

ALASKA LEGISLATURE

1830

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

JOHN JENSEN, Ph.D.

1012 Second St.
Douglas, Alaska 99824
Phone/FAX 907-364-4600

March 16, 1998

(N)

Beal

Senator Gary Wilkin
State Senate
Alaska State Capitol
Juneau, Alaska 99801

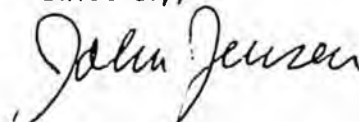
Dear Senator Wilkin,

I'm a licensed clinical psychologist and am writing to you in reference to SB 331 relating to the licensure of counselors. I have just a few points I would like to emphasize.

1. The primary value in such licensure, I believe, is that the consumers of services have a broad range of services to choose from (access), and have a means of understanding what knowledge and training is represented in the services they receive (certification).
2. This means that certification which drives people out of providing services does not benefit consumers, so I would oppose isolating the word "counselors" to apply only to those who meet certification requirements. Many modalities of treatment have emerged in the past few years that can help people in ways not common in traditional treatment. It's in the interest of the public that such providers be able to call themselves "counselors" (which is the most common umbrella term everyone can understand) and then specify their modality in their promotion of their services.
3. A secondary issue is fairness to counselors who have obtained extensive training and can provide competent services to the public. They should be able to obtain referrals and qualify for third party payments from insurers-- which also broadens the services to the public since so many people are covered now by insurance providers. Certification that enables that to happen is fair to counselors and a benefit to the public.

I would be glad to testify to this effect, but hope that my letter can serve as well.

Sincerely,



John Jensen

cc. Patricia Wintyr

Author: Kathleen_Rhea@mail.ci.juneau.ak.us at CC2MHS1
Date: 3/19/98 11:14 AM
Priority: Normal
TO: Beth Hagevig at LAA_CAP
Subject: House Bill 331

I am writing in support of House Bill 331, the Licensed Professional Counselor Bill.

This Bill will increase protection for mental health consumers by identifying qualified providers. It allows for improved identification and inclusion of established, professional practitioners in the field of counseling. Licensing for counselors will further assure consumers that individuals providing counseling services are qualified.

There are highly qualified counselors in Alaska with Master's Degrees and extensive training and experience who are denied positions, advancement, and recognition in organizations that offer mental health treatment, only because their degrees are not in Psychology or Social Work. These professionals are forced to practice without licensure, to return to school for another master's degree (not offered in Psychology or Social Work in most parts of Alaska), OR remain in positions outside their field and for which they may be overqualified.

I also support the component of quality assurance and accreditation in this license.

Kathleen Rhea
Juneau

SB

332

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/3/98

FURTHER: 4/2/98

Date of 5-Day Notice: 3/26/98
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 4/6/98

Finance Committee considered SENATE BILL NO. 332

"An Act relating to the Alaska Student Loan Corporation."

and recommends:

- be replaced with _____ CS SB 332 (FIN)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

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

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>John Legend</i>	<input checked="" type="checkbox"/>	<i>Red & Blue</i>	<input checked="" type="checkbox"/>		
<i>David Bailey</i>	<input checked="" type="checkbox"/>	<i>Sean P. Arnold</i>	<input checked="" type="checkbox"/>		
		<i>Al Cda</i>	<input checked="" type="checkbox"/>		
Co-Chair: <i>Peace</i>	<input checked="" type="checkbox"/>	Co-Chair: <i>John Legend</i>		<input checked="" type="checkbox"/>	
Co-Chair:		Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Education	3/6/98	Ø	

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB 332

DRAFT

Revision Date (Note if correction) March 17, 1998 Dept. Affected Education
 Title "An Act authorizing the Alaska Student Loan Corporation to set the amount available for student loan programs and increasing the amount of bonds that may be issued without legislative approval; and providing for an effective date." BRU Alaska Commission on Postsecondary Education
 Sponsor Senate HESS Component Alaska Student Loan Program
 Requester Senate Finance Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES)	0.0	0.0	0.0	*0.0	*0.0	*0.0
-----------------------------	------------	------------	------------	-------------	-------------	-------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Section 1 of this bill will allow the Alaska Student Loan Corporation (ASLC) to manage the loan fund by actually setting an annual limit available from the student loan fund, if necessary, for an academic year. Further, that management tool would permit the ASLC to reduce the impact to borrowers in any single year should a shortfall occur. **Continued.**

Prepared by Mike Maher, Director of Student Loan Operations
 Division Student Loan Operations

Phone 465-6743
 Date March 17, 1998

Approved by Executive Director:  /Diane Barrans
 Agency: Alaska Commission on Postsecondary Education

Date: March 17, 1998

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

ANALYSIS: *(Attach a separate page if necessary)*

A shortfall could occur if the cashflows of the ASLC fail to demonstrate to Ambac (the bond insurer) that it will have the assets equal to or in excess of 150% of the ASLC debt. This test of asset-to-debt coverage is required as an element of the ASLC master bond indenture. The indenture sets out terms by which the corporation agreed to manage its finances and govern the use of bond proceeds and other assets of the corporation. The ASLC is bound by the terms of the indenture while bonds issued in compliance with it are outstanding.

Section 2. increases the present bond cap of \$125 million in any two consecutive fiscal years to \$200 million, which would accommodate program growth for years to come. This change is necessary due to legislation that passed in 1996, at the request of Alaska's students, which increased individual loan limits by 35%. As a result, the annual Alaska Student Loan volume also increased by more than 30%.

Increasing the biennial bond limit will allow the ASLC to consolidate its 1998 bonding needs in a single issue, avoiding additional fixed issuance costs of approximately \$125,000 (rating, printing, bond counsel, and financial advisor). Without this legislation, the corporation will have to issue a portion of the bonds (up to the current cap) in FY 98 (prior to June 30, 1998) and the remainder, necessary to meet the demand, in FY 99. **It should be noted that this saving would not result in a negative fiscal note, as the loan funds of Corporation are exempt from title 37, the executive budget act. However, the \$125,000 savings will reduce the overall ASLC debt.**

Section 3. The immediate effective date will allow for a single bond issuance prior to June 30, 1998.

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

From: Dave Tonkovich <Dave_Tonkovich@legis.state.ak.us>
Subject: Fiscal Note on SB 332
To: Larry Stevens <Larry_Stevens@legis.state.ak.us>

10:17 AM

Larry

I did some research on the Student Loan Program fiscal note for CSSB 332. The short answer is that costs of bond issuance would not ordinarily show up in budget documents. Several reasons:

1. AS 14.42.190 states the the Operating budget of the Corporation is subject to AS37.07, the Executive Budget Act. The key word here is "operating".

2. AS 14.42.300 Operations of Certain Statutes Excepted. Except as provided in AS 14.42.190, the Corporation is not subject to AS37.

The corporation interprets this as applying to their loan fund activities. That interpretation seems to be consistent with how other entities with active loan funds are treated.

In any event the corporation indicates that these costs (or savings) are ultimately built into the bond costs (amortized and paid off over time as bonds are retired.)

I hope this helps-let me know if I can follow up.

Dave Tonkovich
465-5413 (I think!)

FISCAL NOTE

REPORTED OUT OF
SFC 4/2/98

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. SB 332

Revision Date (Note if correction) _____ Dept. Affected Education
 Title "An Act relating to the Alaska Student Loan Corporation." BRU Alaska Commission on Postsecondary Education
 Component Alaska Student Loan Program
 Sponsor Senate HESS
 Requester Senate Finance Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	0.0	0.0	0.0	*0.0	*0.0	*0.0
------------------------	-----	-----	-----	------	------	------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Section 1 of this bill will allow the Alaska Student Loan Corporation (ASLC) to manage the loan fund by actually setting an annual limit available from the student loan fund, if necessary, for an academic year. Further, that management tool would permit the ASLC to reduce the impact to borrowers in any single year should a shortfall occur. Continued.

Prepared by Mike Maffer, Director of Student Loan Operations
 Division Student Loan Operations

Phone 465-6743
 Date March 6, 1998

Approved by Executive Director: Diane Barrans
 Agency: Alaska Commission on Postsecondary Education

Date: 3/6/98

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

ANALYSIS: *(Attach a separate page if necessary)*

A shortfall could occur if the cashflows of the ASLC fail to demonstrate to Ambac (the bond insurer) that it will have the assets equal to or in excess of 150% of the ASLC debt. This test of asset-to-debt coverage is required as an element of the ASLC master bond indenture. The indenture sets out terms by which the corporation agreed to manage its finances and govern the use of bond proceeds and other assets of the corporation. The ASLC is bound by the terms of the indenture while bonds issued in compliance with it are outstanding.

Section 2, increases the present bond cap of \$125 million in any two consecutive fiscal years to \$200 million, which would accommodate program growth for years to come. This change is necessary due to legislation that passed in 1996, at the request of Alaska's students, which increased individual loan limits by 35%. As a result, the annual Alaska Student Loan volume also increased by more than 30%.

Increasing the biennial bond limit will allow the ASLC to consolidate its 1998 bonding needs in a single issue, avoiding additional fixed issuance costs of approximately \$125,000 (rating, printing, bond counsel, and financial advisor). It should be noted that this saving will not result in a negative fiscal note, as the loan funds of Corporation are exempt from title 37, the executive budget act.

The bill should have an immediate effective date added in order to allow for a single bond issuance on or before June 30, 1998.

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

SENATE FINANCE
COMMITTEE

not offered

Amendment Number: #1

0-LS1631VA.6

Bill Number: SB 332

Ford

Sponsor: Donley Date: 4/1/98

4/1/98

Logged In By: O Mindy

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: SB 332

1 Page 1, line 1, following "Corporation":

2 Insert "; and relating to financial assistance for students attending a graduate
3 education program"

4 Page 1, following line 10:

5 Insert new bill sections to read:

6 "* Sec. 3. AS 14.43.110(a) is amended to read:

7 (a) In a school year, the commission may make a loan not to exceed

8 (1) \$8,500 to a full-time undergraduate student or \$5,000 to a half-time
9 undergraduate student attending a college or university if the full- or half-time student
10 is otherwise eligible under AS 14.43.125;

11 (2) \$9,500 to a full-time graduate student or \$4,500 to a half-time
12 graduate student attending a college or university if the full- or half-time graduate
13 student is otherwise eligible under AS 14.43.125 and not receiving a loan under (4)
14 or (5) of this subsection;

15 (3) \$5,500 to a full-time student or \$2,000 to a half-time student if the
16 full- or half-time student is attending a career education program that is at least six
17 weeks in length and is otherwise eligible under AS 14.43.125;

18 (4) \$15,000 to a full-time graduate student attending a degree
19 program not available in this state if the student is otherwise eligible under
20 AS 14.43.125 and not receiving a loan under (2) or (5) of this subsection;

21 (5) \$25,000 to a full-time graduate student attending a medical or
22 dental degree program if the student is otherwise eligible under AS 14.43.125 and
23 not receiving a loan under (2) or (4) of this subsection.

24 * Sec. 4. AS 14.43.120(d) is amended to read:

1 (d) Scholarship loans may not be made to a student

2 (1) for more than a total of \$42,500 for undergraduate study;

3 (2) for more than a total of

4 (A) \$47,500 for graduate study in a program other than a
 5 program described under (B) of this paragraph; or

6 (B) \$60,000 for graduate study in a program not available
 7 in this state;

8 (3) for more than a combined total of

9 (A) \$60,000 for undergraduate and graduate study in a
 10 program other than a program described under (B) of this paragraph; or

11 (B) \$100,000 for undergraduate and graduate study if the
 12 graduate program was not available in this state;

13 (4) to attend an institution if the total amount of scholarship loans
 14 made to students to attend that institution exceeds \$100,000 and the default rate on
 15 those loans is (A) greater than 20 percent but less than 25 percent, and the institution
 16 is unable to reduce its default rate within 24 months after the rate determination; or
 17 (B) equal to or greater than 25 percent for two consecutive calendar years; for
 18 purposes of this paragraph, the default rate shall be determined by the commission for
 19 each annual group of loans required to be repaid under (g) of this section on or after
 20 July 1, 1996; if a scholarship loan is refused based on the provisions of this paragraph
 21 and, under a subsequent default rate determination, an institution's default rate does
 22 not exceed the limits established under this paragraph, the commission may not refuse
 23 to issue a scholarship loan to attend that institution based on the provisions of this
 24 paragraph.

