

**ALASKA LEGISLATURE**

**2617**

**HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004**

183

**HB**

**556**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 5/1/04

FURTHER:

REPORTED OUT

MAY 05 2004

SENATE FINANCE  
COMMITTEE

DATE TURNED  
IN TO OFFICE: 5 May 2004

Finance Committee considered CS FOR HOUSE BILL NO. 556(FIN)

## HB 556 AIDEA BONDS FOR LYNN CANAL PORT

"An Act relating to a port development project on Lynn Canal, providing legislative approval for the Alaska Industrial Development and Export Authority to issue bonds for the project; and providing for an effective date."

and recommends:

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

**Senate Bill:**

- Same Title
- New Title

**House Bill:**

- Same Title
- Technical Title Change
- New Title w/ SCR # \_\_\_\_\_


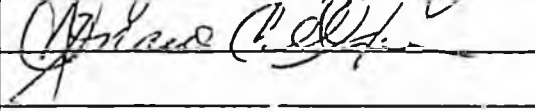
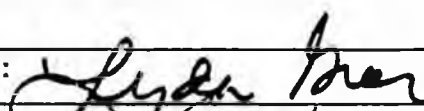
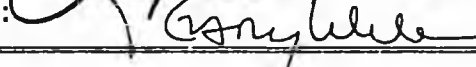
**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero.	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
DCED	7/2004			✓	#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
			✓	
			✓	
COCHAIR: 	✓			
COCHAIR: 	✓			

# FISCAL NOTE

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: CSHB 556(TRA)  
(H) Publish Date: 4/28/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
Title AIDEA Bonds For Lynn Canal Port RDU AIDEA (125)  
Sponsor House State Affairs Component AIDEA  
Requester House Transportation Component No. 1234

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

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

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill provides bonding authorization to finance the acquisition, development, improvement, and construction of port and related facilities for use in conjunction with mining activities and located at Lynn Canal in Southeast Alaska. Prior to issuing bonds, AIDEA will be required to conduct a feasibility, market and risk analysis of the project as outlined in AS 44.88.095(c). The bill allows other sources of financing in lieu of bond proceeds. The principal amount of the bonds and other financing provided by AIDEA may not exceed \$20 million.

Bonds sold to finance the project will have no impact on the General Fund.

Prepared by: Sara Fisher-Goad, Financial Analyst Phone 907-269-4623  
Division Alaska Industrial Development & Export Authority Date/Time 4/26/04 4:15 PM  
Approved by: Edgard Blatchford, Commissioner Date 4/26/2004  
Agency Department of Community & Economic Development

# ALASKA STATE LEGISLATURE

## Representative Bruce Weyhrauch

HOUSE DISTRICT 4

ALASKA  
STATE CAPITOL  
JUNEAU, ALASKA  
99801-1182

(907) 465-3744  
FAX (907) 465-2273

### State Affairs Committee

Rep. Bruce Weyhrauch, Chair

#### HB 556

#### **AIDEA Bonds for a port development project on Lynn Canal**

The Alaska Development and Export Authority, or AIDEA, is a unique funding mechanism that focuses on the development, ownership, and operation of facilities within Alaska. To be considered for funding, projects like roads, ports and utilities must meet specific statutory criteria: they are essential to the economic well-being of an area; are financially feasible; and are supported by the communities in which they are located. AIDEA has been a key player in many of Alaska's economic successes through the years. AIDEA programs have financed small projects, such as the Unalaska Marine Center dock, and larger ones such as the multi-million dollar Red Dog mine and Federal Express aircraft maintenance facility.

HB 556 continues AIDEA's role in boosting economic development and creating jobs in the state by providing legislative authorization for construction of port facilities located on Lynn Canal in Southeast Alaska.

The developed port facility would become an integral component in the permitted Kensington Mine project north of Juneau at the confluence of Lynn Canal and Berners Bay. Once construction begins, the project is expected to employ 325 workers and during its 15 or more operational years, the Kensington will employ about 225 workers. The operational mine is expected to support up to 180 additional indirect jobs as well.

The entire central and northern Southeast regions eagerly await the infusion of construction and mining jobs and the state is fortunate to have a financially healthy agency like the AIDEA to forge public-private partnerships that can strengthen Alaska's economic base.

Contact: Linda Sylvester  
465-3744

Released: April 22, 2004

## Questions and Answers about HB 556

Q. *Why is this bill so late in coming to the Legislature?*

A. Coeur recently finished its Pre-feasibility study, and is into the detail design phase. In this phase, Coeur initiated discussions with AIDEA about how we could work together. These discussions began in April. In order to make this arrangement feasible, the bill needs to pass during this session.

Q. *Is this bill standard language for this type of an arrangement?*

A. Yes

Q. *Why can't Coeur do this themselves?*

A. They can. Coeur could build and pay for the docks up front, manage them privately, and teardown at the end of the mine life (or make other arrangements if desired and approved). The advantage to using the AIDEA funds is that the docks are paid off over the life of the mine, and the financing is tax exempt. Coeur still pays for the docks in both cases. The advantage to AIDEA and the State of Alaska is that, once approved, the docks will be maintained for the public use after the mine is gone.

Q. *Is Coeur in good financial shape?*

A. Currently Coeur is in exceptional financial condition. We have \$258 Million in net assets. We are the second largest US based mining company on the NYSE. Our market capitalization is nearly \$1.2 billion. In the last 2 ½ years our share price has risen from below \$1.00 a share to over \$7.50 per share. Along with renewed investor interest we completed the restructuring of the company, eliminated our outstanding debentures, further developed our new generation of mines in Chile and Argentina, and advanced our development projects. Coeur recently raised \$180 million in cash in order to fund our new projects, Kensington being one of them. Coeur is in its strongest financial condition in more than a decade.

Alternative "B" of the SEIS has improved economics that will allow Kensington to produce gold at levels below any price seen in the last 10 years. Persons nervous about the financial well being of Coeur should be supportive of Alternative "B" in the current permitting process.

Q. *Could the road extension to Cascade Point be restricted in any way, or could tolls be charged?*

A. The road to Cascade Point has already been permitted, and a Record of Decision has been issued. That ROD addresses the use of the road, which includes public access. The Master Plan submitted by Goldbelt included development of Cascade point, not seclusion. In time, the object will be to have public facilities and encourage public use. There is no intention of any toll whatsoever.



THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES



**FIGURE 2**  
**SITE ACCESS PLAN**

Date:	APRIL 2000
Project:	100819
File:	ROUTING.dwg

### Kensington (Alaska)

In 2004, Coeur's major gold project – Kensington in Alaska – neared completion of permitting and an updated feasibility study, with a construction decision expected by mid-year. Given an 18-month construction timeframe, Kensington could begin production as soon as 2006, increasing current company-wide gold production levels by 90%.

New optimization of the project, located 45 miles north of Juneau, enables the mine to be up and running more quickly, with a focus on the highest-grade material. Initial production is expected at 100,000 ounces of gold a year at an average cash cost of \$195 per ounce. Current reserves stand at 1.0 million ounces of gold, with an initial 10-year mine life and significant exploration upside. There are an additional 7.2 million tons of mineralized material measuring 0.12 ounces per ton of gold. Not all Kensington ore zones have been fully delineated at depth and several peripheral zones and veins remain to be explored. Coeur still views its interests in the district as holding up to five million ounces of gold.

Kensington is expected to cost approximately \$75 million to build. The updated feasibility study reduces the size of the mill facilities and has the potential to significantly reduce capital and operating costs while allowing for future expansion of production as market conditions warrant.

Early this year, the major Draft Supplemental Environmental Impact Statement was Issued for Kensington, and all necessary remaining permits expected to be in place by the second quarter.

The Kensington ore deposit consists of multiple, precious metals bearing, mesothermal, quartz, carbonate, pyrite vein swarms and discrete quartz-pyrite veins hosted in the Cretaceous age Jualin diorite. The gold-telluride-mineral calaverite is associated with the pyrite mineralization.

#### Year-end Proven and Probable Ore Reserves - Kensington Property

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Tons (000's)	4,113	10,946	10,946
Ounces of gold per ton	0.24	0.16	0.16
Contained ounces of gold	1,003,000	1,751,000	1,751,000

#### Year-end Mineralized Material

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Tons (000's)	7,262	12,014	12,014
Ounces of gold per ton	0.12	0.12	0.12

Provided by Rep. Weyhrauch

The reduction in the proven and probable reserves estimate in 2003, compared to 2002, is the result of the revised mine plan which focuses on higher-grade areas of the mine.

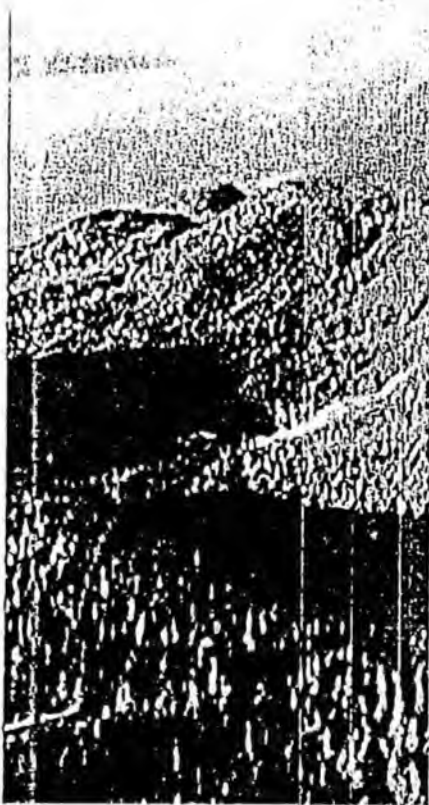
Not all Kensington ore zones have been fully delineated at depth and several peripheral zones and veins remain to be explored. In addition, the Company possesses the right to develop the Jualin property, an exploratory property located adjacent to the Kensington Property. The Jualin property consists of approximately 9,400 acres, of which approximately 345 acres are patented claims. The Company's rights to develop the Jualin property are subject to an agreement which must be renewed in May 2008.



