

ALASKA LEGISLATURE

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HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

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commissioner's designee is entitled to per diem and travel expenses as a state employee.

* Sec. 4. AS 44.19.623 is amended to read:

Sec. 44.19.623. Officers. The Alaska Human Resource Investment Council shall elect a chair and a vice-chair from among the members listed in or appointed under AS 44.19.620 (a)(5) [AS 44.19.620 (a) WHO ARE FROM THE PRIVATE SECTOR. THEY SHALL ALSO ELECT A VICE-CHAIR]. The chair and vice-chair serve in their positions at the pleasure of the council.

* Sec. 5. AS 44.19.624 is amended to read:

Sec. 44.19.624. Meetings, quorum, and committees. (a) The 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 council under AS 44.19.620 (a) constitutes a quorum.

(b) The 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 council may establish additional standing committees and special committees or subcommittees, not necessarily consisting of council members, to advise and assist the council in carrying out its functions 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.

* Sec. 6. AS 44.19.624 is amended by adding new subsections to read:

(c) The executive committee consists of the chair and vice-chair of the council, the immediate past chair of the 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 council. The executive committee shall

- (1) report to the council in a timely fashion on actions taken on behalf of the council; and

(2) supervise the affairs of the council between regular meetings of the 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 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 council.

(e) The policy and planning committee shall

(1) build policies regarding day-to-day operations and long-term responsibilities of the council;

(2) work to increase awareness of the 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 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 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 council.

* Sec. 7. AS 44.19.626 (b) is amended to read:

(b) The 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 44.19.625 ;

(4) assume the duties and functions of the state councils described under the laws relating to the federal human resource programs listed in AS 44.19.625 ;

(5) advise the governor, [AND] state and local agencies, and the University of Alaska 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 council;

(8) adopt 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 15 percent 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 council to share resources, instructors, and curricula through collaboration with other public and private entities to increase training opportunities and reduce costs; and

(11) [(8)] adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the purposes of AS 44.19.620 - 44.19.627.

* Sec. 8. AS 44.19.626 is amended by adding new subsections to read:

(d) The 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 council shall require a training program listed in (f) of this section to meet the requirements of this subsection. The council shall, by regulation, establish appropriate penalties for programs that fail to meet the requirements of this subsection. The 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 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 the information required by the department for the preparation of the statistical information necessary for the council to evaluate programs by the standards set out in (e) of this section.

(e) The council shall develop standards that encourage agencies to contract for training programs that maximize the program's class size. The council shall adopt standards for the evaluation of training programs listed in (f) of this section with regard to the following:

(1) the 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 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 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 percent of employers who indicate that they were satisfied with the 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 Community and Regional Affairs or operated by the department:

(A) One Stop Career Center;

(B) Job Training Partnership Act programs, assisting communities in moving toward a self-sustainable economy and providing training;

(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;

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

- (A) employment-related adult basic education;
- (B) School-to-Work;
- (C) vocational education and Tech Prep;
- (D) Alaska Career Information System;
- (E) high school completion project;
- (F) Kotzebue Technical Center;
- (G) Alaska Vocational Technical Center;

(3) in the Department of Health and Social Services: employment training services operated as part of the Alaska Temporary Assistance Program (ATAP);

(4) in the Department of Labor:

(A) unemployment insurance grants provided under the federal training relocation assistance program;

(B) Alaska works programs, assisting with the welfare-to-work program;

(C) state training employment program, coordinated with the Department of Community and Regional Affairs.

(g) The 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 Regional Affairs 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 Education: vocational rehabilitation client services and special work projects;

(8) in the Department of Labor: employment services, including job development, assisting individuals in finding employment, and assisting employed individuals in finding other employment;

(9) 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 council for inclusion in the council's annual report to the legislature.

(i) The 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 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 council shall notify the governor and the 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 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 council's authorized budget for the fiscal year. The council shall, by regulation, establish a method to determine annually the amount of the management assessment fee. If the amount the council expects to collect under this subsection exceeds the authorized budget of the council, the 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 council for the fiscal year. The 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 council shall

(1) advise the governor and the legislature on whether the 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 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. 9. Section 6, ch. 116, SLA 1996, 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, 2002 [1998].

* Sec. 10. TRANSITION. Notwithstanding the requirement in AS 44.19.623 , as amended by sec. 4 of this Act, that the chair and the vice-chair of the council be members of the council appointed under AS 44.19.620 (a)(5), a member who is serving as chair or vice-chair of the council on the day before the effective date of this Act may continue to serve in that capacity until the expiration of the member's term of office. However, if the vice-chair is a commissioner of a department of state government, the office becomes vacant on the effective date of this Act and the council shall elect a vice-chair who meets the requirements of AS 44.19.623 , as amended by sec. 4 of this Act.