25 * Sec. 5. AS 14.43.120(g) is amended to read:

26 (g) A borrower's obligation to commence repayment of the principal and
 27 interest on the loan begins six months after the borrower is no longer enrolled under
 28 (c) of this section. The borrower shall repay the total amount owed in periodic
 29 installments of at least \$50 a month over a period of not more than 15 years from the
 30 commencement of the repayment obligation, except that a borrower who graduates
 31 from a graduate degree program not available in this state may repay the total
 32 amount owed over a period of not more than 20 years from the commencement

1 **of the repayment obligation.** If the commission and the borrower agree to a
2 different repayment schedule, the borrower shall repay the loan in accordance with the
3 agreement. A borrower may make payments earlier than required by this subsection
4 or the agreement."

not offered

SENATE FINANCE
COMMITTEE

0-LS1631VA.3
Ford
3/30/98

Amendment Number: #2
Bill Number: SB 332
Sponsor: Donley Date: 4/1/98
Logged In By: U Mindy

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: SB 332

1 Page 1, line 1, following "Corporation":
2 Insert "; and relating to repayment of student loans"

3 Page 1, following line 10:
4 Insert new bill sections to read:

5 "* Sec. 3. AS 14.43 is amended by adding a new section to read:

6 **Sec. 14.43.128. Loan forgiveness for medical students.** (a) If a person
7 required to repay a loan under AS 14.43.120 has graduated from a medical education
8 program for which the loan was received and is employed within the state as a
9 physician, including self-employment within the state as a physician and employment
10 within the state in a medical residency program, the loan shall be forgiven and
11 considered a grant in an amount equal to the following percentages plus accrued
12 interest:

- 13 (1) one year employment, 10 percent;
- 14 (2) two years employment, an additional 10 percent;
- 15 (3) three years employment, an additional 10 percent;
- 16 (4) four years employment, an additional 10 percent;
- 17 (5) five years employment, an additional 10 percent.

18 (b) Notwithstanding AS 14.43.120(g), a person who qualifies for forgiveness
19 under (a) of this section is not required to begin repayment to the state as long as the
20 person remains qualified for forgiveness under (a) of this section. A person employed
21 within the state in a medical residency program is not required to begin repayment to
22 the state as long as the person remains in the medical residency program. Forgiveness
23 under (a) of this section only applies to that portion of the loan that has not been
24 repaid to the state.

1 (c) If a person meets the qualifying conditions under this section for
2 forgiveness after beginning repayment, the repayment requirement is deferred in the
3 month following qualification for forgiveness. Repayment shall be deferred as long
4 as the person remains qualified. If the person is delinquent or in default on the
5 person's regular repayment schedule, repayment shall continue until the person is
6 current in payments. A period of time during which the person is making past due
7 payments may not be considered as a qualifying period for the purpose of calculating
8 forgiveness benefits.

9 (d) For purposes of qualifying for forgiveness under this section, a person
10 qualifies for a prorated forgiveness benefit if the person is a full-time employee for
11 a period of at least six months or if self-employed, the person provides physician
12 services an average of 40 hours a week for a period of at least six months. In this
13 subsection, "full-time employee" does not include seasonal or temporary employment.

14 * **Sec. 4. APPLICABILITY.** Section 3 of this Act applies to a person who begins an
15 education program and who receives financial aid from the state for a medical education
16 program on or after July 1, 1998."

0-LS1631E

Ford

3/6/98

3/27

revised

Sen. Adams object -

withdrawn

w/o objection,

ADOPTED

CS FOR SENATE BILL NO. 332()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

**Sponsor(s): SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE BY
REQUEST**

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing the Alaska Student Loan Corporation to set the amount
2 available from the student loan fund for student loan programs financed by the
3 student loan fund and increasing the amount of bonds that may be issued by the
4 Alaska Student Loan Corporation without legislative approval; and providing for
5 an effective date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1.** AS 14.42.210 is amended by adding a new subsection to read:

8 (d) The corporation shall set the amount available from the student loan fund
9 during an academic year for the student loan programs that receive financing from the
10 fund.

11 * **Sec. 2.** AS 14.42.220(f) is amended to read:

12 (f) The corporation may not issue bonds, other than refunding bonds, during
13 any two consecutive fiscal years in an aggregate amount greater than \$200,000,000

- 1 [\$125,000,000] unless the legislature, by law, approves issuance of a greater amount.
- 2 * Sec. 3. This Act takes effect immediately as provided under AS 01.10.070(c).

GARY WILKEN

SENATOR
Districts 29 & 30
West Fairbanks



During Session:
State Capitol, Room 510
Juneau, Alaska 99801-1182
(907) 465-3709 (v)
(907) 465-4714 (f)
www.akrepublicans.org/wilken.htm
E-mail: Senator_Gary_Wilken@legis.state.ak.us

Senate Standing Committees

Chairman: Health, Education,
and Social Services (HESS)
Vice Chairman: Transportation
Vice Chairman: Community and
Regional Affairs

Interior:
119 N. Cushman St., Room 213
Fairbanks, Alaska 99701
(907) 452-3421
Fax (907) 452-3426

Special Committee

Member: Administrative Regulation Review

SB 332

MEMORANDUM

TO: All Legislators

FROM: Gary Wilken
Senator, West Fairbanks

DATE: March 9, 1998

RE: Alaska Student Loan Program

At my request, Ms. Diane Barrans, Executive Director, Alaska Commission on Postsecondary Education, has prepared a brief update on the general status of the Alaska Student Loan Program. This concise report is attached.

As indicated, the general financial condition of the Alaska Student Loan Program is improving. The Corporation's annual net losses continue to decline and the recovery rate on defaulted loans shows modest improvement. In addition, within the next few months the Commission will begin full implementation of several new collection tools authorized under SB 189, regarding the Alaska Student Loan Program.

I hope you find this summary informative as well as encouraging.

Gary Wilken

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

3030 VINTAGE BLVD.
JUNEAU, ALASKA 99801-7109
VOICE (800) 441-2962
In Juneau 465-6740
TDD (907) 465-3143
FAX (907) 465-3293

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

MEMORANDUM

TO: Senator Gary Wilken
Alaska State Senate

FROM: Diane Barrans, Executive Director
Alaska Commission on Postsecondary Education

DATE: February 25, 1998

SUBJECT: ASLP 'Report Card'

Thank you for your request for an update on the general status of the Alaska Student Loan Program (ASLP). The continuing interest and strong support, of you and your fellow legislators, for this program is very much appreciated by both the Commission and the Alaska Student Loan Corporation.

The general financial condition of the ASLP, viewed prospectively, is quite encouraging. Managers are currently in the process of implementing many of the collection tools provided to the Commission in SB189, passed last session. However, due to changes made to the program in the preceding sessions, there are already key indicators of positive improvement.

The Corporation's annual **net losses are continuing to decline**, as reflected in our Audited Financial Statement:

<u>ASLC Annual Net Losses</u>			
As of June 30:	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
\$ in Millions*	\$7.0	\$2.7	\$2.5
*rounded to nearest tenth			

As we have discussed, the Corporation will continue to experience losses, albeit in decreasing amounts, until a substantial number of older loans cycle out of the program portfolio. These are loans with forgiveness benefits, long interest-free periods, etc. representing losses which, along with default and loan cancellations (due to death, disability, etc.), have resulted in cumulative losses to the Corporation's fund equity of almost \$50 million over the past decade. With the exception of the interest-free in-school period, these provisions are no longer contained in Alaska Student Loans.

The second indicator, our recovery rate on defaulted loans, also shows modest improvement. When I first reported to you in May of last year, that rate was approximately 34% and has improved to approximately 40%. This recovery rate is an indicator of what percent of principal loaned to borrowers who default, is eventually collected. That improvement is primarily associated with Permanent Fund Dividend garnishments, a critical tool in recovering on defaulted loans. This improvement is especially encouraging when considering that within the next six to nine months we will have:

- 1) Expanded the occupational licensing leveraging (already used to collect approximately \$250,000 on defaulted loan balances totaling \$3.7 million);
- 2) Implemented wage garnishment in the public and private sectors in Alaska; and
- 3) Implemented credit assessment on applicants to eliminate borrowers with chronic bad credit indicators.

In the coming weeks, I will provide you with default information calculated by program and by institution participating in the program. I look forward to discussing this information with you at that time.

This session the Commission and Corporation have directed me to pursue some additional statutory changes with two primary objectives: 1) insuring that sufficient funding is available to meet current loan demand; and, 2) make final (hopefully) changes to conditions and terms of the program that, based on recommendations of our financial advisors, complete the stabilization of this public fund.

As always, if there is additional information we can provide, you can reach me at 465-6740, or Mike Maher, Director of Student Financial Aid Programs at 465-6743.

Alaska State Legislature

Senator Gay Wilken, Chairman
Senator Loren Leman, Vice Chairman
Senator Lyda Green
Senator Jerry Ward
Senator Johnny Ellis



State Capitol
Room 510
Juneau, Alaska 99801
(907) 465-3762

Senate Committee on Health, Education and Social Services

SPONSOR STATEMENT

Senate Bill 332

"An Act authorizing the Alaska Student Loan Corporation to set the amount available from the student loan fund for student loan programs financed by the student loan fund and increasing the amount of bonds that may be issued by the Alaska Student Loan Corporation with legislative approval; and providing for an effective date."

Senate Bill 332 increases the Alaska Student Loan Corporation's (ASLC) biennial revenue bond issuance limit from \$125 million to \$200 million. Passage of this legislation will reduce the Corporation's cost to issue its revenue bonds in 1998 by being able to consolidate its financing into one issue.

The \$125 million biennial limit on issuance of new revenue bonds has been in effect since the Corporation was created in the late 1980's. In 1996, the Legislature increased the student loan limit to \$ 8,500 for a full-time undergraduate student and \$ 9,500 for a full-time graduate student. As a result, the annual student loan volume increased by more than 30%. This jump in volume is currently creating pressure on the existing bond cap. The increase in this limit will provide a comfortable financial margin for the Corporation and is designed to accommodate program growth in the years to come.

In addition, SB 332 allows the Corporation to set the amount of funding available for student loans each academic year. This added flexibility will allow the Corporation to better manage the loan fund and mitigate the effect of any anticipated funding shortfall.

I recommend passage of Senate Bill 332.

 **EVENSEN DODGE INC**
FINANCIAL CONSULTANTS

February 24, 1998

Diane Barrans
Executive Officer
Alaska Student Loan Corporation
3030 Vintage Blvd
Juneau, AK 99801

Dear Ms. Barrans:

As the Corporation's financial advisor we support the immediate passage of legislation which increases the Corporation's biennial revenue bond issuance limit from \$125 million to \$200 million. Passage of this legislation now will reduce the Corporation's cost to issue its revenue bonds in 1998 by being able to consolidate 1998 financings in one issue.

The \$125 million biennial limit on issuance of new money revenue bonds has been in effect since the Corporation was created in the late 1980's. In 1997 the legislature approved an increase to the annual limit that the Corporation could lend each student. The 1997 change in loan limits increased annual loan demand from \$55 million to \$80 million. The increase in loan demand will require the Corporation's annual debt issuance to exceed \$65 million per year.

In 1997 the Corporation issued \$75 million of its revenue bonds. Plans for bond issuance in 1998 are not completed, but are expected to include \$40-80 million of new money bonds and \$40 million of refunding bonds. The refunding bonds are not subject to the biennial limit, but must be completed by July 1, 1998. If it is necessary to issue more than \$50 million of new money bonds in 1998, the Corporation must sell two series of bonds, one that closes prior to July 1, 1998 and includes the refunding issue and a second which closes after July 1, 1998 and includes the new money portion above \$50 million. However, if the limit is not increased soon the Corporation may be severely limited in its ability to finance loan demand in 1999 and the future.

Increasing the biennial bond limit will allow the Corporation to consolidate its 1998 new money and refunding needs in a single issue, saving the Corporation approximately \$125,000 in issuance costs (rating, printing, bond counsel, and financial advisor).

The biennial revenue bond limit is not the Corporation's only limit on debt issuance. The issuance of new money revenue bonds must also meet certain legal tests including a debt service coverage test which must be approved by the Corporation's bond insurer, Ambac.

Atlanta • Boston • Buffalo • Chicago • Dallas • Denver • Detroit • Fargo • Hartford
Los Angeles • Minneapolis • New York • Orlando • San Francisco • Washington
601 Second Avenue South, Suite 5100, Minneapolis, MN 55402
612/338-3535 800/320-8200 612/338-7264 FAX

As always, please call on us if you have additional questions.

Sincerely yours,
EVENSEN DODGE, INC.