# KENSINGTON GOLD PROJECT

## Project Summary and Overview of Partnership Opportunities

April 2004





# KENSINGTON

## GOLD PROJECT

### Project Overview

#### Summary

- Technically feasible, environmentally friendly, and economically viable
- Located 45 miles North of Juneau
- One million ounces of gold reserves; total potential of five million ounces
- Annual production of 100,000 ounces at cash costs under \$200 per ounce
- Capital costs expected to be \$90 million
- Owned by Coeur since 1987; over \$150 million invested in project to date
- Over 900 studies conducted; Over 50 permit applications
- Permitting expected to be completed in June; Construction to begin in July
- Current gold price, Coeur's renewed financial strength, and re-engineered project have created opportunity to rapidly develop project

#### Significant Employment Impact in SE Alaska

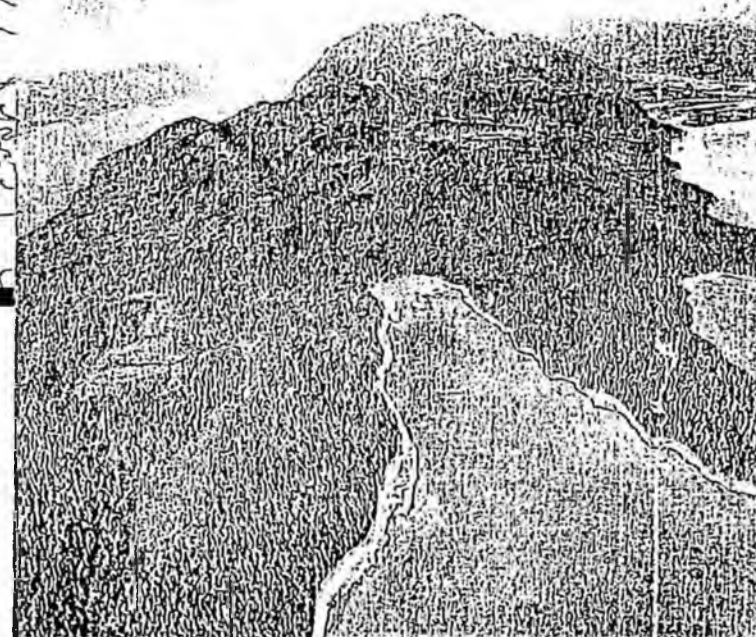
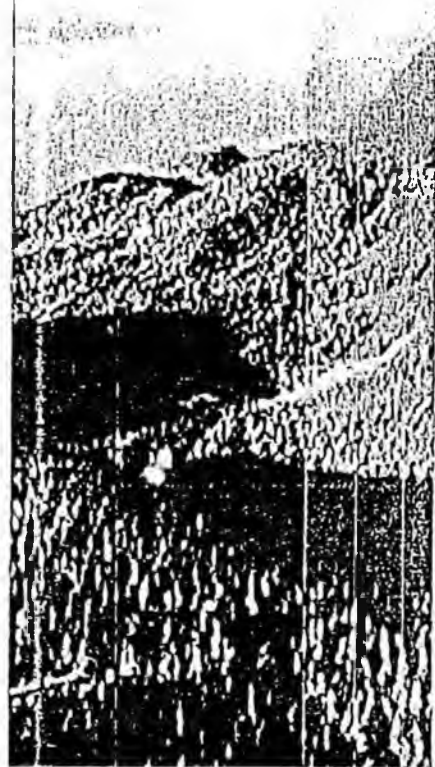
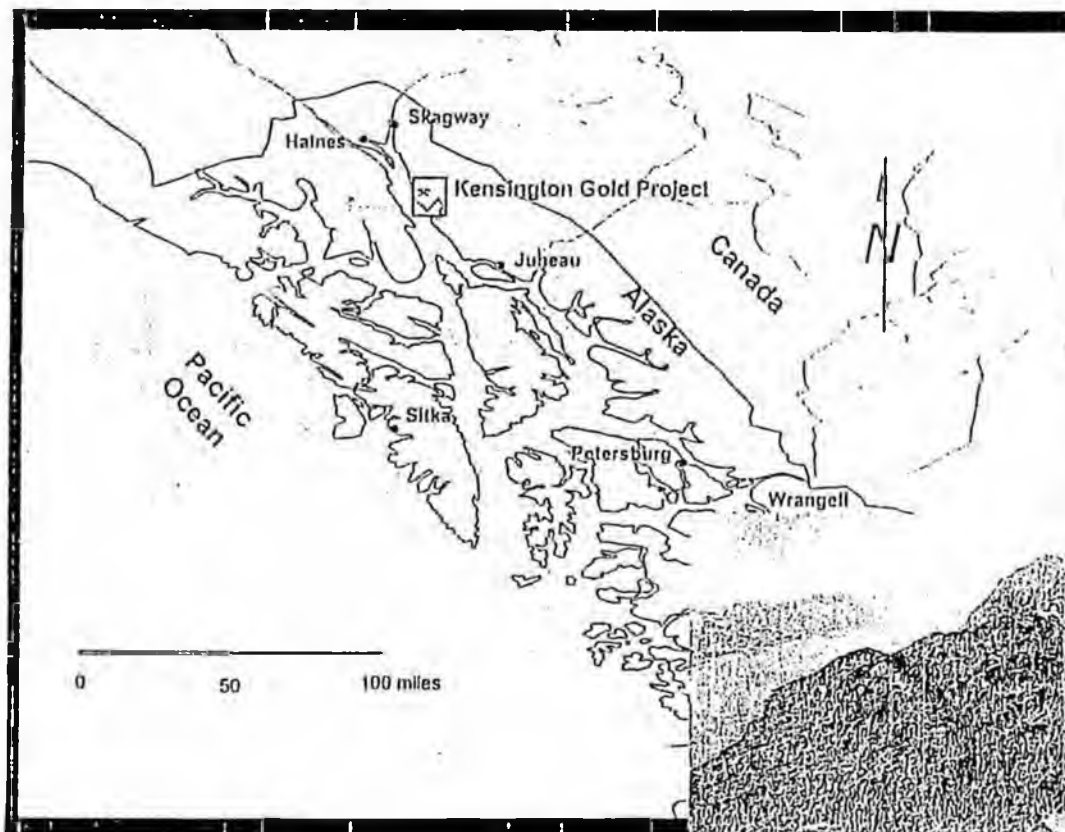
- 250-300 well-paying construction jobs over 18 month construction window
- 110-225 well-paying operating jobs over 10-20 year expected mine life
- Nearly 500 jobs expected to be created beyond direct mine employment (transportation, supplies, services)