* Sec. 11. This Act takes effect immediately under AS 01.10.070 (c).

Chapter: CH116

Source: CSSB 229 (L&C)

Action Date: June 28, 1996

Effective Date: See Chapter

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AN ACT

Relating to employment contributions, to the calculation of unemployment insurance benefits, and to the state training and employment program; and providing for an effective date.

* Section 1. FINDINGS. The legislature finds that

(1) an inadequate number of jobs exist in this state to meet the needs of those seeking employment;

(2) many Alaskans are having difficulty finding jobs, especially in trying to meet the changing technology needs in this state;

(3) employer and employee contributions paid into the unemployment insurance system are used for payment of compensation to unemployed workers and allocation of a small portion of employment contributions paid by employees would provide money to develop a state training and employment program to meet the training needs of Alaskans;

(4) a state training and employment program would

(A) help prevent future claims against unemployment benefits;

(B) foster new jobs by encouraging businesses to locate in the state due to availability of a skilled labor force and by minimizing employers' unemployment costs; and

(C) increase training opportunities to those workers severely affected by the fluctuations in the state economy or technological changes in the workplace in the state;

(5) it would be beneficial to the state for state training and employment programs funded by the state training and employment program to

supplement, but not to displace, programs funded by money available to a training entity for public or private training, and not to replace, parallel, compete with, or duplicate existing federally approved, jointly administered apprenticeship and training programs;

(6) it would be beneficial to the state to make the state training and employment program a permanent state program to benefit Alaska workers, businesses, and industry.

* Sec. 2. AS 23.15 is amended by adding new sections to read:

ARTICLE 4A. STATE TRAINING AND EMPLOYMENT PROGRAM.

Sec. 23.15.620. STATE TRAINING AND EMPLOYMENT PROGRAM. There is created in the department a program to finance and award grants to employment assistance and training entities. Employment assistance and training entities shall give appropriate state agencies full access to accounting records concerning grants received to assure compliance with program standards.

Sec. 23.15.625. EMPLOYMENT ASSISTANCE AND TRAINING PROGRAM ACCOUNT. The employment assistance and training program account is established in the general fund. The commissioner of administration shall separately account for money collected under AS 23.15.630 that the department deposits in the general fund. The annual estimated balance in the account may be appropriated by the legislature to the department to implement AS 23.15.620 - 23.15.660. The legislature may appropriate the lapsing balance of the account to the unemployment compensation fund established in AS 23.20.130 .

Sec. 23.15.630. SPECIAL EMPLOYEE UNEMPLOYMENT CREDIT AND CONTRIBUTIONS FOR PROGRAM. (a) In the manner provided in AS 23.20, the department shall collect from each employee an amount equal to one-tenth of one percent of the wages, as set out in AS 23.20.175 , on which the employee is required to make contributions under AS 23.20.290 (d). The department shall remit to the Department of Revenue, in accordance with AS 37.10.050 , money collected under this subsection.

(b) Notwithstanding AS 23.20.290 (d), the department shall credit each employee with an amount equal to the amount collected from the employee under (a) of this section against unemployment contributions owed by the employee under AS 23.20.

(c) The department shall assess and collect, under AS 23.20.185 - 23.20.275, interest and penalties for delinquent reports and payments due

under this section. Interest and penalties collected shall be handled in accordance with AS 23.20.130 (d).

Sec. 23.15.635. PEOPLE TO BE SERVED. Within the limits of its grant, an employment assistance and training entity receiving a grant under AS 23.15.651 shall provide services set out in AS 23.15.640 to state residents who, immediately before beginning training or receiving benefits under a grant financed by this program,

(1) are unemployed and

(A) are receiving unemployment insurance benefits; or

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

(2) are employed, but liable to be displaced within the next six months because of

(A) reductions in overall employment within a business;

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

(C) a change in conditions of employment requiring that, to remain employed, the employee must learn 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 are not currently eligible for unemployment insurance benefits because

(A) their employment has been seasonal, temporary, part-time, or marginal;

(B) their qualifying wages are insufficient because of limited job opportunity; or

(C) they are employed but, because they are underemployed, they are in need of employment assistance and training to obtain full employment.

Sec. 23.15.640. SERVICES FOR ELIGIBLE PEOPLE. Subject to the limits of its grant, an entity receiving a grant under AS 23.15.651 shall provide one or more program elements. The program elements include

(1) industry-specific training;

(2) on-the-job training;

(3) institutional or classroom job-linked training;

(4) support services, including allowances;

(5) relocation assistance; or

(6) provisions of necessary tools, work-related clothing, safety gear, or other necessities to obtain or retain employment.

Sec. 23.15.645. DUTIES AND POWERS OF THE DEPARTMENT. (a) The department shall award a grant to the council to

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

(2) award grants to qualified entities.

