retail store; it is extremely difficult to find capable, well-trained workers, even for the work we have in progress right now. Delta Industrial Services depends on the Construction Trades Program to provide skilled workers, making a difference in our ability to deliver on the contracts we perform in the area, including major contracts at Fort Greely.

As you are aware, Delta Junction, Alaska, is at the center of major transportation and energy-related projects. Recognizing this, the Partners for Progress in Delta (an educational consortium comprising the Alaska Works Partnership, Tanana Valley Campus and Cooperative Extension Service of the University of Alaska Fairbanks, the Delta/Greely School District and the Delta Mine Training Center) offer technical and vocational training and education to help develop the region's workforce.

The Construction Trades program at the high school has produced high school graduates who are "job ready" when they leave school. Last summer Delta Industrial worked with Alaska Works Partnership and the Construction Trades program to produce the first summer Interior Heavy Equipment Civil Construction Academy for ages 17-24. Three of the 10 participants were selected by the Trades for apprenticeships and are now working. Others secured jobs in the industry. We are committed to continuing this program, helping produce a second academy this summer for the same age group.

This funding ensures that the Partners for Progress in Delta can develop the adult academy area residents need. It will provide stability to hire the instructors and address other important career advancement pathways as more of these big projects unfold in the region. We look forward to the Center offering an expanded adult program in the Construction Trades.

With so many skilled workers needed for the upcoming Pipeline Construction project, the Delta Career Advancement Center is well positioned to serve the entire region well, producing well-trained workers to help meet Alaska's workforce demand.

Thank you for the opportunity to let you know how important we believe stable funding is for the Delta Career Advancement Center. Please include this program in SB124.

Sincerely,

Curtis Dufendach, Rental Manager
Delta Industrial Services, Inc.

Mike Crouch, Vice President
Delta Industrial Services, Inc.

cc Senator Johnny Ellis, Chair, Committee on Labor and Commerce



UNITED ASSOCIATION
of Journeymen and Apprentices of the
Plumbing and Pipe Fitting Industry of
the United States and Canada

William P. Tite
General President

Patrick R. Perno
General Secretary-Treasurer

Stephen F. Kelly
Assistant General President

Founded 1889

Letters should
be confined to
one subject

UA Local Union: 375
3568 Geraghty Street, Fairbanks, Alaska 99709
Subject: Vocational Education

April 24, 2007

Senator Donald Olson
Alaska State Capital, Room 514
Juneau, Alaska 99801

Dear Senator Olson,

I represent Plumbers & Pipefitters UA Local 375, I'm writing in support of Committee Substitute for Senate Bill 124, regarding unemployment contributions for Alaska Technical and Vocational Education Program.

We currently work closely with Alaska Works to bring rural workers into our pipeline training program in Fairbanks and train them for work on oil industry projects. We would like to build a permanent pipeline training facility and expand our training capacity to prepare more Alaskans to work on current North Slope jobs and prepare for an Alaska Natural Gas Pipeline. Senate Bill 124 would go a long way to put more Alaskans on this work.

Thank you for your consideration.

Sincerely,

James Laiti, Business Manager
Financial Secretary-Treasurer

JL/mls



**ALASKA
Works**
Partnership, Inc.
Working Together for Jobs™

Affiliated with American Community Partnerships, Inc.

March 16, 2007

Senator Donald Olson
Chair, Community & Regional Affairs
Alaska State Capitol Room 514
Juneau, Alaska 99801

Dear Senator Olson,

I write requesting you to introduce legislation that will reauthorize the Technical Vocational Education Program (TVEP) and raise the rate of contribution to TVEP for the purpose of creating a Pipeline Training Initiative, and continue the TVEP through PY 2013. This act would increase TVEP contributions diverted from the UI Trust Fund by .005% (a new contribution rate of .015), raising approximately \$3,000,000 annually for construction and pipeline construction training.

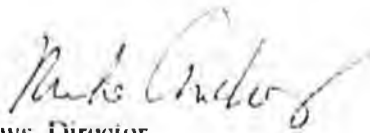
Legislation reauthorizing TVEP would be for the purposes of creating a *Pipeline Training Initiative* to help workers across the state, particularly rural workers, get the vocational education and training they need to work in Alaska's construction industry and prepare Alaska's workforce for building the Natural Gas Pipeline.

Our proposed TVEP Pipeline Training Initiative would provide new non-general fund resources to increase vocational education and training for rural youth and adults and connect regional training activities directly with a new pipeline training center to be built in Fairbanks. The new TVEP Pipeline Training Initiative would increase the amount of funding for TVEP and provide funds for three additional regional training centers: the Northwest Arctic Career and Technical Center in Nome, the Delta Career Advancement Center, and the Fairbanks Pipeline Training Center. This new initiative also means more resources for the current designated grantees under TVEP for construction training.