# KENSINGTON GOLD PROJECT

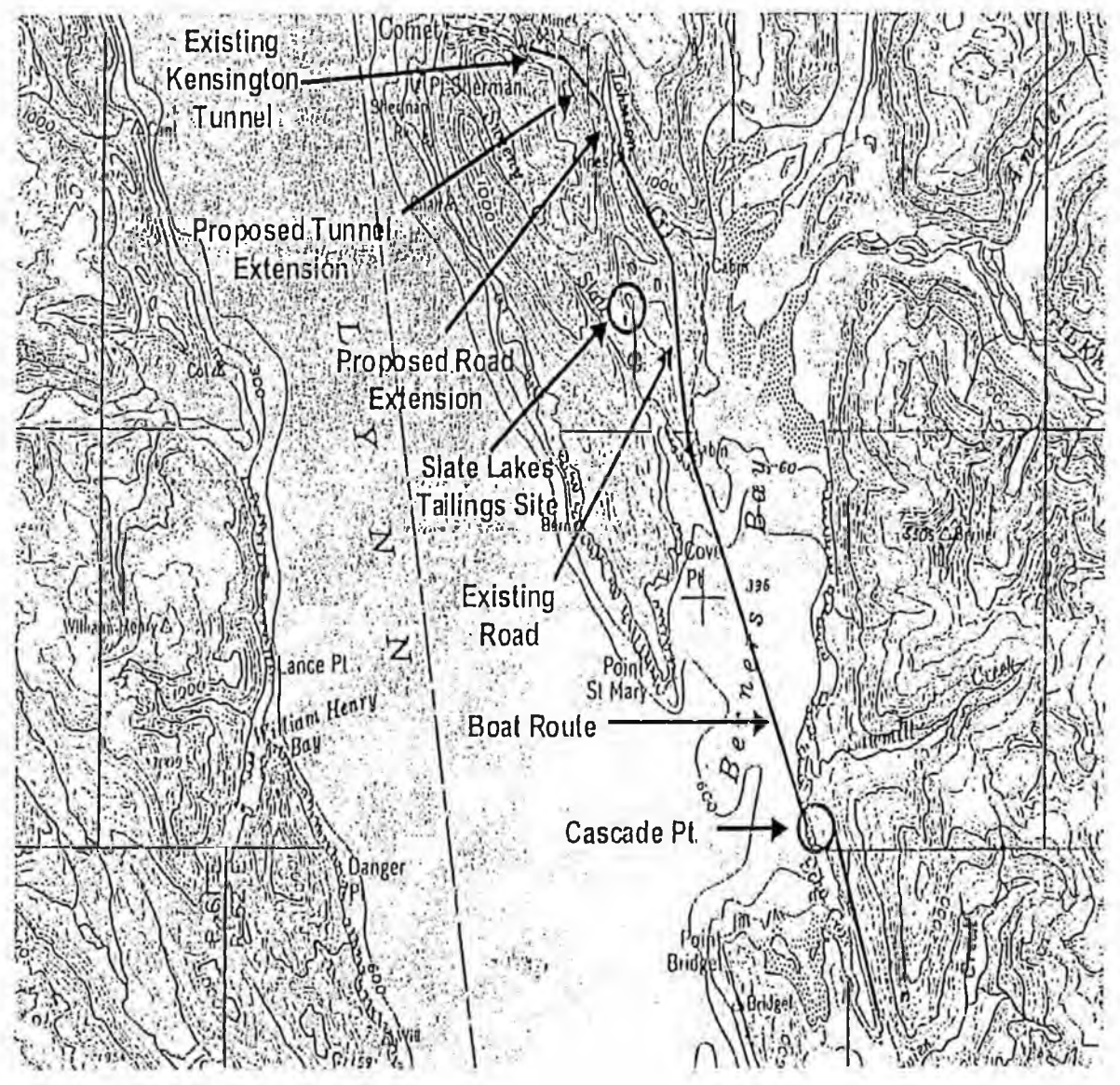
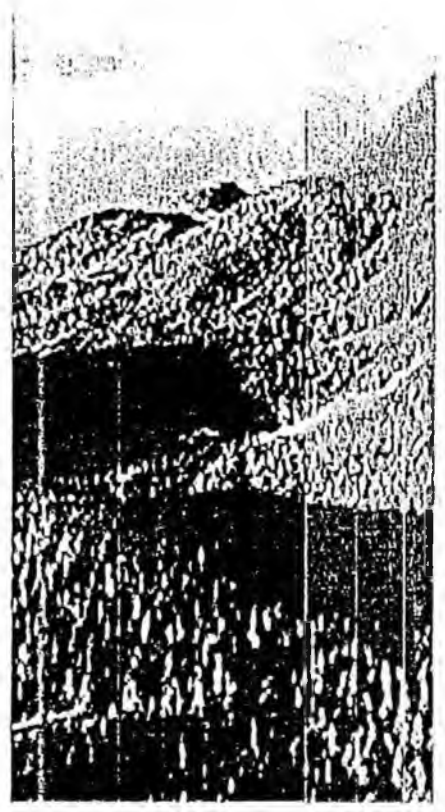
## Location





# KENSINGTON GOLD PROJECT

## Layout of Mine and Facilities

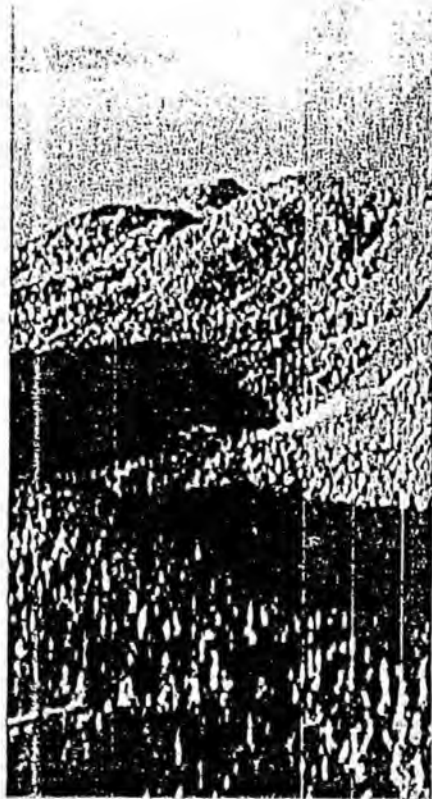




# KENSINGTON GOLD PROJECT

## Summary of Potential Partnership Opportunities

- Training of Workforce
- Bus Transportation for Workers
- ✓• Cascade Point Dock Facilities
- Passenger Ferry Service Across Berners Bay
- ✓• Slate Creek Cove Dock Facilities
- ✓• 5.5 mile Slate Creek Road
- ✓• On-Site Power Plant
- ✓• 8,000ft Tunnel Connecting Kensington and Jualin
- ✓• Tailings Management Facility

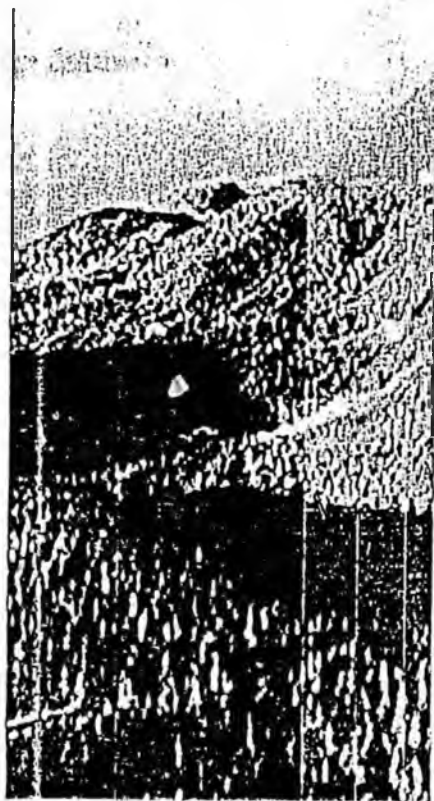




# KENSINGTON GOLD PROJECT

Summary of Potential  
Partnership Opportunities

## Training of Workforce





# KENSINGTON

## GOLD PROJECT

### Training of Workforce

#### Description

- Construction phase will employ a minimum of 300 people both in Coeur employees and contract employees
- Development on the Jualin tunnel and pre-mining development on the Kensington ore faces will coincide with construction. Required manpower will be approximately 25 people.
- Operational manpower will range from 125 to 230 people depending on production levels.

#### Request

- Funding assistance with the following training requirements:
  - New Miner Training required by MSHA is expected to cost \$500,000
  - Alaska Cultural training for employees is expected to cost \$200,000
  - Skill-based training is estimated to cost \$750,000

#### Contact

Gary W. Banbury  
Sr. Vice President of Human Resources, Safety, and Administration  
Coeur d'Alene Mines Corporation  
(800) 624-2824  
[gbanbury@coeur.com](mailto:gbanbury@coeur.com)

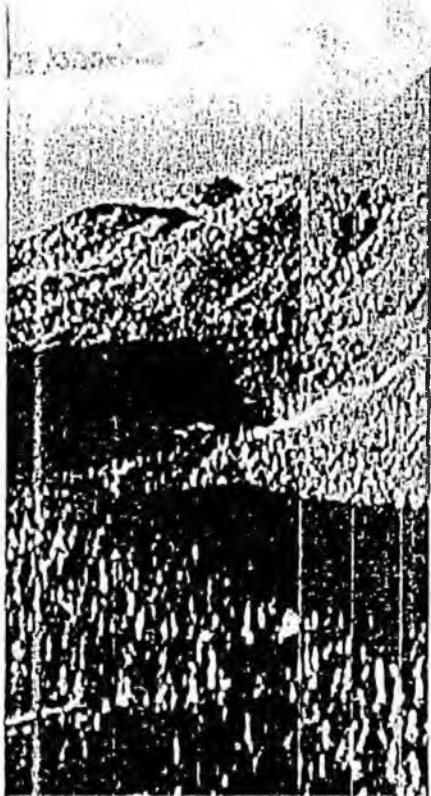




# KENSINGTON GOLD PROJECT

Summary of Potential  
Partnership Opportunities

## Bus Transportation for Employees





# KENSINGTON GOLD PROJECT

## Bus Transportation for Workers

### Description

- 2-3 busses will be required to transport workers from the Slate Creek marine terminal to the mine site on a 5.5 mile road
- Loading and trip from dock is assumed to take 30 minutes one way

### Request

- Third party to supply and operate busses
- User fee charged to Coeur for this service

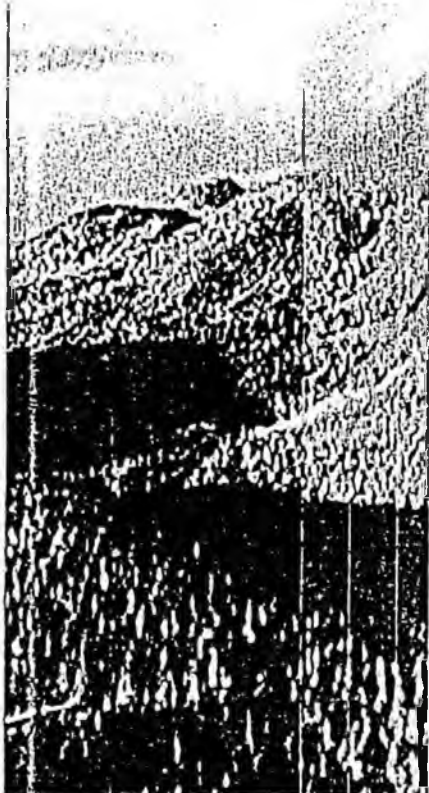




# KENSINGTON GOLD PROJECT

## Summary of Potential Partnership Opportunities

### Cascade Point Dock Facilities





# KENSINGTON

## GOLD PROJECT

### Cascade Point Dock Facilities

#### Description

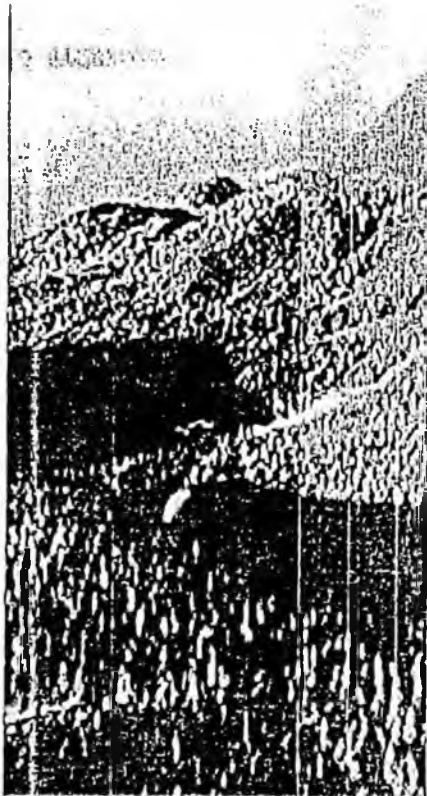
- The project requires a marine terminal at Cascade Point
- Kensington currently has no facilities to transfer freight, supplies, and personnel to and from the mine
- This marine terminal would be constructed on state tidelands.
- Goldbelt Inc. owns the surrounding uplands
- See following page for detailed design drawings. A detailed study was completed by Peratrovich, Nottingham and Drage, Inc. outlining the required construction and , which is available upon request.