Patrick P. Born
Senior Vice President
and Principal

SB

334

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 24, 1998

FURTHER REFERRALS:

Date of Committee Action: 5/4/98

The FINANCE Committee considered:

CSSB 334(FIN)

CS FOR SENATE BILL NO. 334(FIN)

STATE TRAINING PROGRAMS/HUMAN RES.COUNCIL

“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.”

recommends it be replaced with the following committee substitute HCS CSSB 334 (FIN) the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

3 fiscal note(s) UA, Labor
Governor

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) (3) SFC for DOE, 4/2/98
IDA, 4/1/98 HSS, 4/2/98

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<u>Gene Ferris</u> <u>Therault</u>			X	
<u>Eldon</u> <u>Mulder</u>			X	
<u>Terry</u> <u>Martin</u>			X	
<u>Vic</u> <u>Kohring</u>		X		
<u>Jim</u> <u>Davies</u>	X			
<u>Ben</u> <u>Grussendorf</u>			X	
<u>Al</u> <u>Moses</u>	X			
<u>John</u> <u>DAVIS</u>	X			
<u>Pat</u> <u>Kelly</u>			X	

CHAIR'S SIGNATURE Gene Ferris

FISCAL NOTE

**STATE OF ALASKA
1998 LEGISLATIVE SESSION**

BILL NO. CSSB334(FIN)

Revision Date <u>May 4, 1998</u>	Dept. Affected <u>Office of the Governor</u>
Title <u>"An Act relating to guidelines...relating to the</u>	BRU <u>Commissions/Special Offices</u>
Alaska Human Resource Investment Council;..."	Component <u>Human Resource Investment Council</u>
Sponsor <u>Senate Finance</u>	
Requester <u>House Finance</u>	Component Serial No. <u>2055</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	303.8	303.8	303.8	303.8	303.8	303.8
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	303.8	303.8	303.8	303.8	303.8	303.8

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

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)	303.8	303.8	303.8	303.8	303.8	303.8
TOTAL	303.8	303.8	303.8	303.8	303.8	303.8

Estimate of any current year (FY98) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Fiscal note reflects the resources necessary, in addition to the existing FY99 AHRIC operating budget, to carry-out the requirements of SB334. Attached is a breakdown of the FY 99 I/A receipts necessary to carryout AHRIC's current and expanded duties under SB334.

AHRIC will rely on the Department of Labor for the development and preparation of the necessary statistical information. The contractual line includes 287.0 for an RSA each year with their Labor Market Information component, to offset their additional Research and Analysis costs, in addition to the fund source change for the 202.0 currently budgeted in that Labor component as I/A from the STEP funds. The note also includes 16.8 to offset the Council's anticipated costs associated with the assessment report.

Prepared by <u>Mike Andrews</u> <i>Mike Andrews</i>	Phone <u>269-7485</u>
Division <u>Human Resource Investment Council</u>	Date <u>5/4/98</u>
Approved by <u>Jim Ayers, Chief of Staff</u>	Date <u>5/4/98</u>
Agency <u>Office of the Governor</u>	

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

Breakdown of I/A receipts necessary to the AHRIC's FY99 mandates:

DCRA	250.0	AHRIC	99 Operating	399.2
DOL	106.0		fiscal note	16.8
H&SS	50.0		RSA to Labor	<u>287.0</u>
DOE	50.0			
UofA	45.0		Total	703.0
STEP	<u>202.0</u>			
Total	703.0			

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HCS CSSB 334(L&C)

Revision Date: _____
 Title: State Training Programs/
 Human Resource Council
 Sponsor: Senate Finance
 Requestor: House Finance

Department Affected: Labor
 BRU: Administrative Services
 Component: _____
Labor Market Information
COMPONENT SERIAL NO. 336

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	218.0	218.0	218.0	218.0	218.0	218.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	63.0	63.0	63.0	63.0	63.0	63.0
SUPPLIES	2.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	4.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	287.0	283.0	283.0	283.0	283.0	283.0

CAPITAL						
----------------	--	--	--	--	--	--

CHANGE IN REVENUE FUND SOURCE #						
--	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
1007 Interagency Receipts	287.0	283.0	283.0	283.0	283.0	283.0
TOTAL	287.0	283.0	283.0	283.0	283.0	283.0

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

Estimate of current year (FY98) impact: \$ none

ANALYSIS: (Attach a separate page if necessary)

(See attached)

Prepared by: Arda Williams, Director Phone: 465-2720
 Division: Administrative Services Division Date: 5/4/98
 Approved by Commissioner: Tom Cashen, Commissioner
 Agency: Department of Labor Date: 5/4/98

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office

**FISCAL NOTE ANALYSIS
HCS CSSB 334(L&C)**

The \$287.0 includes \$202.0 which currently appears in the component's FY99 operating budget request as Inter-Agency receipts from the STEP component to maintain the Occupational Database (ODB) and to produce the annual STEP program evaluation report. The ODB file is the source for matching programs' participants to employment and earnings after training. There would be no additional cost to maintain this database by the passage of SB334. In fact, the cost to each program would decline as more programs were evaluated using this file.

The additional \$85.0 is necessary for the preparation of the statistical information necessary for the council to evaluate all included programs by the standards set out in section 10(e) paragraphs 1,2, and 3. As Research and Analysis has been involved in wage record matching for many years, the processes and procedures needed to address section 10(e) paragraphs 1, 2,and 3 are in place. It should be noted that funding has not been included to conduct the customer satisfaction surveys as specified in Section10(e) paragraphs 4 and 5.

Additional staff will include one labor economist. The labor economist will be responsible for data file matching, and statistical analysis.

The source of these funds will be an Interagency transfer from the Alaska Human Resource Investment Council.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

No. 11

B Bill Version: CSSB 334(FIN)

(S) Publish Date: 4-2-98

Revision Date: _____
 Title: An Act relating to guidelines and standards for
 state training programs; and relating to AHRIC*
 Sponsor: Senate Finance Committee
 Requester: Senate Finance Committee

Dept. Affected Health & Social Services
 BRU Public Assistance Admin
 Component Alaska Work Programs

Component Serial No. 238

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	0.0					
Travel	0.0					
Contractual	0.0					
Supplies	0.0					
Equipment	0.0					
Land & Structures	0.0					
Grants & Claims	0.0					
Miscellaneous	0.0					
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts	0.0					
1003 GF Match	0.0					
1004 GF	0.0					
1005 GF/Program Receipts	0.0					
1037 GF/Mental Health	0.0					
1091 Designated Program Receipts	0.0					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

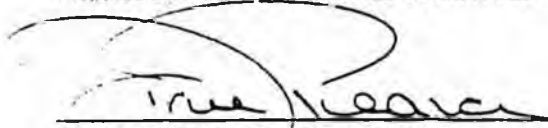
POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

Passage of CSSB 334(FIN) does not require an additional appropriation. AS 44.19.626(j) authorizes a payment of a management assessment fee, not to exceed 0.75 percent of the annual operating budget for this component, to the Alaska Human Resources Investment Council.

Prepared By: SENATE FINANCE COMMITTEE


 SENATOR DRUE PEARCE, CO-CHAIR

Date: 04/01/98
 Phone: 465-4993


 SENATOR BERT SHARP, CO-CHAIR

Date: 04/01/98
 Phone: 465-3004

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

No. 10

B Bill Version: CSSB 334(FIN)

(S) Publish Date: 4-2-98

Revision Date: _____
 Title: 'An Act relating to guidelines and standards for state training programs; and relating to AHRIC'
 Sponsor: Senate Finance Committee
 Requester: Senate Finance Committee

Dept. Affected Education
 BRU Teaching & Learning Support
 Component Education Special Projects

Component Serial No. 173

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	0.0					
Travel	0.0					
Contractual	0.0					
Supplies	0.0					
Equipment	0.0					
Land & Structures	0.0					
Grants & Claims	0.0					
Miscellaneous	0.0					
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts	0.0					
1003 GF Match	0.0					
1004 GF	0.0					
1005 GF/Program Receipts	0.0					
1037 GF/Mental Health	0.0					
1091 Designated Program Receipts	0.0					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

Passage of CSSB 334(FIN) does not require an additional appropriation. AS 44.19.626(j) authorizes a payment of a management assessment fee, not to exceed 0.75 percent of the annual operating budget for this component, to the Alaska Human Resources Investment Council.

Prepared By: SENATE FINANCE COMMITTEE


 SENATOR DRUE PEARCE, CO-CHAIR

Date: 04/01/98
 Phone: 465-4993


 SENATOR BERT SHARP, CO-CHAIR

Date: 04/01/98
 Phone: 465-3004

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

No. 2

B Bill Version: CSSB 334 (FIN)

(S) Publish Date: 4-2-98

Revision Date: _____
Title: 'An Act relating to guidelines and standards for state training programs; and relating to AHRIC'
Sponsor: Senate Finance Committee
Requester: Senate Finance Committee

Dept. Affected Education
BRU Teaching & Learning Support
Component Social & Supplemental Services

Component Serial No. 56

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	0.0					
Travel	0.0					
Contractual	0.0					
Supplies	0.0					
Equipment	0.0					
Land & Structures	0.0					
Grants & Claims	0.0					
Miscellaneous	0.0					
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts	0.0					
1003 GF Match	0.0					
1004 GF	0.0					
1005 GF/Program Receipts	0.0					
1037 GF/Mental Health	0.0					
1091 Designated Program Receipts	0.0					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Passage of CSSB 334(FIN) does not require an additional appropriation. AS 44.19.626(j) authorizes a payment of a management assessment fee, not to exceed 0.75 percent of the annual operating budget for this component, to the Alaska Human Resources Investment Council.

Prepared By: SENATE FINANCE COMMITTEE


SENATOR DRUE PEARCE, CO-CHAIR

Date: 04/01/98
Phone: 465-4993


SENATOR BERT SHARP, CO-CHAIR

Date: 04/01/98
Phone: 465-3004

FISCAL NOTE

No. ?

STATE OF ALASKA
1998 LEGISLATIVE SESSION

B Bill Version: CSSB 334(FIN)

(S) Publish Date: 4-2-98

Revision Date: _____
Title: "An Act relating to guidelines and standards for state training programs; and relating to AHRIC"
Sponsor: Senate Finance Committee
Requester: Senate Finance Committee

Dept. Affected Education
BRU Teaching & Learning Support
Component Quality Schools

Component Serial No. 2147

Expenditures/Revenues		(Thousands of Dollars)				
OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	0.0					
Travel	0.0					
Contractual	0.0					
Supplies	0.0					
Equipment	0.0					
Land & Structures	0.0					
Grants & Claims	0.0					
Miscellaneous	0.0					
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE		(Thousands of Dollars)				
1002 Federal Receipts	0.0					
1003 GF Match	0.0					
1004 GF	0.0					
1005 GF/Program Receipts	0.0					
1037 GF/Mental Health	0.0					
1091 Designated Program Receipts	0.0					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

POSITIONS						
Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

Passage of CSSB 334(FIN) does not require an additional appropriation. AS 44.19.626(j) authorizes a payment of a management assessment fee, not to exceed 0.75 percent of the annual operating budget for this component, to the Alaska Human Resources Investment Council.

Prepared By: SENATE FINANCE COMMITTEE


SENATOR DRUE PEARCE, CO-CHAIR

Date: 04/01/98
Phone: 465-4993


SENATOR BERT SHARP, CO-CHAIR

Date: 04/01/98
Phone: 465-3004

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

No. 6
Bill Version: CS SB334 (FIN)
(S) Publish Date: 4/1/98

Revision Date: (Note if correction)
Title: "An Act relating to guidelines and standards for state training programs. AHRIC."
Sponsor: (S) FIN
Requestor: (S) FIN

Department Affected: Administration
BRU: Centralized Administrative Services
Component: Alaska Professional Development Inst.
COMPONENT SERIAL NO. 2266

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 00	FY 01	FY 02	FY 03	FY 04
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						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 98) cost: \$ none

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) Passage of CSSB 334 (FIN) would not require an additional appropriation for the Alaska Professional Development Institute (APDI). Proposed AS 44.19.626(b) [amendment #1-H.1] would require the Department of Administration to pay a management assessment fee of .75% of the APDI annual operating budget to the Alaska Human Resources Investment Council (AHRIC). The fee would be deposited in the human resources investment account in the general fund.

We assume the APDI would pay the management assessment fee for the Department.

While the APDI is authorized an operating budget of \$674.5, in the current FY, it expects revenues of only \$530.0, plus its General Fund appropriation of \$.9. Thus the APDI has and presumably will continue to have sufficient authority to collect additional income to meet the additional expense of the management assessment fee.

We believe the bill would be improved by limiting the management assessment fee to a program's actual revenues rather than its budget. If CSSB 334(FIN) were current law, the assessment based on budget rather than anticipated revenue for FY 98 would be \$5.1 compared to \$4.0. The \$5.1 represents .96% of revenue rather than .75%.