(b) When a grant is awarded to the council, the department shall annually provide to the 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 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 Community and Regional Affairs, Department of Education, Department of Commerce and Economic Development, University of Alaska, organized labor, the council, and the administrative entities of the substate service delivery areas established for the council. The department shall give preference to projects and services that train individuals in industries identified in the resident life report required under AS 36.10.130 as employing a disproportionate percentage of nonresident individuals.

(c) The department may adopt regulations necessary to implement this chapter.

(d) The council shall establish grant administration requirements including accounting procedures that apply to qualified entities and their grantees.

(e) In making a grant under this section, the 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 council itself, does not exceed 20 percent. 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. 23.15.651. DUTIES OF 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 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 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 council may use the administrative entities of the substate service delivery areas.

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

Sec. 23.15.660. DEFINITIONS. In AS 23.15.620 - 23.15.660,

(1) "council" means the Alaska Human Resource Investment Council established in AS 44.19.620 ;

(2) "program" means the state training and employment program established in AS 23.15.620 - 23.15.660; and

(3) "substate service delivery areas" means those areas designated by the governor under 29 U.S.C. 1532.

* Sec. 3. AS 23.20.290 (c) is amended to read:

(c) Beginning January 1, 1997 [JANUARY 1, 1981], the rate of contributions for each employer is 80 [82] percent of the average benefit cost rate multiplied by the employer's experience factor set out in column C of the table in this subsection opposite the employer's applicable rate class set out in column A plus the fund solvency adjustment required under (f) of this section. However, the rate of contributions for an employer may not be less than one percent or more than six and one-half percent. The rate of contributions for an employer in rate class 21 may not be less than 5.4 percent. The rate of contributions for an employer must be rounded to the nearest 1/100th [ONE-HUNDREDTH] of one percent.

COLUMN A COLUMN B COLUMN C

Rate Class Cumulative Experience

Ratable Payroll Factor

at least but less than

(percent) (percent)

15.40

2510.45

31015.50

52025.60

62530.65

73035.70

83540.80

94045.90

1045501.00

1150551.00

1255601.10

1360651.20

1465701.30

1570751.35

1675801.40

1780851.45

1885901.50

1990951.55

209599.991.60

2199.991.65.

* Sec. 4. AS 23.20.290 (d) is amended to read:

(d) Beginning January 1, 1997 [JANUARY 1, 1981], and for each succeeding year thereafter, the rate of contributions payable by each employee of an employer who is subject to AS 23.20.165 is 20 [18] percent of the average benefit cost rate as determined in (e) of this section rounded to the nearest 1/100th [ONE-TENTH] of one percent. However, the rate of contributions for an employee may not be less than one-half percent or more than one percent.

* Sec. 5. AS 23.20.350 (d) is amended to read:

(d) An individual who is eligible under (a) of this section is entitled to receive the weekly benefit amount set out in column (B) of the table in this subsection that is opposite the amount set out in column (A) of the individual's base period wages determined under (c) of this section:

(A)(B)

Base Period Wages Weekly Benefit

Amount

At least But less than

01,000\$ 0

1,0001,25044

1,2501,50046

1,5001,75048
1,7502,00050
2,0002,25052
2,2502,50054
2,5002,75056
2,7503,00058
3,0003,25060
3,2503,50062
3,5003,75064
3,7504,00066
4,0004,25068
4,2504,50070
4,5004,75072
4,7505,00074
5,0005,25076
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20,25020,500198
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21,00021,250204
21,25021,500206
21,50021,750208
21,75022,000210
22,00022,250212
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* 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, 1998.

* Sec. 7. Sections 3 - 5 of this Act apply to benefit years for unemployment insurance beginning on or after January 1, 1997.

* Sec. 8. Sections 1 and 2 of this Act take effect July 1, 1996.

* Sec. 9. Sections 3 - 5 and 7 of this Act take effect January 1, 1997.

State of the Alaska Workforce Investment System

Where We Were — State FY 2002

What We Did — State FY 2003

Where We Are Going — State FY 2004



Alaska Department of Labor and Workforce Development
Division of Business Partnership
Alaska Workforce Investment Board

Putting Alaskans in good jobs.

—from the State Training Employment and Program (STEP)

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AWIB Strategies
Industry Focus
Regional Focus

For the complete report with detailed
charts and analysis,
please visit our website at:
www.awib.alaska.gov

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Katherine Farnham, Director
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AS 23.15.580(e).



Building connections that put Alaskans into good jobs

February 12, 2004

I am pleased to present you with the annual State of the Alaska Workforce Investment System report.

Each year the Alaska Workforce Investment Board (AWIB) presents a report to the Alaska State Legislature on the performance and evaluation of training programs within its purview, as authorized by AS 23.15.580(b)(9). This year we have integrated two other program reports into this document – the *State Training and Employment Program Annual Report* and the *Training Program Performance for Program Year 2002* – to streamline the process and bring greater rigor and clarity to Alaska's Workforce Investment System.