#### Cost of Facilities

- \$2,900,000

#### Request

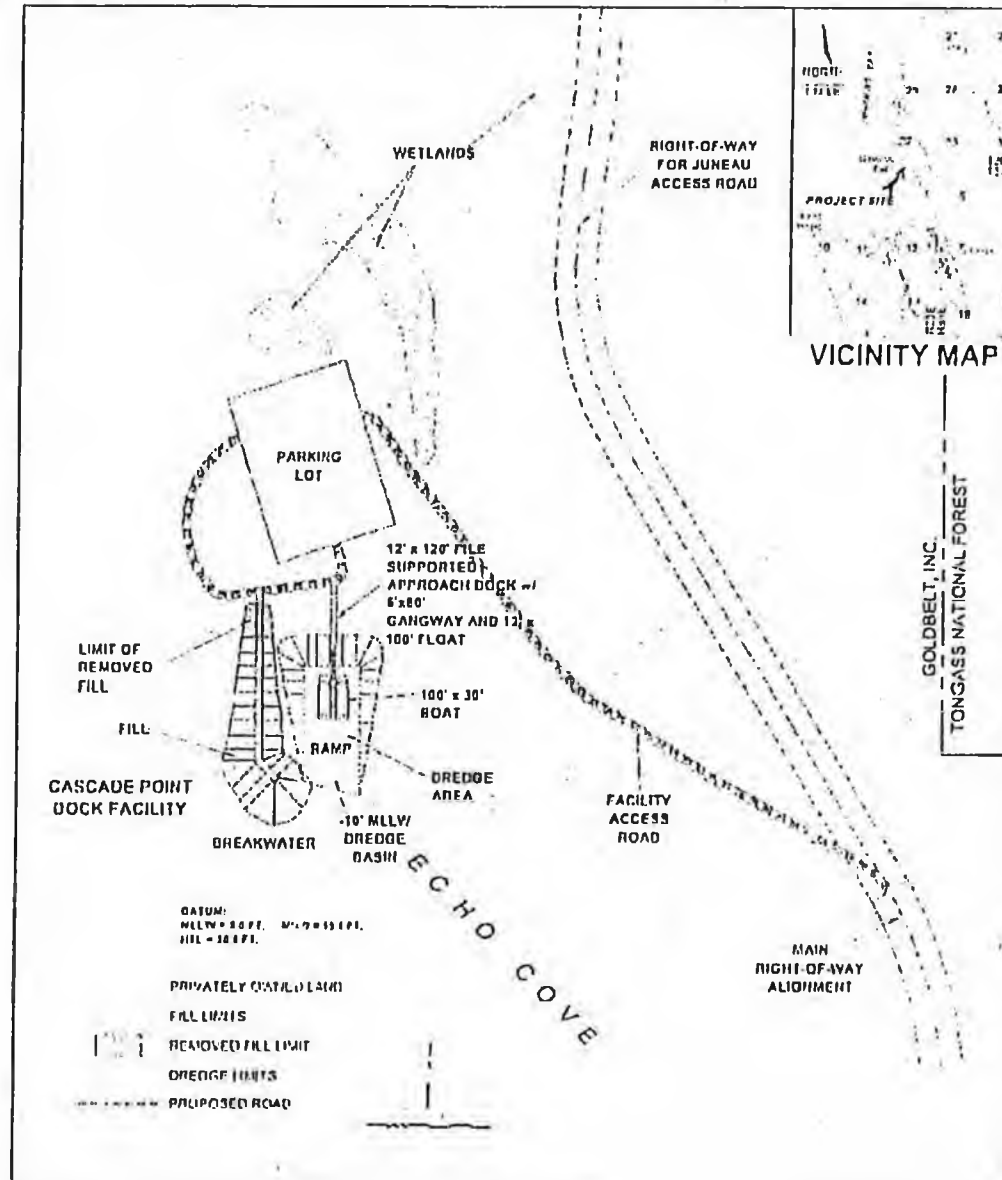
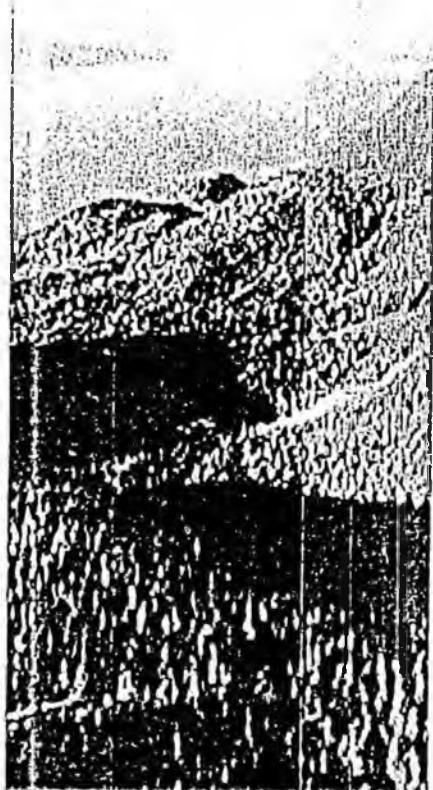
- Grants or financing to fund the construction and operation of this facility
- Outsource ownership and operation of facility to a third party



COEUR  
ALASKA

# KENSINGTON GOLD PROJECT

## Cascade Point Dock Facilities





# KENSINGTON GOLD PROJECT

## Summary of Potential Partnership Opportunities

### Passenger Ferry Service Across Berners Bay





# KENSINGTON GOLD PROJECT

## Passenger Ferry Service

### Description

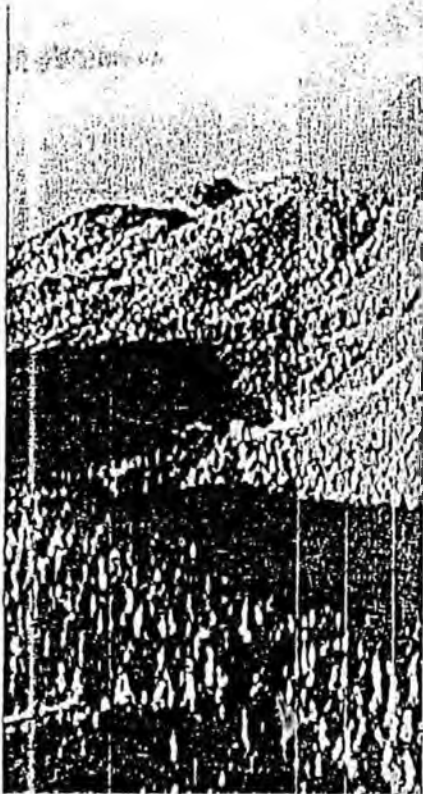
- Kensington requires a ferry capable of transporting one full shift of workers (+/- 60 people plus freight) three times per day from a marine facility at Cape Point to Slate Creek Cove
- Trip across Berners Bay is estimated to take fifteen minutes
- 365 days per year; 7 days per week

### Cost

- Adequate vessel estimated to cost approximately \$1.0 - \$1.5 million

### Request

- Third party to supply and operate ferry
- User fee charged to Coeur for this service
- During time not in use for transporting workers, vessel may be used for other activities