The TVEP Pipeline Training Initiative would create a cost-effective and non-duplicative program linking rural Alaskans with our highly effective and advanced pipeline training offered in Fairbanks and courses at the new Pipeline Training Center in Fairbanks.

I appreciate the time Ginny Austerman, your Committee Aide, spent with me to learn more about our construction training programs for youth and adults and our on-going pipeline crafts and trades training. I hope you will introduce this new TVEP initiative which will be extremely beneficial for rural students and adults, regional economies, and the future of Alaska.

Sincerely,



Mike Andrews, Director
Alaska Works Partnership, Inc.

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FY 08 Legislative Act An act relating to the allocation of money appropriated to the Alaska Workforce Investment Board; and providing for an effective date.”

The purpose of the act is to create the *TVEP Pipeline Construction Training Initiative*, increase TVEP funding specifically for this initiative, and authorize funding through Fiscal Year 2013.

Legislative Objectives: Expand the current list of technical and vocational schools under the Alaska Technical and Vocational Education Program (TVEP) for the *Pipeline Construction Training Initiative* and provide a coordinated and non-duplicating training program aimed at increasing the supply of construction and pipeline construction workers, including trades, crafts, project management and engineers to meet the current and projected industry demand for resident workers.

TVEP Pipeline Construction Training Initiative strategies are:

- (1) include the Northwest Arctic Career and Technical Center (Nome), the Delta Career Advancement Center, and the Fairbanks Pipeline Training Center in the list of TVEP grant recipients,
- (2) increase the Unemployment Insurance contribution rate diverted to TVEP by one-half of one-tenth of one percent (.01% to .015%),
- (3) re-authorize TVEP funding to 2013,
- (4) designate new TVEP funds to regional training centers through a formula, and,
- (5) direct the Commissioner of the ADOLWD to develop agreements by and between the Fairbanks Pipeline Training Center and the designated TVEP grantees for this initiative.

The effect of this legislation will:

- increase TVEP funding by 50% annually for five years adding an estimated \$3,000,000, or more each year for post-secondary level training,
- ensure that regional training centers have connecting training activities with the new Pipeline Training Center to be constructed in Fairbanks,
- ensure Fairbanks Pipeline Training Center has funds to provide training and housing for rural residents,
- include new regional training centers in TVEP as designated grantees
- create strong education and training pathways for rural trainees through established regional / rural training centers to Fairbanks Pipeline training,
- prepare Alaska’s workforce for the good jobs and careers in Alaska’s construction and pipeline construction industry,
- increase annual funding for current designated TVEP grantees, and
- ensure to the greatest extent possible that Alaska residents from all regions of the state have access to basic pipeline construction skills training and advanced training at the new Pipeline Training Center in Fairbanks.

An example of the proposed new and increased TVEP funding formula is provided as an attachment

TVEP Funding

State FY	Legislative Bill	Total Dollars	UA	Kotz	AVTEC	Galena	SAVEC	Yuut	Delta	NACTEC	AWP
2007	HB 123 - Est	5,240.0	2,882.0	576.4	1,152.5	209.6	229.6	229.6	-0-	-0-	
			55%	11%	22%	4%	4%	4%			
2008	HB 123 - Est	6,043.6	3,323.9	664.8	1,329.6	241.7	241.7	241.7	-0-	-0-	
			55%	11%	22%	4%	4%	4%			
2008	HB 123 - Revised	9,065.4	3,443	725	1360	363	363	363	363	363	1722
			38%	8%	15%	4%	4%	4%	4%	4%	19%
			34					8			

Proposal

.010 → .015

- 1.) Inc. TVEP by 1/2 of 1/10 of 1% + 3,021.8 (est)
- 2.) Add 3 new TVEP Partners - AWP, Delta, NACTEC
- 3.) Fund Delta and NACTEC at same funding level as other rural schools - 241.7 (2 x 241.7 = 483.4)
- 4.) Inc. all TVEP Partners by 108.3 (8 x 108.3 = 866.4)
- 5.) Fund AWP with balance of funding - 1,672.0

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 3/16/07

FURTHER: Finance

Date of 5-Day Notice: 3/29/07
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 4/24/07

Labor and Commerce Committee considered SENATE BILL NO. 124

SB 124 ALASKA WORKFORCE INVESTMENT BD ALLOCATION

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

and recommends:

- be replaced with SCS or CS SB 124 (L+C)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s) .
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input checked="" type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
LABOR	4/2/07	✓			1
UNIVERSITY	4/2/07	✓			2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Bunde		✓		
	B. DAVIS			X	
	STEVE	X			
CHAIR:	ELLIS	✓			