Prepared by: Beverly Resume, Director
Division: Personnel

Phone: 465-4429
Date: _____

Approved by Commissioner: Mark Boyer *[Signature]* 3/21/98
Agency: Department of Administration

Date: _____

DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

**STATE OF ALASKA
1998 LEGISLATIVE SESSION**

**BILL NO. SCSCSSB334(L&C)
*Revised 5/6/98**

Revision Date: 4/24/98
Title: Guidelines/Standards for State Training Programs

Department Affected: University of Alaska
BRU: University of Alaska
Component: Statewide Services

Sponsor: Senate Finance Committee
Requestor: House Finance Committee

COMPONENT SERIAL NO. #730

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	20.0	20.0	20.0	20.0	20.0	20.0
TOTAL OPERATING	20.0	20.0	20.0	20.0	20.0	20.0

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE FD SOURCE						
--------------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 FEDERAL FUNDS						
1003 GF MATCH						
1004 GENERAL FUND	20.0	20.0	20.0	20.0	20.0	20.0
1006 GF/MHTIA						
OTHER						
TOTAL FUNDING	20.0	20.0	20.0	20.0	20.0	20.0

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)
 This funding is necessary to assess the UA vocational training programs based on the standards included in SB 334.
 *Upon further discussions with the Department, this fiscal note has been revised to reflect ongoing surveys of subsequent graduates of the program.

Prepared by: Ann Ringstad, Director Phone: 474-6490
 Division: Statewide Government Relations Date: 5/6/98
 Approved by: Marvlou Burton, Director *Marvlou Burton*
 Agency: Statewide Budget Office Date: 5/6/98

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

No. 7
Bill Version: CS SB334(FIN)
(S) Publish Date: 4/1/98

Revision Date: _____
Title: State Training Programs/
Human Resource Council
Sponsor: Senate Finance
Requestor: Senate Finance

Department Affected: Labor
BRU: Administrative Services
Component: Labor Market Information
COMPONENT SERIAL NO. 338

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	336.0	336.0	336.0	336.0	336.0	336.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	98.0	98.0	98.0	98.0	98.0	98.0
SUPPLIES	4.0	4.0	4.0	4.0	4.0	4.0
EQUIPMENT	9.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	447.0	438.0	438.0	438.0	438.0	438.0

CAPITAL						
----------------	--	--	--	--	--	--

CHANGE IN REVENUE FUND SOURCE #						
--	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
1007 Interagency Receipts	447.0	438.0	438.0	438.0	438.0	438.0
TOTAL	447.0	438.0	438.0	438.0	438.0	438.0

POSITIONS:

FULL-TIME	3.0	3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

Estimate of current year (FY98) impact: \$ none

ANALYSIS: (Attach a separate page if necessary)

(See attached)

Prepared by: Arbe Williams, Director Phone: 465-2720
Division: Administrative Services Division Date: 3/30/98
Approved by Commissioner: Tom Cashen, Commissioner
Agency: Department of Labor Date: 3/30/98

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information call the Governor's Legislative Office

SB334
#7

FISCAL NOTE ANALYSIS CSSB 334(FIN)

The \$447.0 includes \$202.0 which currently appears in the component's FY99 operating budget request as Inter-Agency receipts from the STEP component to maintain the Occupational Database (ODB) and to produce the annual STEP program evaluation report. The ODB file is the source for matching programs' participants to employment and earnings after training. There would be no additional cost to maintain this database by the passage of SB334. In fact, the cost to each program would decline as more programs were evaluated using this file.

The additional \$245.0 is necessary for the preparation of the statistical information necessary for the council to evaluate all included programs by the standards set out in section 10(e). As Research and Analysis has been involved in wage record matching for many years, the processes and procedures needed to address section 10(e) paragraphs 1, 2, and 3 are in place. An additional position, at a cost of \$82.5, would be added in order to meet the provisions of paragraphs 1, 2 and 3.

Section 10(e) paragraphs 4 and 5 will require direct contact with employers and program participants. It is anticipated that either a telephone or mail survey will be necessary. This type of data collection is labor intensive. It is anticipated that \$162.5 will be needed for this survey and analysis work.

Additional staff will include one labor economist and two statistical clerks. The labor economist will be responsible for data file matching, survey sample design, and statistical analysis. Two statistical clerks will be needed for survey data collection and data file maintenance.

The source of these funds will be an Interagency transfer from the Alaska Human Resource Investment Council.

no/obj
Adopted-

AMENDMENT \\
HCS CSSB 334(L&C) Version 'Q'

Offered to House Finance

Page 7, Line 16

INSERT (the 2nd)

After department, the non public school portions of the following programs:



Northwest Technical Services

3330 Arctic Blvd., Suite 201 • P.O. Box 241921 • Anchorage, Alaska 99503-5943 • (907) 562-1633 • FAX (907) 562-5875

April 23, 1998

VIA FAX ONLY:

(907) 465-2418

(907) 465-3884

Representative Mark Hanley
Representative Gene Therriault
Co-Chairs, Finance Committee
State of Alaska, House of Representatives
Alaska State Capitol, Room 507/511
Juneau, Alaska 99801-1182

Re: SB 334 - A bill Relating to the AHRIC and Program Performance
Measures and Administrative Limitations on Education and Training
Programs.

Dear Representatives Hanley and Therriault:

As former Vice-Chair of the Job Training Council I worked with members of said council in the formation of AHRIC. As a current member of the Anchorage/Mat-Su Private Industry Council, I have been closely following both AHRIC and STEP legislation which has been proposed this session. With SB 334 being referred to the House Finance Committees, I felt it appropriate to express some concerns to you at this time as I believe that SB 334 as currently written could very well defeat your purpose.

I am General Manager of a private business in Anchorage with employees working in positions from the North Slope to Juneau. I have made education and training one of my principle concerns as I believe that they go hand in hand in building a strong Alaskan economy. It does not help to have jobs if our people are not qualified to fill them.

As you are aware, the Private Industry Council (PIC) exists pursuant to federal legislation - the Job Training Partnership Act. This Act mandates that the private



5/4/98 PN

Mr. Mark Hanley
Mr. Gene Therriault
Co-Chairs, House Finance Committee
April 23, 1998
Page Two

sector be given the largest number of seats and chair the PIC. It also gives the PIC the responsibility for oversight of job training monies in its area. Federal limitations on the amount of monies which can be spent on administrative costs for JTPA programs, performance standards and assessment requirements are also set by federal regulation. By adding additional criteria to programs which already have sound evaluation criteria, the administrative burden increases. Perhaps words could be included to the effect that if same or similar standards are required by federal law or regulation is currently in place, new criteria would not be required.

Another area of concern is the new limitation on administration costs to "15% or the federal rate, whichever is lesser" contained in Section 9. With the imposition of additional requirements in 1992 when Congress substantially amended JTPA, they recognized that there would be additional administrative costs associated with the required monitoring. For that reason, they raised the administration cost limit from 15% to 20%. With the amount of follow-up required by these programs, the 20% limit is more realistic. The elimination of the words, "whichever is lesser" would make it clear that the state is not trying to change the ceiling established by the federal regulation leaving PICs caught between state and federal regulations as to the amount of administrative funds they have available for their programs. Further, the imposition of the restriction virtually excludes the private sector from providing any of the training services. This, in turn, will necessitate an increase in governmental positions to provide the training that now rests with private sector contractors.

Section 10 of the proposed legislation would impose a management fee of .75% of annual operating budget on the programs overseen by AHRIC. Currently, JTPA and STEP contributions already finance most of AHRIC's budget, and there does not appear to be a reason to assess an additional management fee. Such a fee will serve to increase the administrative costs of running the programs. However, I do feel that all programs subject to AHRIC oversight or which are represented by guaranteed membership on the AHRIC should contribute to the support of AHRIC. This would alleviate some of the financial pressure currently placed on JTPA and STEP programs.



Mr. Mark Hanley
Mr. Gene Therriault
Co-Chairs, House Finance Committee
April 23, 1998
Page Three

This bill, as written, seems to negate the purpose of AHRIC as a steering group to assist in establishing long range goals for training and development of Alaska's people. Instead, it becomes an administrative entity. This shift in function could dramatically impact the level of private sector member involvement.

Finally, I am concerned that the STEP reauthorization has become entangled with the AHRIC legislation. As the reauthorization of STEP is the subject of HB 330 and SB 245, I would strongly support the passage of those two bills as originally submitted or with the modification made in the Senate Labor and Commerce committee. It would be a shame if the reauthorization of a program which works so well for its participants (whose UI taxes pay for it) gets bogged down while the details of the AHRIC bill are being worked out.

I thank you for your time. If I can be of assistance to you in any way in this process, please let me know.

Kind regards,



Mary E. Shields
General Manager

cc: Eldon Mulder, Vice Chair
Richard Foster
Pete Kelly
Vic Kohring
Terry Martin
John Davies
Ben Grussendorf
Carl Moses



AMENDMENT

2

Failed

OFFERED IN THE HOUSE

BY

DAVIES

TO HCS CS SB 334 (L&C)

~~XXXXXXXXXXXXXXXXXXXX~~
THERIAULT

Page 5, line 17, following "exceed"

Delete "the lesser of"

Insert "the greater of"

STATE OF ALASKA

OFFICE OF THE GOVERNOR

ALASKA HUMAN RESOURCE INVESTMENT COUNCIL

TONY KNOWLES, GOVERNOR

3601 'C' STREET, SUITE 380
ANCHORAGE, ALASKA 99503
PHONE: (907) 269-7485
FAX: (907) 269-7489

May 1, 1998

The Honorable Gene Therriault
Finance Committee Co-Chair
Alaska House of Representatives
State Capitol Room 511
Juneau, AK 99801-1182

Dear Representative Therriault:

The Alaska Human Resource Investment Council (AHRIC) requests final improvements to Senate Bill 334, "An Act related to state training programs and the AHRIC..." Our major responsibility is to help build an effective workforce development delivery system that serves Alaska's job seekers and employers. We feel strongly that sections of SB 334 will take the workforce development system in the wrong direction. Our concerns are as follows.

Administrative Cap on Federal JTPA Funds – Section 9. This section directs the AHRIC to adopt regulations that set standards for the percentage of a grant that may be used for administrative costs. Section 9 caps administrative expenses at 15% or the amount permitted under federal requirements, whichever is less. The Job Training Partnership Act programs, which provide the major source of job training funds for workforce development in Alaska, are currently allowed 20% by the federal government. We urge you to amend SB 334 to allow the current federal administrative cap of 20% for JTPA programs. This can be done by removing "the lesser of..." from Sec. 9 (b)(8) or by adding language that excepts federal JTPA programs.

The present administrative money assists Private Industry Councils and their local job training contractors with administrative funds to operate. SB 334 adds more administrative record keeping, performance measures, and system evaluation requirements. Adding performance measurements and then reducing federal funds to achieve performance will not improve service to our customers. Please keep in mind that no state funds are used to operate the JTPA programs.

Program Assessment Fee – Section 10 (j). This subsection imposes a management assessment fee of .75 of 1% on training programs. The intent is to charge all programs for the cost of operating the AHRIC and performing an evaluation of the workforce development system. An across-the-board assessment fee is not a practical method for gathering resources and will not cover actual costs. We hope to introduce a fiscal note for the AHRIC that details where funds would be found among existing program resources, and we request you delete Sec. 10 (j). At a minimum, the bill should include language that assures that programs operated at the

Service Delivery Area level (JTPA & STEP) will not be assessed if departments that administer those programs are assessed.


Council Operations – Sections 6 and 7. Section 6 refers to council officers. The bill requires that the chair and vice-chair be elected from the Business and Industry-designated members only, which represents 5 members or 20% of the council – as opposed to the original AHRIC legislation (1995) that mandates the chair be elected from the private sector. Private sector includes all non-governmental members, including business and industry, and makes up the majority of council members. Limiting the available candidates for council leadership positions discourages active private sector participation. Some business and industry members may not have time for the responsibilities of elected office, and available candidates will be further reduced. It would be wiser to let the council choose either the chair or vice-chair from business and industry and fill the other office from among all council members.

Section 7 (a) allows the council to meet three times annually. Our experience is that the council must meet 4-5 times annually, depending on the work load, to stay informed about program performance, the implementation of one-stop career centers, welfare reform progress, school-to-work, and national legislation that may impact workforce development. Limiting council meetings to three times annually will save about \$5,000. This could cost the state considerably more in reduced member involvement and time spent bringing council members up to speed. We recommend that you delete Section 7 (a).