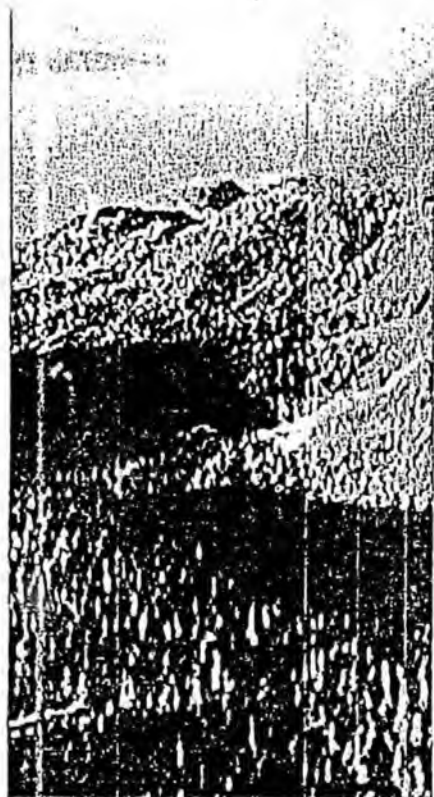




# KENSINGTON GOLD PROJECT

Summary of Potential  
Partnership Opportunities

## Slate Creek Cove Dock Facilities





# KENSINGTON

## GOLD PROJECT

### Slate Creek Cove Dock Facilities

#### Description

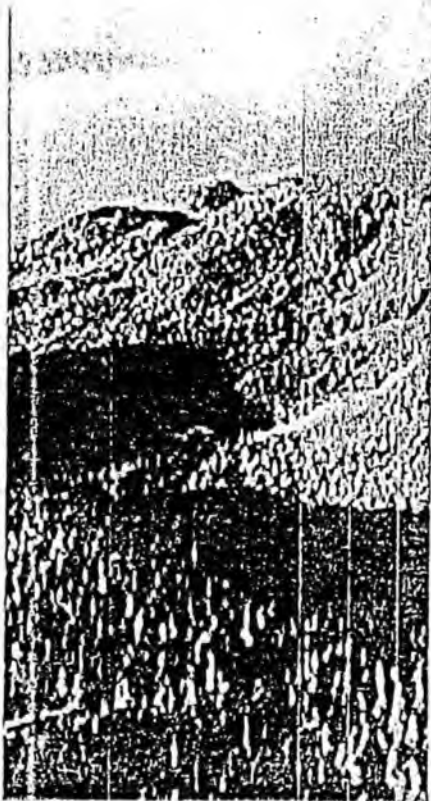
- It is necessary to construct a port facility at Slate Creek Cove in order to transfer freight, supplies, and personnel to and from Cascade Point
- The concentrate handling, storage, and load-out facility will also be located at this dock

#### Cost

- \$4,400,000 million
  - \$3.3 million for dock facilities
  - \$1.1 million for concentrate handling facilities

#### Request

- Grants or financing to fund the construction and operation of this facility
- Outsource ownership and operation of facility to a third party

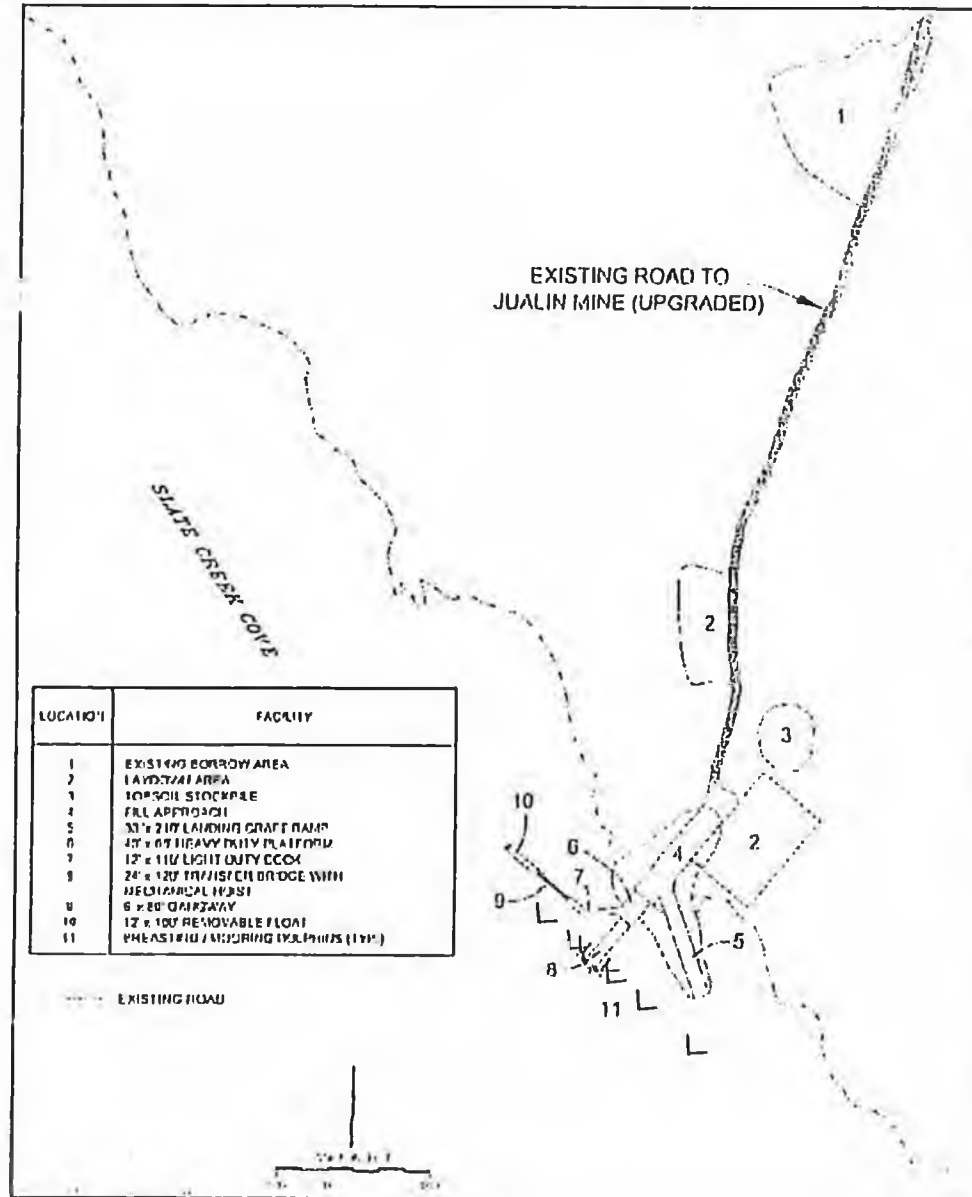




# KENSINGTON

## GOLD PROJECT

### Slate Creek Cove Dock Facilities





# KENSINGTON GOLD PROJECT

Summary of Potential  
Partnership Opportunities

## Slate Creek Road





# KENSINGTON

## GOLD PROJECT

### Slate Creek Road

#### Description

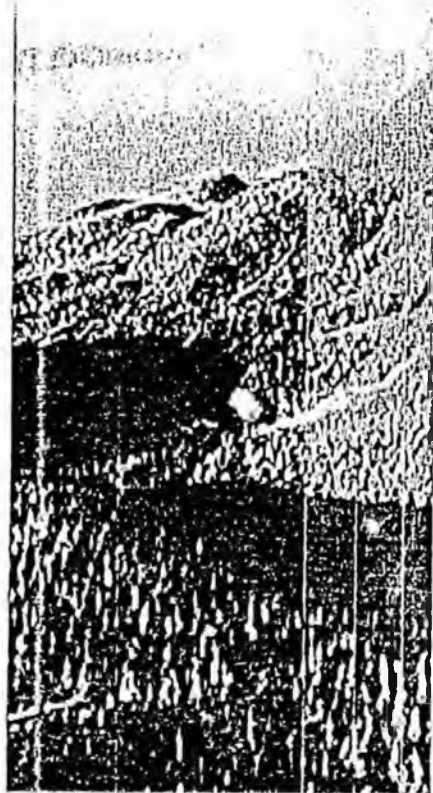
- In order to access the mill site and nearby ore body, Coeur needs to construct/improve the 5.5 mile road from Slate Creek Cove.

#### Cost

- Road: \$2,028,000

#### Request

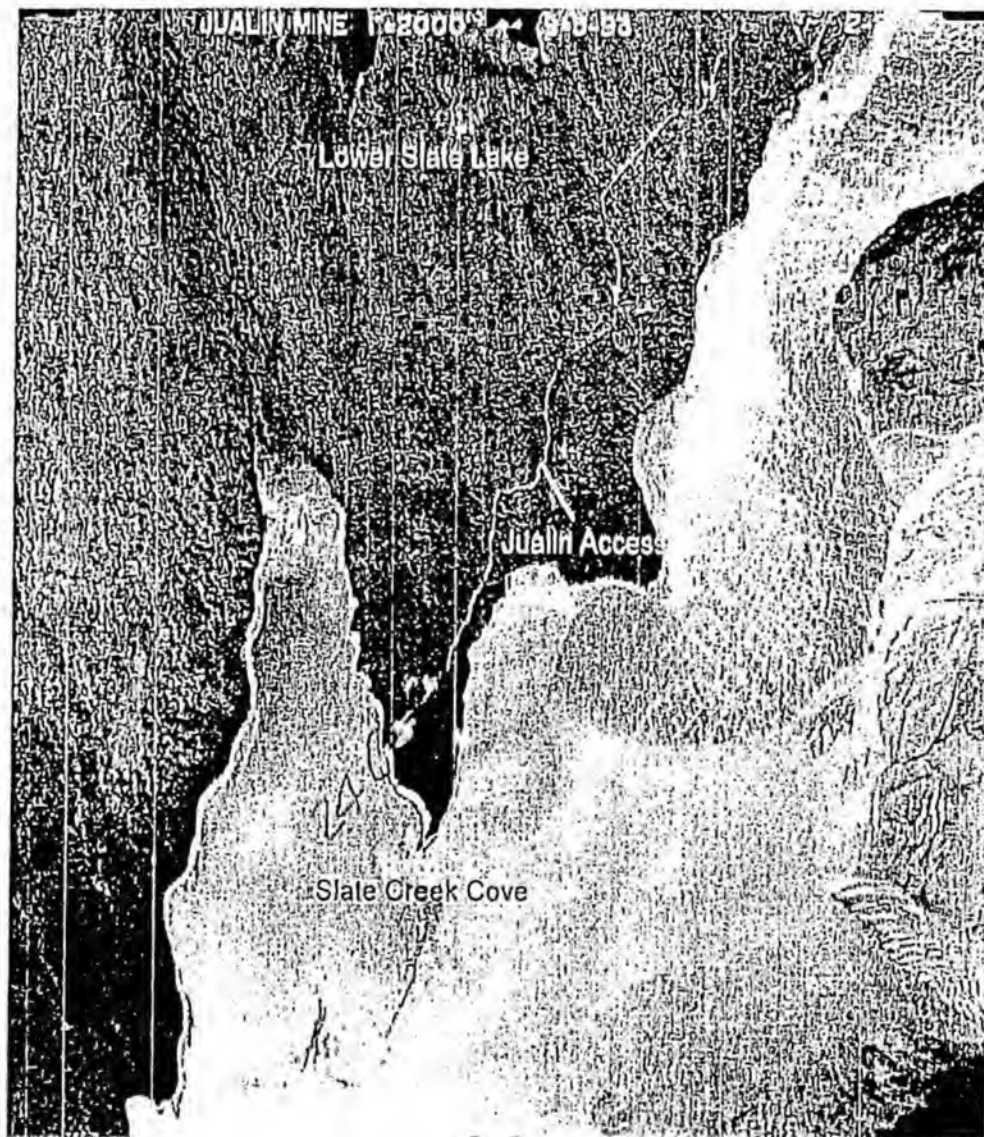
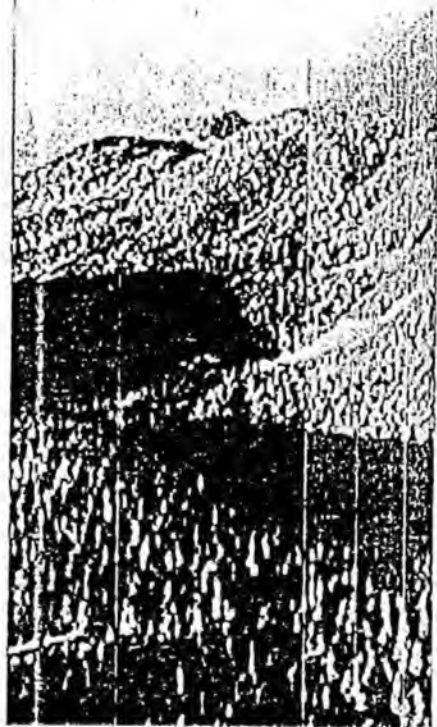
- Funding from ADOT under its "Roads to Resources" initiative to upgrade this road





# KENSINGTON GOLD PROJECT

Slate Creek Road





# KENSINGTON GOLD PROJECT

Summary of Potential  
Partnership Opportunities

## On-Site Power Plant





# KENSINGTON

## GOLD PROJECT

### On-Site Power Plant

#### Description

- Power will be generated on site that will require a generating plant and stand-by generating capability
- The normal power demands for the mine, process plant and ancillary facilities are estimated to be 3.8 MW
- A 20% allowance for intermittent peak load is designed into the generation facility
- Four medium speed 1.5 MW diesel generator sets (three operating, one stand-by) are designed to satisfy Kensington's total requirements

#### Cost

- \$6,100,000

#### Request

- Grant money or alternative financing to purchase generators
- Outsourcing this component of the project to a third party to own and operate in exchange for a user fee





# KENSINGTON GOLD PROJECT

Summary of Potential  
Partnership Opportunities

**Tunnel Connecting Jualin and Kensington**





# KENSINGTON GOLD PROJECT

## Tunnel

### Description

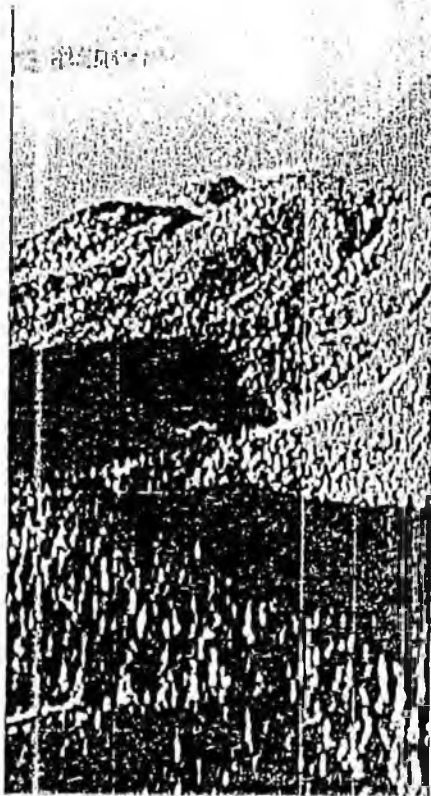
- In order to access the ore body, Coeur needs to construct an 8,000 foot tunnel connecting the Jualin and Kensington areas of the mine
- Integral component to minimizing surface disturbance and allowing Coeur to re-locate processing facilities to Jualin side from the Kensington side
- Also makes commuting from other regions feasible for workers
- Necessary to access ore body

### Cost

- \$5,363,000

### Request

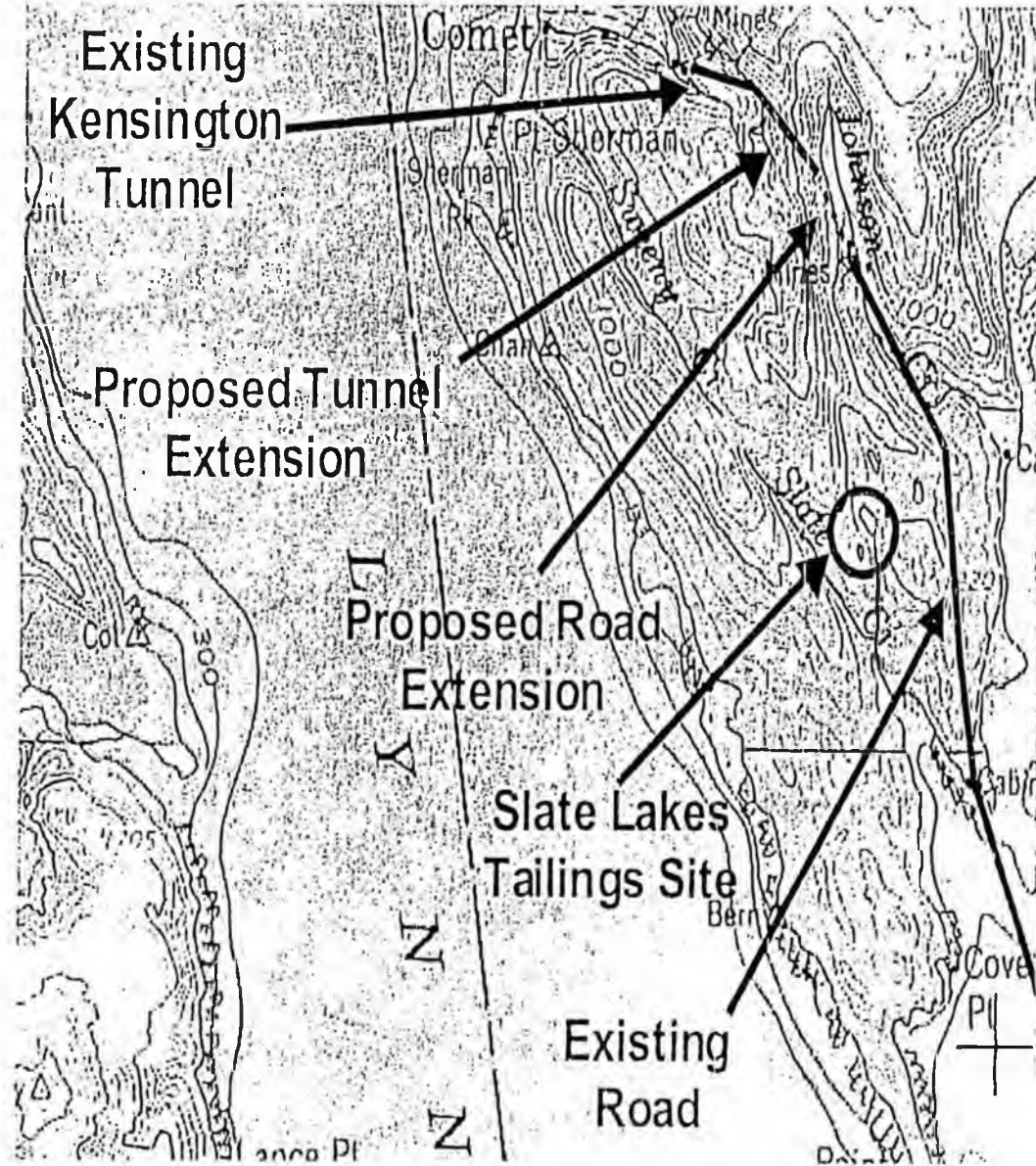
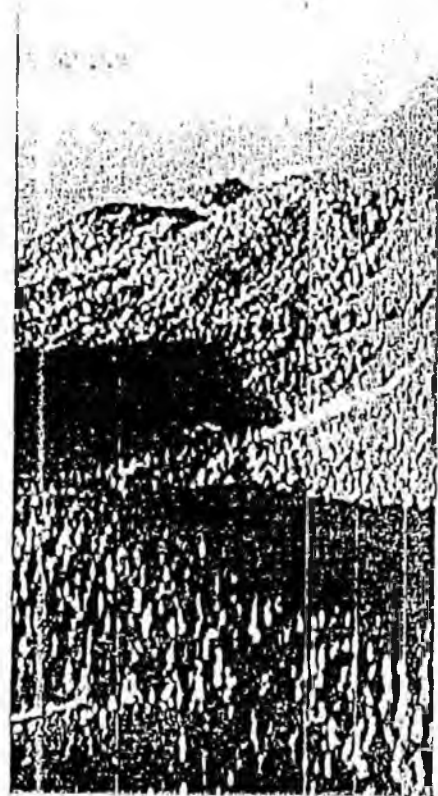
- Grant money or alternative financing to fund the development of this underground road to the ore body





# KENSINGTON GOLD PROJECT

## Tunnel





# KENSINGTON GOLD PROJECT

Summary of Potential  
Partnership Opportunities

## Tailings Management Facility





# KENSINGTON

## GOLD PROJECT

### Tailings Management Facility

#### Description

- Construction of an environmentally sound tailings impoundment area that will be reclaimed to a natural state upon cessation of mining
- This facility will utilize new, environmentally friendly technology that will establish and confirm new restoration techniques that can be utilized at other tailings facilities.