Section 7 (b) refers to the existing AHRIC standing committees. This language is unnecessary because the standing committees and their duties are already part of our public bylaws and governing rules. In January, the AHRIC met to review the effectiveness of the current committee structure and to develop a new strategic plan with four goals. The council desires to restructure committees around those goals in order to measure the success of the goals and the performance of the AHRIC itself. Putting restrictions on the council related to committee titles and setting committee duties in statute will not promote dynamic change or innovation. We urge you to delete this section.

A letter from the US Department of Labor Region X, which supports the council's requests and explains their concerns as the federal agency responsible for employment and training, is attached. Thank you for your consideration of these matters.

Sincerely,


John Henderson, Chair

Members of the Alaska Human Resource Investment Council

cc: JTPA SDA Directors, Alaska's PIC Chairs, Senators Pearce and Torgerson
Attachments: US DOL Region X Letter
Council Member Roster (signed letters are available for your review upon request)

U.S. Department of Labor

Employment and Training Administration
1111 Third Avenue, Suite 900
Seattle, Washington 98101-3212



Reply to the Attention of:

10TG JTP-9-1

April 24, 1998

Mr. Mike Andrews, Executive Director
Alaska Human Resource Investment Council
3601 C Street, Suite 380
Anchorage, AK 99503

Dear Mr. Andrews:

This is a follow-up to our letter of April 3, 1998, in which we commented on the voting and non-voting membership provisions in Alaska Senate Bill No. 334 and also indicated that we would be providing additional comments on other aspects of this bill.

Section 3.(a) of the bill permits a qualified member to fill two or more positions on the Council but to vote only once. In addition this person may him(her)self appoint only one designee in the event that the member was unable to attend. The clear intent of the Job Training Partnership Act (JTPA) in permitting Human Resource Investment Councils as alternatives to State Job Training Coordinating Councils was to allow broader discourse and dialogue among the relevant parties in the creation of a comprehensive workforce development system. To ensure this, certain members must be on the Council. The naming of a single person to multiple memberships or seats at the Council that are required in Section 702 in the JTPA Act would be in conflict with the federal legislation because it would have the effect of reducing the interaction and exchange of ideas and opinions on the Council. The practical conflicts that may arise between the federal requirements for human resource investment council membership and multi-position representation as currently permitted by SB 334 relate to the percentage requirements mandated in JTPA Section 702, potential conflicts of interest that might arise, and the equal and proportionate representation called for in JTPA Section 702. In conclusion, if the Legislature chooses to pass this bill as presently written, it will not fulfill the federal requirements for a State Resource Investment Council under Title VII of the Job Training Partnership Act, as amended.

Section 7.(a) of the bill includes the number of allowable meetings of the council in a calendar year. We do not feel it is prudent to arbitrarily limit the number of Council meetings. JTPA Section 122.(a)(4) states "[T]he State council shall meet at such times and in such places as it deems necessary." Our experience over the last 20 or so years with the JTPA State Councils has shown that flexibility in this area is essential. Among the Council's responsibilities are planning for obligations and oversight of programs utilizing millions of dollars annually; ensuring proper and efficient operation and administration of these programs through review of state monitoring, audits and performance analyses; and ensuring overall program integrity

and quality of services. Some matters needing full council approval may not be ready in time for a designated meeting and the council may have to reconvene for review and approval. For certain matters needing full council consideration, an Executive Council meeting in lieu thereof is not an acceptable substitute. We would urge the Legislature to not unduly restrain the council's flexibility to conduct its business and to fulfill its stewardship responsibilities for the JTPA program.

Section 10.(e) of the bill sets forth the performance measures desired by the Legislature. The Legislature is to be commended for its efforts to objectively assess program performance in Alaska's employment and training programs. However, we feel compelled to point that there are already federal JTPA performance measures in place and new measures are being considered before the U.S. Congress in Senate Bill 1186 (The Workforce Investment Performance Act). While much of the intent regarding performance in the two bills is very similar, we would urge the Legislature to not adopt similar but not identical measures. Additional state measures beyond the required measures are always welcome but they also come at a cost. Each distinct measure adds to the administrative burdens of planning and reporting. The JTPA measures have been in use since the inception of JTPA in 1982, and the performance measures contemplated in the pending consolidation bill (SB 1186) have themselves been significantly reduced from the original language because of the need for efficiency and cost-effectiveness. We strongly urge the Alaska Legislature to also seriously consider these same principles in SB 334.

Section 10.(j) of the bill states that "[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." We applaud the Legislature's assessing all the council members operating programs under Section 10.(f) an equal percentage fee of the total program funds for which they are responsible. This is very much in keeping with JTPA Section 703(d) which states that "[E]ach State agency participating in a State Council under this title is encouraged to provide funds to support such Council in a manner consistent with its representation on such Council." Currently the JTPA programs contribute to the Council support from the five percent state Title II administration account as well as funds allocated from the eight percent State Education Coordination and Grants account (Reference JTPA Sections 202(c)(1)(A) and 262(c)(1)(A)). These two accounts are state-level accounts and the management fee assessment from the state-level administration account is entirely proper. Our concern is that SB 334 might be construed to mean that sub-State operations will also be subject to the management fee assessment. This could constitute a double or triple assessment simply because JTPA programs are principally operated at the local service delivery area level, and generally not at the state level. Second, the operations of the state council are explicitly to be paid for from the state-level administration set-aside account. The sub-State program operators are not required to maintain the functions of a state-wide council. The federal law is very clear that 77 percent of the funds allotted to any State shall be distributed to service delivery areas within the state, and state activities are to be operated from the remaining 23 percent of the state allotment. Activity such as the

the operation of the state council is actually borne by the five percent state administrative set-aside. In order to prevent conflict between the State and federal legislation, we urge the Legislature to expressly prohibit levying the management assessment fee against the funds allotted to the sub-state areas.

Lastly, we feel compelled to comment on the establishment of a ceiling of 15 percent on administrative funds as set out in Section 9.(b)(8) of SB 334 for all agencies required to be under the aegis of the Council. Originally Congress set a 15 percent administrative limit also on the JTPA program. However, when the program was amended effective July 1, 1993, it increased the reporting, record-keeping and accountability requirements for the program to such an extent that it permitted sub-State (the local Private Industry Councils and Service Delivery Areas) administrative limitations up to 20 percent. The State administrative limit remains unchanged at five percent. Should the Legislature choose to do this, please be aware that the quality and integrity of the JTPA programs may be jeopardized if inadequate resources are provided for the proper accountability and maintenance of these programs. We urge the Legislature to seriously consider these factors before applying a uniform and arbitrary administrative limit on all programs under the auspices of the Council.

Again thank you for the opportunity to comment on this pending legislation.

Sincerely,



MICHAEL BRAUSER
Regional Administrator

Alaska Human Resource Investment Council Member Roster by Area of Representation

Name	Area of Representation	Title/Organization	Address
Gary Brooks	Organized Labor	Business Manager, IBEW L. U. #1547	2702 Denali Street Anchorage, AK 99503
Tom Cashen	Commissioner/Labor or Designee	Commissioner, Alaska Department of Labor	P.O. Box 21149 Juneau, AK 99802-1149
Fred Esposito (Workforce Readiness Chair)	Education Rep./Postsecondary Vocational Education Institution	Director, Alaska Vocational Technical Center	P.O. Box 889 Seward, AK 99664-0889
Duane French	Personal/Professional Experience with Developmental Disabilities	Director, DOE Division of Vocational Rehabilitation	801 W. 10th St., S. 200 Juneau, AK 99801-1894
Alice Galvin (Policy & Planning Chair)	Private Sector	Supervisor of Educational Services Dept., ATU Telecommunications	3540 Tanglewood Place Anchorage, AK 99517
Don Gilman	Private Sector	Retailer and Consultant	P.O. 2941 Kenai, AK 99611
JoAnn Henderson (AHRIC Chair)	Private Sector	Associate Director, South East Regional Resource Center	17855 Pt. Lena Lp. Rd. Juneau, AK 99801
Shirley Holloway	Commissioner/Education/or designee	Commissioner, Department of Education	801 W. 10th St., S. 200 Juneau, AK 99811-1894
Linda Hulbert (Assessment & Evaluation Chair)	Private Industry Council	Insurance Agent, NY Life Insurance Member, Fairbanks PIC	110 Cushman Street Fairbanks, AK 99701
Mike Irwin	Commissioner/Community & Regional Affairs/or designee	Commissioner, Department of Community & Regional Affairs	P.O. Box 112100 Juneau, AK 99811-2100
Willie Lewis	Organized Labor	Laborers' Int'l Union of No. America Loc. 942 (ret.)	1629 Madison Drive Fairbanks, AK 99509
Ruth Lister (Employment & Placement Chair)	University of Alaska Representative	Director, UAF, Tanana Valley Campus	510 Second Avenue Fairbanks, AK 99701
Karen Perdue	Commissioner/Health & Social Services/or designee	Commissioner, Department of Health & Social Services	P.O. Box 110601 Juneau, AK 99811-0601
David Rees (Past Chair)	Private Sector	Manager, Technical Training and Admin., Alyeska Pipeline Services Co.	18110 Sanctuary Drive Eagle River, AK 99577
Bob Reynolds	Business/Industry	Assistant Director of Alaska Hire, External Affairs, BP Exploration	P.O. Box 196619 Anchorage, AK 99519
Sarah Scanlan (Vice Chair)	Private Sector	Vice President of Corporate Affairs, NANA Development Corp.	1001 East Benson Blvd. Anchorage, AK 99508
Donna Scott	Native Organization Representing Employment & Training	Director, Employment and Training, Tanana Chiefs Conference, Inc. Chair, ANCET	122 First Avenue, Ste. 600 Fairbanks, AK 99701-1867
Deborah Sedwick	Commissioner/Commerce & Economic Development/or designee	Acting Commissioner, Department of Commerce & Economic Development	P.O. Box 110800 Juneau, AK 99811-0800
Barbara Stallone	Business/Industry	Senior Personnel Representative, Federal Express	6050 Rockwell Drive Anchorage, AK 99502
Tim Sunday	Organized Labor	Business Representative for Southeast Alaska, Teamsters Local 959	306 Willoughby Ave Juneau, AK 99801
Fran Ulmer	Lieutenant Governor/or designee	Lieutenant Governor of Alaska	P.O. Box 110015 Juneau, AK 99811-0015
Stephen Vieira	Education Rep./Secondary Vocational Education	Vocational Education Instructor, Sitka High School	611 Biorka Street Sitka, AK 99835
J.C. Wingfield	Organized Labor	Business Manager, Plumbers & Pipefitters Local 375	3568 Geraghty Street Fairbanks, AK 99709

TO: Gene Therriault

Fax Number: 907 465-3757

From: Whit Hicks, Delta/Greely School To Work Coordinator

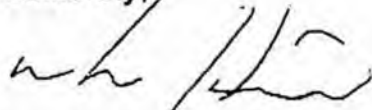
Date: May 1, 1998

Subject: Senate Bill 334

Dear Representative Therriault,

I am concerned about the status of SB 334. Funding for the State Training and Employment Program (STEP) is about to sunset in June. STEP funds are critical to the development of our present and future work force. We are in the process of developing a mine training center in Delta Junction to meet the needs of the growing mining industry in the Interior. The STEP funding will allow us to train and retrain workers for the jobs as they arise. We must prepare Alaskans to fill these job. Please take action on this Bill and do your best to see that these funds are available for training this year. If I can be of any assistance please call me at 907 895-4460 ext. 37. Thank you for your service to our state.

Sincerely,



Whit Hicks

BACKGROUND INFORMATION

Human Resource Investment Councils (HRICs) are fundamentally different from most federally authorized governing councils. As indicated by the variety of commissions and councils discussed in the Organization and Function section, many federal human resource programs require states to establish citizen groups to advise the governor on relevant state policy and the use of federal funds. The programs often fund similar or complementary employment-related services that serve sometimes overlapping populations. Federally-funded programs, for the most part, go about their job in a totally independent fashion, resulting in a fragmented response to the people who need their help.

Unlike these program-specific councils, an HRIC is responsible for the development of policy that cuts across all clients and programs in the workforce investment system. The main objective of an HRIC is to create a system that fundamentally changes the focus of education, training, and employment services to meet the needs of business and labor. If established, issues which an HRIC must address include:

1. reviewing the provision of services and use of funds for applicable programs and advising the governor on methods to coordinate the services and funds,
2. advising the governor on the development and implementation of program measures and outcomes that would be applied on both the state and local level, and
3. carrying out the duties and functions of the previous program-specific councils.

In addition to mandated responsibilities, an HRIC may perform the following additional functions:

1. identifying the human investment needs in the state and recommending to the governor goals for meeting those needs,
2. preparing and recommending to the governor a strategic plan to meet goals, and
3. monitoring the implementation of and evaluating the effectiveness of the strategic plan.