#### Cost

- Total capital costs: \$8,737,250
- Ongoing monitoring costs: \$1,365,000 (\$130,000 annually over 10.5 yrs)

#### Request

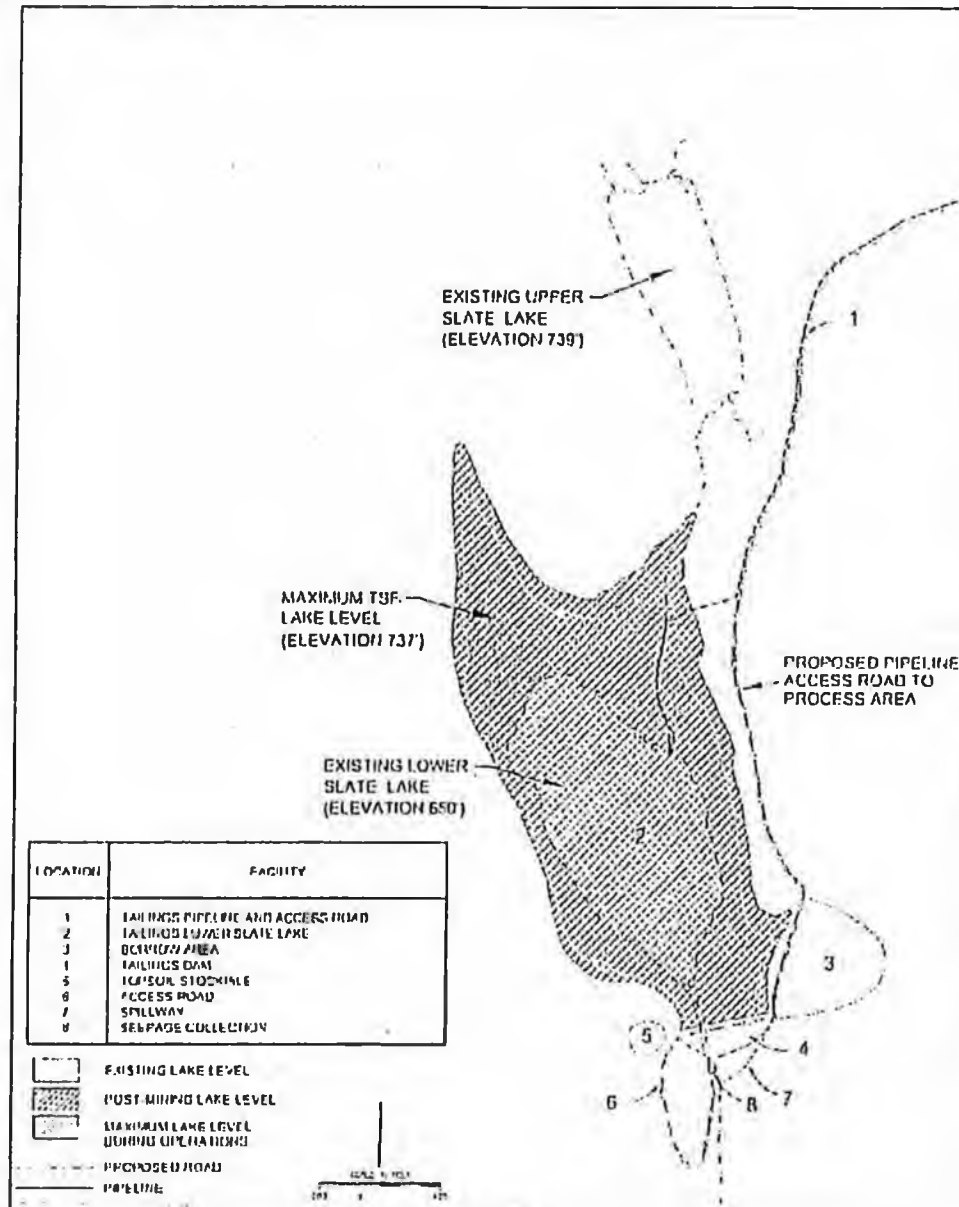
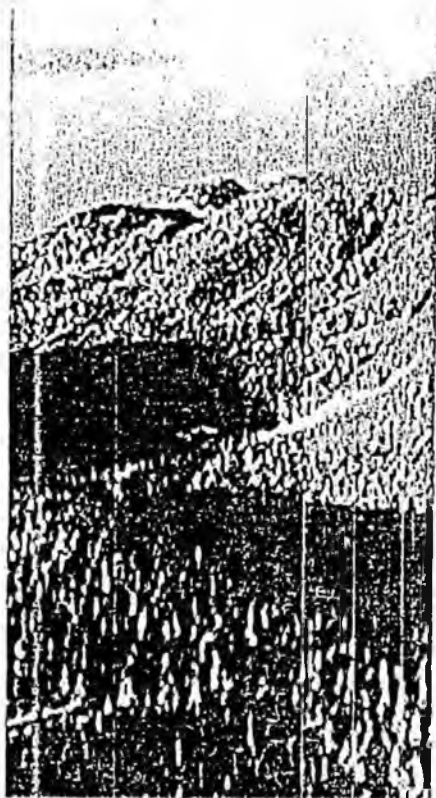
- Grant money or alternative financing to fund the development and operation of this facility
- Outsourcing this component of the project to a third party to own and operate in exchange for a user fee

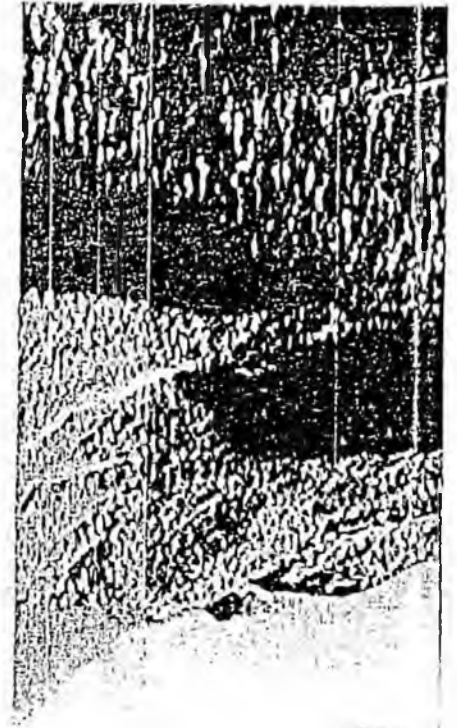
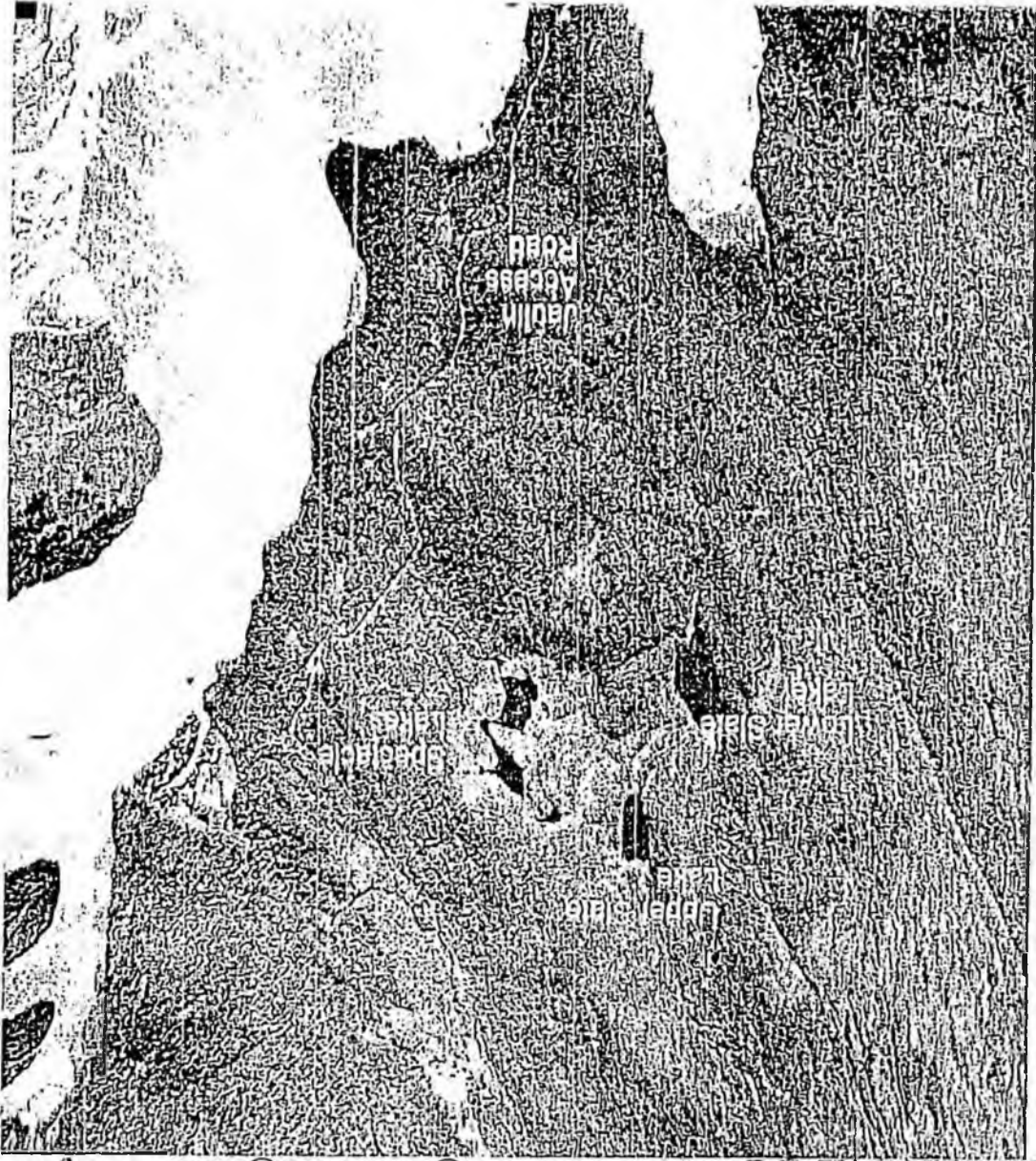