1992 federal legislation formally recognized the HRIC concept as part of the JTPA program

The 1992 amendments to the Job Training Partnership Act (JTPA) allows states to create HRICs which can incorporate several federally-mandated councils. Prior to the 1992 amendments, eleven states had already recognized a need to better coordinate their employment training programs and had formed "super councils." The super councils were often composed of representatives of the various state agencies involved in workforce development and of representatives from business and labor. States implemented the super councils to meet the immediate and unique needs of its businesses and citizens by investing workforce development resources according to state and local priorities. According to a report prepared by the National Alliance of Business, "*states acknowledge it is becoming politically difficult to justify long term investments in system infrastructure when the public need and demand is job creation.*"

The enactment of the 1992 amendments enabled states to receive federal funding for HRICs that fall within the federal framework. Existing councils had to restructure to satisfy the amendment in order to capitalize on funding available from multiple federal programs. Other states chose to forgo the funding from multiple programs and instead maintained their existing structure. States without councils continued to explore the HRIC concept and created their own councils. HRICs have been formed by executive order, state statute, or in some cases first by executive order then by statute. Appendix A summarizes the characteristics of 19 HRICs and super councils formed as of May 1994.

An HRIC may obtain the services of professional, technical, and clerical staff as may be needed to carry out its functions. An HRIC may use the federal funding available under the applicable federal laws and regulations governing each program

over which it exercises control. Funding and resources may also be available from state and local agencies. State agencies are encouraged to provide funds for its support in a manner consistent with its representation on the council. Membership on an HRIC is prescribed in the federal amendments to the JTPA (see inset above).

States establishing HRICs or super councils seem to have a vision of creating a customer-driven system.⁶ These states felt the service delivery for their array of programs was unfriendly to both types of customers. Before developing councils, many states examined their workforce development programs. The states wanted to gain an understanding of how many employment and training programs were available, the profile of customers served, and how programs were offered. Once an understanding was obtained of problems inherent in the existing delivery system, states felt they could design an HRIC whose primary mission was to fix the identified problems and continuously fine tune their system to meet the everchanging needs of their customers.

Alaska has at least 15 different state programs related to employment, training, and education. Appendix B provides a profile of clients served by various state agencies in fiscal year 1993. In addition, employment and training programs are offered by the federal

Council Membership

The 1992 JTPA Amendments specify that the membership of a human resource investment council include:

- the head of each state agency responsible for the administration of an applicable federal human resource program
- one or more representatives from each of the following (totaling at least 15% of the council):
 - ✓ local public education institutions
 - ✓ post-secondary institution
 - ✓ secondary or post-secondary vocational educational institutions
 - ✓ community based organization
- representatives from business and industry (totaling at least 15 percent of the membership of the council) including representatives from Private Industry Coun.

⁶Customers are typically defined as both workers and employers.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 13, 1998

SUBJECT: Sectional Summary of CSSB 334(FIN) (State training programs)

TO: Senator Drue Pearce
Krag Johnson

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 charges the membership of the Alaska Human Resource Investment Council by removing the commissioners named in paragraph (2) from full membership.

Sec. 2 makes those commissioners who were removed from membership on the council under bill sec. 1, "advisory, nonvoting members." Subsection (d) permits any member of the council to appoint a designee. The appointment must be made in writing.

Sec. 3 permits the governor to appoint one member of the council to fill two or more of the places on the council if the person appointed is qualified for all of them.

Sec. 4 is a conforming amendment, made necessary by the change brought about by bill secs. 1 and 2 to the status of the commissioner members of the council.

Sec. 5 clarifies that designees and the nonvoting commissioners may receive per diem and travel.

Sec. 6 limits the selection of a vice chair to the four members who are appointed as representatives of business and industry.

Sec. 7 limits meetings of the full council to two times in a calendar year and directs the council to establish an executive committee and four permanent standing committees. The committee chairs must be from the private sector.

Sec. 8 describes the members and duties of the executive committee and the duties of the four permanent standing committees.

Senator Druc Pearce
April 13, 1998
Page 2

Sec. 9 directs the council to adopt regulations that set standards for the percentage of a grant that may be used for administrative costs. There is a maximum of 15 percent or the amount permitted under federal requirements, whichever is less. Paragraph (9) directs the council to report annually to the legislature. Paragraph (10) directs the council to identify ways to increase training opportunities and reduce costs by sharing.

Sec. 10 directs the council to oversee training programs in the state, to require training programs listed in subsection (f) to meet the standards stated in subsections (d) and (e), and to consider whether to recommend to the legislature that the programs listed in (g) should be made to comply with (d) and (e).

Subsection (e) directs the council to develop standards to evaluate the success of individuals who have received training under the programs listed in (f) in securing and retaining gainful employment.

Subsection (f) lists programs in the Departments of Administration, Community and Regional Affairs, Education, Health and Social Services, and Labor that are subject to oversight by the council.

Subsection (g) lists programs in the Departments of Community and Regional Affairs, Corrections, Environmental Conservation, Military and Veterans' Affairs, Public Safety, DOT/PF, Education and Labor that the council may recommend be included in its oversight responsibilities.

Subsection (h) directs the University of Alaska to evaluate its training programs using the standards set out in (e).

Subsection (i) gives the council responsibility for notifying the governor and the Legislative Budget and Audit Committee if a program is out of compliance with the standards set out in (d) and (e).

Subsection (j) imposes a management assessment fee on training programs.

Subsection (k) requires the council to advise the legislature and the governor on whether a new federal or state employment program should be made subject to its oversight.

Sec. 11 extends the state Training and Employment Program to June 30, 2002.

Sec. 12 is a transitional provision for the officers of the council.

Sec. 13 is an immediate effective date.

TC:pl
98-085.plm

Amendments for Senate Bill 334

Commissioners as non-voting members

- Section 1. (a) (2) do not delete. Refers to Commissioners as members
Section 2. (c) delete. Refers to Commissioners as not voting members
Section 5. Line 16. Delete reference to non-voting members

Council Issues:

Election of Officers

Section 6. Delete whole section. Refers to council officers elected from business & industry representative only. The AHRIC recommends that the language state: The Chair or Vice-Chair must be elected from Business & Industry representatives under AS44.19.620 (a)(4).

Meetings

Section 7. Delete section (a). The council recommends not limiting council to only 2 meetings annually.

Executive & Standing Committees

Section 7 (b) The council shall establish and executive committee and four permanent standing committees. 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. Delete all other language. (This reflects current law)

Section 8. Delete line 22 (d) "The assessment and evaluation"... New language:

Committees shall

Delete (d) (4), (e),

(e) (3) Delete "work with all other committees on"... Add "Develop a....."

(e) (4) Delete

(f) Delete, (f) (3), (g)

This allows 4 standing committees with no name, but assures they perform the duties lined out. This holds the council responsible for assuring compliance, but allow flexibility in committee design to be more effective.

Administrative Costs

Section 9. (b)(8). Line 23. Delete [lesser]. Federal programs will not allow the state to restrict approved federal administration costs. The state funded programs and state contribution to funds would be capped at 15%. Some federal programs only allow 5%. This language would not allow programs to go above that cap.

Additional Programs for Evaluation

Section 9. (f) (1). Delete whole clause. Refers to Alaska Professional Development Institute

Section 9. (f)(3) Add - in the Department of Education or operated by the department, the non public school portions of the following programs:

Programs added for assessment

Section 10 (g) add in line 14: of this section, to the extent it does not jeopardized federal funding:

Section 10 (g)(7) - Delete "in the Department of Education: Vocational Rehabilitation client services and special work projects"

Section 10 (h) Line 28. Add -The University of Alaska, Alaska Vocational Technical Center, and Kotzebue Technical Center....

Management Assessment Fee

Section 10 (m) Add - For purposes of this section, annual operating budget

(1) means a program's annual budget less any funds which are specified by the state or federal governments as pass through funds to local education agencies.

Note: Section 10 (j). We would like to keep open the possibility of developing a fiscal note among affected programs using budgeted RSA's under inter-agency agreements in lieu of the .75 of 1% management assessment fee.

Program Definitions

Section 10 (should this be section 11?) Add (3) For purposes of this section, "oversight" refers to directly planning with programs, monitoring, evaluating and assessing programs for performance, and reporting to the Governor, Legislature and the public.

SB 334: STATE TRAINING PROGRAMS/HUMAN RES.COUNCIL – PROGRAM LIST

**PROGRAMS
UNDER AHRIC**

- Alaska Works Program(DHSS)
- Adult Basic Education
- Vocational Education
- Adult & Vocational Education Administration
- School-to-Work
- Vocational Rehabilitation
- Alaska Career Information System (AKCIS)
- JTPA Title IIA
- JTPA Title IIB
- JTPA Title IIC
- JTPA Title III
- State Training & Employment Program (STEP)
- Employment Services
- Veterans Programs
- Labor Market Information Research & Analysis
- Alaska Occupational Information Coordinating Council (AOICC)
- Alaska Works Program (DOL)

SB 334. SECTION F

- One Stop Career Center
- JTPA programs (Titles IIA, IIB, IIC, III)
- STEP in DCRA
- Employment-related adult basic education
- School-to-Work
- Vocational education and tech prep
- Alaska Career Information System (AKCIS)
- High school completion project
- Kotzebue Technical Center
- Alaska Vocational Technical Center
- Alaska Temporary Assistance Program (ATAP) employment education & job training programs
- Unemployment insurance grants under the federal training relocation assistance program
- Alaska Works Program
- STEP in DOL

SB 334. SECTION G*

DCRA:

- Local government assistance training & development, including the rural utility business advisory program
- Energy operations, providing training in management & administration...

DOC:

- Correctional Academy
- Inmate programs providing vocational technical training and education courses
- Correctional Industries program

DEC:

- Remote maintenance worker program
- Water and wastewater operator training & assistance
- Federal drinking water operator training & certification

DMVA:

- Educational benefits for members of the Alaska National Guard and the Alaska Naval Militia

DPS:

- Fire service training
- Public Safety Training Academy

DOT:

- Engineer-in-training program
- Statewide transportation improvement program
- Local technical assistance program
- Native technical assistance program
- Border technology exchange program

DOE:

- Vocational rehabilitation client services and special work projects

DOL:

- Employment Services

* University of Alaska shall evaluate its training programs and provide results to council to include in assessment.

SB

334

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/6/98

FURTHER: RECEIVED GOV. OFF. 4/1/98

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

DATE TURNED IN TO OFFICE: 1 April 1998

Finance Committee considered SENATE BILL NO. 334

"An Act relating to guidelines and standards for state training programs; and relating to the Alaska Human Resource Investment Council."

and recommends:

- be replaced with _____ CS SB 334 (FIN)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

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

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>			
<i>[Signature]</i>	✓	<i>[Signature]</i>	X		
		<i>[Signature]</i>	X		
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
Edu./Quality Schools	3/30/98		225.0
Fedu./Spec. + Supp. Services	3/30/98		123.1
Edu./Ed. Spec. Projects	2/30/98		27.7
HSS/Alaska Work Prog.	3/30/98		21.4
Gov./Human Res Council	3/30/98		619.5
Admin./Ak Prof. Dev. Sns.	3/27/98	∅	

Labour/Labour Market Inf 3/30/98 447.0

APPROPRIATION -- no fiscal note

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

*include fiscal notes accompanying Governor's bill

CORRECTED
FISCAL NOTE

REPORTED OUT OF
SSC 4/01/98
BILL NO. CSSB 334 (FIN)

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Revision Date: _____
 Title: "An Act relating to guidelines and standards for
 state training programs; and relating to AHRIC"
 Sponsor: Senate Finance Committee
 Requester: Senate Finance Committee

Dept. Affected Education
 BRU Teaching & Learning Support
 Component Special & Supplemental Services
 Component Serial No. 166

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	0.0					
Travel	0.0					
Contractual	0.0					
Supplies	0.0					
Equipment	0.0					
Land & Structures	0.0					
Grants & Claims	0.0					
Miscellaneous	0.0					
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES []						
-------------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts	0.0					
1003 GF Match	0.0					
1004 GF	0.0					
1005 GF/Program Receipts	0.0					
1037 GF/Mental Health	0.0					
1091 Designated Program Receipts	0.0					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

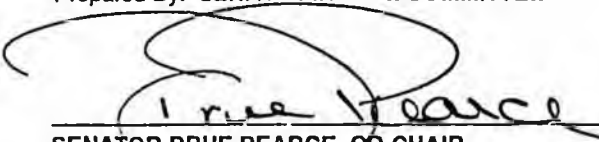
POSITIONS

POSITIONS	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

Passage of CSSB 334(FIN) does not require an additional appropriation. AS 44.19.626(j) authorizes a payment of a management assessment fee, not to exceed 0.75 percent of the annual operating budget for this component, to the Alaska Human Resources Investment Council.