# KENSINGTON GOLD PROJECT

## Tailings Management Facility





Tailings Management System

GOLD PROJECT

# KENSINGTON





# KENSINGTON GOLD PROJECT

## Summary of Potential Partnership Opportunities

### For Additional Information, Please Contact:

**Jim Arnold**

Vice President of New Projects & Technical Services

(800) 624-2824

[jarnold@coeur.com](mailto:jarnold@coeur.com)

**Mitchell Krebs**

Vice President of Corporate Development

(773) 388-2902

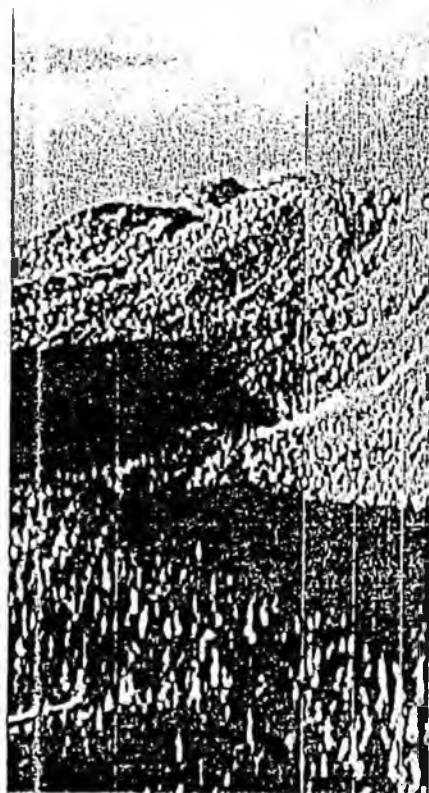
[mkrebs@coeur.com](mailto:mkrebs@coeur.com)

**Tim Arnold**

Vice President & General Manager of Kensington

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[tarnold@coeur.com](mailto:tarnold@coeur.com)



SENATE FINANCE COMMITTEE

SIGN-IN

HB 556-AIDEA BONDS FOR LYNN CANAL PORT

NAME: Tim Arnold Subject/Bill No: CS for house bill 556  
Co./Dept./Title: Coeur Alaska V.P. & Gen. Manager Phone: 907 789 1591  
Address: 303 Clinton Dr. Juneau Zip: 99801  
Do you wish to testify?  Yes  No  Respond To Questions AFTER AIDEA

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions



**HB**

**559**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 22, 2004

FURTHER REFERRALS:

Date of Committee Action: 4/26/04

The FINANCE Committee considered:

HB 559

HOUSE BILL NO. 559

STEP PROGRAM CONTINUANCE

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

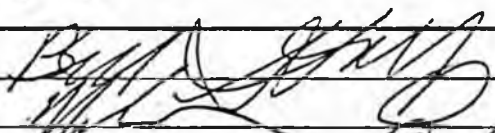
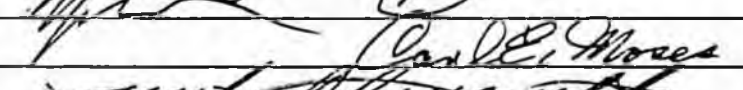
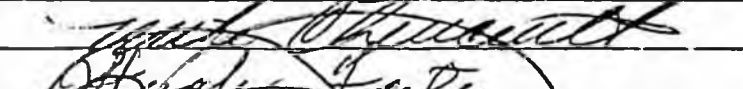
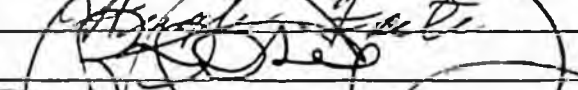
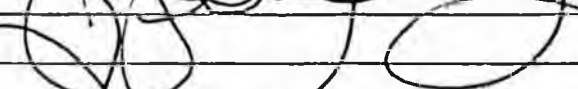

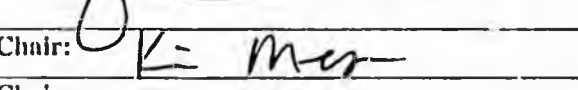

Recommends it be replaced with  HCS or  CS for \_\_\_\_\_  
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev for Depts.:  
 ADM  
 CED  
 COR  
 CRT  
 EED  
 DEC  
 DFG  
 GOV  
 HSS  
 LEG  
 LAW  
 LWF  
 MVA  
 DNR  
 DPS  
 REV  
 DOT  
 UA

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

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

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

# FISCAL NOTE

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

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

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

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

**POSITIONS**

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See Attached Analysis

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

FISCAL NOTE

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

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

ANALYSIS: (continued)

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

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

# Alaska State Legislature

## House Finance Committee



State Capitol, Juneau, Alaska 99801-1182

REPRESENTATIVE  
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### SPONSOR STATEMENT

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

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

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

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

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

Chapter 086

Chapter: CH086

Source: HCS CSSB 252(FIN)

Action Date: June 20, 2002

Effective Date: See chapter

02

### AN ACT

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

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

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

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

(2) select a state director of vocational education;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

development, or each respective commissioner's designee;

(3) one representative from the University of Alaska;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) The assessment and evaluation committee shall

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

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

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

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

(e) The policy and planning committee shall

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

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

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

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

(f) The employment and placement committee shall

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

(A) customer needs at the local level;

(B) moving welfare recipients into the workforce;

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

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

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

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

(g) The workforce readiness committee shall

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

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

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

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

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

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

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

activities of the Alaska temporary assistance program under AS 47.27.

(b) The board [COUNCIL] shall

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

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

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

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

(1) meet the standards adopted by the board [COUNCIL] concerning the percentage of a grant that may be spent on administrative costs;

(2) be operated by an institution that holds a valid authorization to operate issued under AS 14.48 by the Alaska Commission on Postsecondary Education if the program is a postsecondary educational program operated by a postsecondary educational institution subject to regulation under AS 14.48;

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

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

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

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

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

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

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

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

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

(A) [ONE STOP CAREER CENTER;

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

(B) [(C)] state training and employment program (AS 23.15.620), providing training and employment services for people who are unemployed or likely to become unemployed, fostering new jobs, and increasing training opportunities for workers severely affected by fluctuations in the state economy or adversely affected by technology advances in the workplace;

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

[(E) SCHOOL-TO-WORK;]

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

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

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

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

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

(A) [HIGH SCHOOL COMPLETION PROJECT;

(B)] Kotzebue Technical Center;

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

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

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

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

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

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

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

(2) in the Department of Corrections:

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

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

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

(3) in the Department of Environmental Conservation:

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

(B) water and wastewater operator training and assistance;

(C) federal drinking water operator training and certification;

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

(5) in the Department of Public Safety:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) award grants to qualified entities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) procedures for identifying and selecting participants;

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

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

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

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

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

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

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

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

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

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

(1) have been unemployed and

(A) receiving unemployment insurance benefits; or

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

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

(A) reductions in overall employment within the business;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The board [COUNCIL] may

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

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

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

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

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

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

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

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

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

(3) the entity has secure<sup>d</sup> matching funds for the program for which the grant is requested.

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

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

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

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

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

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

(1) meet the standards adopted by the board [COUNCIL] concerning the percentage of a grant that may be spent on administrative costs;

(2) be operated by an institution that holds a valid authorization to operate issued under AS 14.48 if the program is a postsecondary educational program operated by a postsecondary educational institution subject to regulation under AS 14.48.

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

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

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

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

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

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

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

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

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

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

(8) "public official" means

(A) a judicial officer;

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

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

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

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

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

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

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

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

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

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

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

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

University of Alaska 63 percent

Galena Project Education Vocational Training Center 4 percent

Kotzebue Technical Center 11 percent

Alaska Vocational Technical Center 22 percent.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter: CH085

Source: HCS CSSB 334(FIN) am H

Action Date: June 11, 1998

Effective Date: June 12, 1998

98

AN ACT

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

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

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

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

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

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

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