Prepared By: SENATE FINANCE COMMITTEE


 SENATOR DRUE PEARCE, CO-CHAIR

Date: 04/01/98
 Phone: 465-4993


 SENATOR BERT SHARP, CO-CHAIR

Date: 04/01/98
 Phone: 465-3004

CORRECTED
FISCAL NOTE

REPORTED OUT OF
570 4/01/98

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB 334 (FIN)

Revision Date: _____
 Title: "An Act relating to guidelines and standards for
 state training programs; and relating to AHRIC"
 Sponsor: Senate Finance Committee
 Requester: Senate Finance Committee

Dept. Affected Health & Social Services
 BRU Public Assistance Admin
 Component Alaska Work Programs
 Component Serial No. 238

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	0.0					
Travel	0.0					
Contractual	0.0					
Supplies	0.0					
Equipment	0.0					
Land & Structures	0.0					
Grants & Claims	0.0					
Miscellaneous	0.0					
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES []						
-------------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts	0.0					
1003 GF Match	0.0					
1004 GF	0.0					
1005 GF/Program Receipts	0.0					
1037 GF/Mental Health	0.0					
1091 Designated Program Receipts	0.0					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

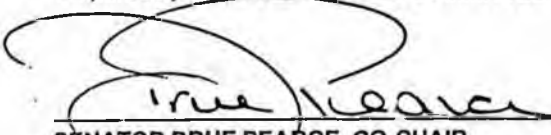
POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Passage of CSSB 334(FIN) does not require an additional appropriation. AS 44.19.626(j) authorizes a payment of a management assessment fee, not to exceed 0.75 percent of the annual operating budget for this component, to the Alaska Human Resources Investment Council.

Prepared By: SENATE FINANCE COMMITTEE


 SENATOR DRUE PEARCE, CO-CHAIR

Date: 04/01/98
 Phone: 465-4993


 SENATOR BERT SHARP, CO-CHAIR

Date: 04/01/98
 Phone: 465-3004

CORRECTED
FISCAL NOTE

REPORTED OUT OF
SSC 4/01/98

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB 334 (FIN)

Revision Date: _____
 Title: "An Act relating to guidelines and standards for
 state training programs; and relating to AHRIC"
 Sponsor: Senate Finance Committee
 Requester: Senate Finance Committee

Dept. Affected Education
 BRU Teaching & Learning Support
 Component Education Special Projects
 Component Serial No. 173

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	0.0					
Travel	0.0					
Contractual	0.0					
Supplies	0.0					
Equipment	0.0					
Land & Structures	0.0					
Grants & Claims	0.0					
Miscellaneous	0.0					
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES []						
-------------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts	0.0					
1003 GF Match	0.0					
1004 GF	0.0					
1005 GF/Program Receipts	0.0					
1037 GF/Mental Health	0.0					
1091 Designated Program Receipts	0.0					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Passage of CSSB 334(FIN) does not require an additional appropriation. AS 44.19.626(j) authorizes a payment of a management assessment fee, not to exceed 0.75 percent of the annual operating budget for this component, to the Alaska Human Resources Investment Council.

Prepared By: SENATE FINANCE COMMITTEE


 SENATOR DRUE PEARCE, CO-CHAIR

Date: 04/01/98
 Phone: 465-4993


 SENATOR BERT SHARP, CO-CHAIR

Date: 04/01/98
 Phone: 465-3004

CORRECTED
FISCAL NOTE

REPORTED OUT OF

CSO 4/01/98

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB 334 (FIN)

Revision Date: _____
 Title: "An Act relating to guidelines and standards for
 state training programs; and relating to AHRIC"
 Sponsor: Senate Finance Committee
 Requester: Senate Finance Committee

Dept. Affected Education
 BRU Teaching & Learning Support
 Component Quality Schools

Component Serial No. 2147

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	0.0					
Travel	0.0					
Contractual	0.0					
Supplies	0.0					
Equipment	0.0					
Land & Structures	0.0					
Grants & Claims	0.0					
Miscellaneous	0.0					
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES

CHANGE IN REVENUES ()

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts	0.0					
1003 GF Match	0.0					
1004 GF	0.0					
1005 GF/Program Receipts	0.0					
1037 GF/Mental Health	0.0					
1091 Designated Program Receipts	0.0					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Passage of CSSB 334(FIN) does not require an additional appropriation. AS 44.19.626(j) authorizes a payment of a management assessment fee, not to exceed 0.75 percent of the annual operating budget for this component, to the Alaska Human Resources Investment Council.

Prepared By: SENATE FINANCE COMMITTEE


SENATOR DRUE PEARCE, CO-CHAIR

Date: 04/01/98
Phone: 465-4993


SENATOR BERT SHARP, CO-CHAIR

Date: 04/01/98
Phone: 465-3004

FISCAL NOTE

4/1/98

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. _____ CSSB 334

Revision Date: 24-Mar-98

Dept. Affected: EDUCATION

Title: "An Act relating to guidelines and standards for state training programs; and relating to AHRIC"

BRU: Teaching and Learning Support

Component: Quality Schools

Sponsor: Senate Finance Committee

Requester: _____

COMPONENT SERIAL NO. 2147

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES	10.0	10.0	10.0	10.0	10.0	10.0
TRAVEL						
CONTRACTUAL	15.0	15.0	15.0	15.0	15.0	15.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	200.0	200.0	200.0	200.0	200.0	200.0
MISCELLANEOUS						
TOTAL OPERATING	225.0	225.0	225.0	225.0	225.0	225.0

CAPITAL EXPENDITURES	0	0	0	0	0	0
-----------------------------	---	---	---	---	---	---

CHANGES IN REVENUES						
----------------------------	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match		0	0	0	0	0
1004 GF	225.0	225.0	225.0	225.0	225.0	225.0
1005 GF/Program Receipts						
Other:						
TOTAL	225.0	225.0	225.0	225.0	225.0	225.0

Estimate of current year (FY98) cost: \$ _____ \$0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Please see attached analysis of estimated costs related to federal postsecondary vocational education, Tech Prep, and School to Work.

Prepared by: Barbara Thompson, Director
Division: Teaching and Learning Support

Phone: 465-8727
Date: 3/30/98

Approved by Commissioner: Shirley J. Holloway, Ph.D.
Agency: Department of Education

Date: 3/30/98

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

Additional Analysis

Vocational Education/Tech Prep

4214.9	Federal Vocational Education Basic Grant FY99
250.0	GF Administrative Match FY99
<u>230.0</u>	Federal Tech Prep Grant FY99
4,694.9	Total

Amendment #1 of CSSB 334 imposes a management assessment fee for the administration of the AHRIC and for evaluating the evaluation measures listed in Section 10(e) of this bill. Most of the funding in the federal Vocational Education Basic Grant is issued to school districts to provide primarily secondary vocational education courses and services. The evaluation measures in Section 10(e) are inappropriate for these secondary public school courses and services, as these programs are not "training" programs, but instead are educational programs. The immediate goal of these courses and services for the students in these public school courses is not always employment, but often further education and training.

Of the funding listed above, 464.0 of the Vocational Education Basic Grant is granted to postsecondary agencies to provide specific employment training programs and courses. Additionally, 230.0 for Tech Prep relates to specific employment training programs and courses. These two programs total 694.0. When the management assessment fee in Amendment #1 of CSSB 334 is assigned to this amount, the total fee equals 5.2.

There are additional costs at the state and local levels for implementing Section 10 of CSSB 334. At the state level, staff would need to work with the AHRIC and with current grantees to address student confidentiality issues with regard to accessing student level, personal data for tracking purposes. A system for collecting data and submitting data, at both the state and local levels, to the Department of Labor would need to be developed. These costs are included in this fiscal note in the personal services and grants lines.

School to Work

1,300.0	Federal School To Work Grant FY99
---------	-----------------------------------

Amendment #1 of CSSB 334 imposes a management assessment fee for the administration of the AHRIC and for evaluating the evaluation measures listed in Section 10(e) of this bill. Most of the funding in the federal School to Work Grant is issued to school districts to build a local School to Work partnership that will ensure that all students are prepared for further education, training, and employment. The evaluation measures in Section 10(e) are inappropriate for this system building grant, as they are currently written. Tracking eventual student employment and student and employer satisfaction is a goal, but could not occur in the limited timeframes posed in Section 10(e) of CSSB 334. New and appropriate evaluation measures for the students covered in the School to Work system-building grants need to be developed. The immediate

goal of these system-building activities for the students in these public school courses is not always employment, but often further education and training that would lead to employment.

The management assessment fee in Amendment #1, when applied to 1,300.0 equals 9.8. There are additional costs at the state and local levels for implementing Section 10 of CSSB 334. At the state level, staff would need to work with the AHRIC and with current grantees to address student confidentiality issues with regard to accessing student level, personal data for tracking purposes. A system for collecting data and submitting data, at both the state and local levels, to the Department of Labor would need to be developed. These costs are included in this fiscal note in the personal services and grants lines.

FISCAL NOTE

4/1/98

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. _____ **CSSB 334**

Revision Date: 24-Mar-98 Dept. Affected: EDUCATION
 Title: "An Act relating to guidelines and standards for state training programs; and relating to AHRIC" BRU: Teaching and Learning Support
 Component: Special and Supplemental Services
 Sponsor: Senate Finance Committee
 Requester: _____ COMPONENT SERIAL NO. 166

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES	5.0	5.0	5.0	5.0	5.0	5.0
TRAVEL						
CONTRACTUAL	18.1	18.1	18.1	18.1	18.1	18.1
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	100.0	100.0	100.0	100.0	100.0	100.0
MISCELLANEOUS						
TOTAL OPERATING	123.1	123.1	123.1	123.1	123.1	123.1
CAPITAL EXPENDITURES	0	0	0	0	0	0

CHANGES IN REVENUES						
----------------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	123.1	123.1	123.1	123.1	123.1	123.1
1005 GF/Program Receipts						
Other:						
TOTAL	123.1	123.1	123.1	123.1	123.1	123.1

Estimate of current year (FY98) cost: \$ _____ \$0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Please see attached analysis of estimated costs relating to Adult Basic Education (ABE).

Prepared by: Barbara Thompson, Director
 Division: Teaching and Learning Support
 Approved by Commissioner: Shirley J. Holloway, Ph.D.
 Agency: Department of Education

Phone: 465-8727
 Date: 3/30/98
 Date: 3/30/98

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

Additional Analysis

Adult Basic Education (ABE)

668.1 Federal ABE Grant FY99
1,736.8 General Fund Match/MOE
2,404.9 Total

The only administrative funds associated with the ABE program come from the federal grant funds. These funds carry a 5% or \$50,000 administrative costs cap which currently pay for a portion of a staff person to administer the program, limited travel to conduct required program evaluation visits and the costs associated with copying, phone and fax. The proposed assessment amount would have to be assessed to new general funds. If assessed to existing funding associated with this grant, there would be a reduction in direct services now provided to ABE students.

At this time, the training program evaluation measures proposed in CSSB 334, with which the ABE program would be evaluated against, are inappropriate. ABE is an educational program not a training program. Different and appropriate evaluation measures are needed. Given the existing language in CSSB 334, amendment #1, an 18.1 ($2,404.9 \times .075\% = \$18,040$) assessment fee that would go for the administration of the AHRIC and to evaluate the measures listed in Section 10(e).

There are additional costs at the state and local levels for implementing Section 10 of CSSB 334. At the state level, staff would need to work with the AHRIC and with local/regional ABE providers to remove any student confidentiality barriers with regard to accessing student level, personal data for tracking purposes. A system for collecting data and submitting data, at both the state and local levels, to the Department of Labor would need to be developed and would again reduce resources currently used for direct educational services to students. The costs for department staff time and for grantees to develop and implement these new data collection and evaluation systems are included in this fiscal note in personal services and grant lines.

FISCAL NOTE

4/1/98

**STATE OF ALASKA
1998 LEGISLATIVE SESSION**

BILL NO. _____ **CSS8 334**

Revision Date: 24-Mar-96 Dept. Affected: EDUCATION
 Title: "An Act relating to guidelines and standards for state training programs; and relating to AHPIC" BRU: Teaching and Learning Support
 Component: Education Special Projects
 Sponsor: Senate Finance Committee
 Requester: _____ **COMPONENT SERIAL NO.** _____ **173**

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES	10.0	10.0	10.0	10.0	10.0	10.0
TRAVEL						
CONTRACTUAL SUPPLIES	2.7	2.7	2.7	2.7	2.7	2.7
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	15.0	15.0	15.0	15.0	15.0	15.0
MISCELLANEOUS						
TOTAL OPERATING	27.7	27.7	27.7	27.7	27.7	27.7

CAPITAL EXPENDITURES	0	0	0	0	0	0
-----------------------------	----------	----------	----------	----------	----------	----------

CHANGES IN REVENUES						
----------------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	27.7	27.7	27.7	27.7	27.7	27.7
1005 GF/Program Receipts						
Other:						
TOTAL	27.7	27.7	27.7	27.7	27.7	27.7

Estimate of current year (FY98) cost: \$ _____ \$0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Please see attached analysis of estimated costs related to the High School Completion Project and the Alaska Career Information System (AKCIS).

Prepared by: Barbara Thompson, Director Phone: 465-8727
 Division: Teaching and Learning Support Date: 3/30/98
 Approved by Commissioner: Shirley J. Holloway, Ph.D. Date: 3/30/98
 Agency: Department of Education

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

Additional Analysis

High School Completion Program

125.0 RSA from the Department of Health and Social Services

Currently, these funds do not include administrative costs. Funds are granted to school districts to provide educational services to in-school pregnant and parenting teens. The High School Completion Program is an educational program and not a training program. The proposed assessment amount would need to come from new general funds dollars. If assessed to these grant funds and would take away from direct services now provided to these pregnant and parenting teens.

There are additional costs at the state and local levels for implementing Section 10 of CSSB 334. At the state level, staff would need to work with the AHRIC and with current grantees to address student confidentiality issues with regard to accessing student level, personal data for tracking purposes. A system for collecting data and submitting data, at both the state and local levels, to the Department of Labor would need to be developed and would again reduce resources currently used for direct educational services to students. These costs are included in this fiscal note in the personal services and grants lines.

At this time, the training program evaluation measures proposed in CSSB 334, with which the High School Completion program would be evaluated against, are inappropriate. This program is an educational program not a training program. Different and appropriate evaluation measures are needed. Given the existing language in CSSB 334, amendment #1, a 1.0 (125.0 x .075% = \$938) assessment fee that would go for the administration of the AHRIC and to evaluate the measures listed in Section 10(e).

Alaska Career Information System (AKCIS)

105.8 Interagency Receipts
121.3 Program Receipts
227.1 Total

The Alaska Career Information System (AKCIS) is not a training program. AKCIS is a comprehensive, computerized career guidance tool, used in many educational and training programs across the state.

At this time, the training program evaluation measures proposed in CSSB 334, with which the AKCIS would be evaluated against, are inappropriate. AKCIS is a career guidance tool, not a training program. Given the existing language in CSSB 334, amendment #1, a 1.7 (227.1 x .075% = \$1,703) assessment fee that would go for the administration of the AHRIC and to evaluate the measures listed in Section 10(e). Additional staff costs to develop and implement this evaluation system are included in the personal services line.

FISCAL NOTE

4/1/98

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSS8 334(FIN)

Revision Date: _____
 Title: State Training Programs/
Human Resource Council
 Sponsor: Senate Finance
 Requestor: Senate Finance

Department Affected: Labor
 BRU: Administrative Services
 Component: Labor Market Information
COMPONENT SERIAL NO. 338

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	336.0	336.0	338.0	336.0	336.0	336.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	98.0	98.0	98.0	98.0	98.0	98.0
SUPPLIES	4.0	4.0	4.0	4.0	4.0	4.0
EQUIPMENT	9.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	447.0	438.0	438.0	438.0	438.0	438.0

CAPITAL						
---------	--	--	--	--	--	--

CHANGE IN REVENUE FUND SOURCE #						
---------------------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
1007 Interagency Receipts	447.0	438.0	438.0	438.0	438.0	438.0
TOTAL	447.0	438.0	438.0	438.0	438.0	438.0

POSITIONS:

FULL-TIME	3.0	3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

Estimate of current year (FY98) impact: \$ none

ANALYSIS: (Attach a separate page if necessary)

(See attached)

Prepared by: Arbe Williams, Director Phone: 465-2720
 Division: Administrative Services Division Date: 3/30/98
 Approved by Commissioner: Tom Casher, Commissioner
 Agency: Department of Labor Date: 3/30/98

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office

FISCAL NOTE ANALYSIS

CSSB 334(FIN)

The \$447.0 includes \$202.0 which currently appears in the component's FY99 operating budget request as Inter-Agency receipts from the STEP component to maintain the Occupational Database (ODB) and to produce the annual STEP program evaluation report. The ODB file is the source for matching programs' participants to employment and earnings after training. There would be no additional cost to maintain this database by the passage of SB334. In fact, the cost to each program would decline as more programs were evaluated using this file.

The additional \$245.0 is necessary for the preparation of the statistical information necessary for the council to evaluate all included programs by the standards set out in section 10(e). As Research and Analysis has been involved in wage record matching for many years, the processes and procedures needed to address section 10(e) paragraphs 1, 2, and 3 are in place. An additional position, at a cost of \$82.5, would be added in order to meet the provisions of paragraphs 1, 2 and 3.

Section 10(e) paragraphs 4 and 5 will require direct contact with employers and program participants. It is anticipated that either a telephone or mail survey will be necessary. This type of data collection is labor intensive. It is anticipated that \$162.5 will be needed for this survey and analysis work.

Additional staff will include one labor economist and two statistical clerks. The labor economist will be responsible for data file matching, survey sample design, and statistical analysis. Two statistical clerks will be needed for survey data collection and data file maintenance.

The source of these funds will be an Interagency transfer from the Alaska Human Resource Investment Council.

FISCAL NOTE

4/1/98

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB 334(FIN)

Revision Date: (None if correction)
 Title: 'An Act relating to guidelines and standards for state training programs, AHRIC.'
 Sponsor: (S) FIN
 Requestor: (S) FIN

Department Affected: Administration
 BRU: Centralized Administrative Services
 Component: Alaska Professional Development Inst.
 COMPONENT SERIAL NO. 2286

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 00	FY 01	FY 02	FY 03	FY 04
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						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 98) cost: \$ none

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) Passage of CSSB 334 (FIN) would not require an additional appropriation for the Alaska Professional Development Institute (APDI). Proposed AS 44.19.626(h) [amendment #1-H.1] would require the Department of Administration to pay a management assessment fee of .75% of the APDI annual operating budget to the Alaska Human Resources Investment Council (AHRIC). The fee would be deposited in the human resources investment account in the general fund.

We assume the APDI would pay the management assessment fee for the Department.

While the APDI is authorized an operating budget of \$674.5, in the current FY, it expects revenues of only \$530.0, plus its General Fund appropriation of \$9. Thus the APDI has and presumably will continue to have sufficient authority to collect additional income to meet the additional expense of the management assessment fee.

We believe the bill would be improved by limiting the management assessment fee to a program's actual revenues rather than its budget. If CSSB 334(FIN) were current law, the assessment based on budget rather than anticipated revenue for FY 98 would be \$5.1 compared to \$4.0. The \$5.1 represents .96% of revenue rather than .75%.

Prepared by: Beverly Reams, Director
 Division: Personnel

Phone: 465-4429
 Date: _____

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 3/21/98

DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

4/1/98

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB334(FIN)(am)

Revision Date _____	Dept. Affected _____	Office of the Governor
Title "An Act relating to guidelines...relating to the Alaska Human Resource Investment Council;..."	BRU	Commissions/Special Offices
Sponsor <u>Senate Finance</u>	Component	<u>Human Resource Investment Council</u>
Requester <u>Senate Finance</u>	Component Serial No.	<u>2055</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	52.0	54.2	55.8	57.9	59.2	61.9
Travel	23.0	13.0	13.0	13.0	13.0	13.0
Contractual	534.5	485.5	485.5	485.5	485.5	485.5
Supplies	1.5	0.5	0.5	0.5	0.5	0.5
Equipment	8.5	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	619.5	553.2	554.8	556.9	558.2	560.9

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

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)	619.5	553.2	554.8	556.9	558.2	560.9
TOTAL	619.5	553.2	554.8	556.9	558.2	560.9

Estimate of any current year (FY98) cost: 0.0

POSITIONS

Full-time						
Part-time	1	1	1	1	1	1
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Fiscal note reflects the resources necessary, in addition to the existing FY99 AHRIC operating budget, to carry-out the expanded duties required by SB334. Personal services reflects the upgrade of an existing position to a Rg. 21 policy analyst, and the addition of a part-time Rg. 19 project coordinator. First year costs include start-up equipment costs for the additional support position, and the estimated costs associated with the Council's adoption of the required regulations.

AHRIC will rely on the Department of Labor for the development and preparation of the necessary statistical information. The contractual line includes 447.0 for an RSA each year with their Labor Market Information component, to offset their additional Research and Analysis costs, in addition to the fund source change for the 202.0 currently budgeted in that component as I/A from the STEP funds.

Prepared by Mike Andrews *Mike Andrews*
 Division Human Resource Investment Council
 Approved by Jim Ayers, Chief of Staff *J. Ayers*
 Agency Office of the Governor

Phone 59-7485
 Date 3/30/98
 Date 3/30/98

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

REPORTED OUT OF
4/1/98

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSR334(FIN)

Revision Date: _____
 Title: Relating to Guidance and Standards for
training programs and AHRIC
 Sponsor: SEN (FIN)
 Requestor: Sen (FIN)

Dept. Affected: Health and Social Services
 BRU: Public Assistance Admin
 Component: Alaska Work Programs
 COMPONENT SERIAL NO. 238
 See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

	FY99	FY00	FY01	FY02	FY03	FY04
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	21.4	21.4	21.4	21.4	21.4	21.4
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	21.4	21.4	21.4	21.4	21.4	21.4

CAPITAL EXPENDITURES						
CHANGES IN REVENUES						

FUND SOURCE (Thousands of Dollars)

	FY99	FY00	FY01	FY02	FY03	FY04
1002 Federal Receipts						
1003 GF Match						
1004 GF	21.4	21.4	21.4	21.4	21.4	21.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	21.4	21.4	21.4	21.4	21.4	21.4

POSITIONS:

	FY99	FY00	FY01	FY02	FY03	FY04
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY98) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

This legislation identifies Alaska Work Programs, the budget component which funds ATAP welfare to work services, as a training program. In reality, this component funds a much broader range of services than training including: work services program and policy development, personnel, research, and grants and contracts that provide a variety of welfare to work services, e.g., Work Search, Case Management, and Community Work Service.

Of these activities, the only service funded by AWP that can be considered training is Work Search (WS). While its emphasis is on seeking employment, Work Search, provides participants with some instruction on developing resumes, interviewing skills, and developing other skills needed to be a successful job seeker.

This legislation has two distinct fiscal impacts on the AWP component: costs associated with providing a management assessment fee to AHRIC and those associated with evaluating program performance.

Prepared by: Jim Nordlund Phone: (907)465-2680
 Division: Public Assistance Date: 03/30/98

Approved by Commissioner: Karen Perdue, Commissioner Date: 3/30/98
 Agency: Department of Health & Social Services

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

CSSB334 amends AS 44.19.026 to include a provision which requires agencies that operate or contract for a training program identified in this legislation to pay a management assessment fee to the AHRIC. This fee amounts to three-quarters of one percent of the program's operating budget. For the purposes of determining the management assessment fee, only those funds used to provide Work Search (WS) services are considered.

DPA currently has a performance measurement system in place that gauges the success of welfare to work services. This system is capable of accommodating the majority of the evaluation standards defined by this legislation. Full compliance with the evaluation standards, however, is dependent on approval of DPA's FY99 budget request for funds to support post-employment services that will track welfare recipients after they are employed. While all DPA contracts and grants are performance-based, post-employment tracking is not currently required. Under this legislation, grantees and contractors will be required to participate in post-employment tracking and conduct trainee and employer satisfaction surveys.

Assumptions:

1. Work Search is the only direct "training" funded by DPA.
2. Organizations that receive RSA's, or grants and contracts from DPA to provide training will include these revenues in their calculation of the AHRIC management assessment fee.
3. Funding for post-employment services, including evaluation, have been requested in the FY99 budget. If these services are not funded, there will be additional costs associated with evaluating program performance via customer satisfaction surveys.
4. WS grants and contracts will be increased by 1 percent to fund costs associated with evaluations and customer satisfaction surveys.
5. Fiscal note is based on authorized FY98 funds.

Calculation:

AHRIC Management Assessment Fee
FY98 funds authorized for AWS = $\$1,222.2 \times .01 \times .75 = \9.2

Increase in AWS grants and contracts to cover evaluation and survey costs.
 $\$1,222.2 \times .01 = \12.2