The Alaska Workforce Investment Board recognizes the accomplishments it has made in the three years since the Workforce Investment Act was implemented, but it also understands the need for continuous improvement and the many challenges Alaska still faces. We welcome your involvement and support and look forward to working closely with you to build a quality workforce and a secure future for all Alaskans.

Alice J. Galvin, Ed.D., Chair
Alaska Workforce Investment Board

SUMMARY RECOMMENDATIONS

The Alaska Workforce Investment Board (AWIB) and the Department of Labor and Workforce Development are committed to ensuring all possible employment opportunities for Alaskans. The board has assessed the state of the workforce investment system and offers the following recommendations:

Governor & Legislature

- ❖ The legislature should make the highly successful State Training and Employment Program a permanent part of the workforce development system.
- ❖ The Governor should continue to hold the system accountable; set standards for outcomes and expect a return on workforce investment.
- ❖ The legislature should continue the Technical Vocational Education Program.

Other Stakeholders

- ❖ Business and industry must make a greater investment in training in order to achieve their Alaskan hire goals.
- ❖ Communities need to unite around a common goal that integrates healthy communities, education, economic development and workforce development activities together to improve the quality of life.
- ❖ Investors must raise expectations for increased quality in training and more Alaskans employed after training.
- ❖ Training providers and employers should foster alignment and investment in a career and technical education system for Alaska.

Training & Service Providers

- ❖ Investors should end the duplication of effort created through multiple systems; look for opportunities to match funding sources and share responsibilities between private and public resources.
- ❖ Providers should be more nimble and responsive to business needs, the changing economy, and the workforce needs of the future.
- ❖ Educators and employers should prepare Alaska's youth for Alaskan jobs by creating employability standards.
- ❖ The Alaska Job Center Network should make it easier for employers and workers to connect.
- ❖ Service providers should implement the board policies that embed industry-based skill standards in workforce development and training.

These recommendations are focused on an economic future that will result in healthy communities, a strong workforce, and a growing economy.

FY 2002 Program Performance Measures												
Alaska Employment and Earnings for Months 1 to 12 (One Year) Before and After Training												
	# Exiting	# Employed			Total Earnings		QTRs Worked		AVG Earnings per QTR		Total Median Earnings	
		Before	After	% Emp After	Before	After	Before	After	Before	After	Before	After
Training Programs												
WIA Title 1B Youth	653	290	454	89.5	\$738,229	\$2,102,084	637	1,077	\$1,159	\$1,952	\$1,366	\$2,414
WIA Title 1B Adult	380	300	314	82.6	\$2,777,759	\$5,593,348	869	1,012	\$3,197	\$5,527	\$7,203	\$15,287
WIA 1B Dislocated Workers	219	183	177	80.8	\$4,431,876	\$4,702,069	621	626	\$7,137	\$7,511	\$19,626	\$24,289
STEP	1,423	1,309	1,310	92.1	\$37,818,628	\$41,837,474	4,369	4,457	\$8,656	\$9,387	\$23,848	\$27,024
Denali Training Fund	619	539	563	91	\$8,957,986	\$11,496,430	1,712	1,840	\$5,232	\$6,248	\$10,941	\$14,927
TAA and NAFTA-TAA	61	59	36	59	\$2,387,412	\$1,317,735	97	132	\$12,119	\$9,983	\$34,331	\$29,694
Work Search	765	491	605	79.1	\$3,106,783	\$6,009,545	1,271	1,809	\$2,444	\$3,322	\$4,020	\$7,483
Vocational Education Programs												
Carl Perkins-Secondary	2,987	1,920	2,407	80.6	\$5,951,973	\$17,489,916	4,608	6,470	\$1,292	\$2,703	\$1,997	\$4,890
Carl Perkins-Postsecondary	4,828	3,675	3,738	77.4	\$61,078,709	\$79,634,238	11,720	12,349	\$5,211	\$6,449	\$11,344	\$17,280
Adult Basic Education	1,434	861	1,032	72	\$7,733,556	\$11,152,510	2,348	3,037	\$3,294	\$3,672	\$5,352	\$7,977
Training Institutes												
Alaska Technical Center	160	128	142	88.8	\$3,135,991	\$4,056,898	426	470	\$7,361	\$8,632	\$19,699	\$28,536
AVTEC	1,212	924	987	81.4	\$24,791,665	\$28,351,817	3,051	3,269	\$8,126	\$8,673	\$20,453	\$23,771
UA Vocational Education	5,601	4,113	4,130	73.7	\$80,275,562	\$93,857,916	13,326	13,577	\$6,024	\$6,913	\$14,869	\$18,628
<small>Notes: Includes an unduplicated count of individuals with reported SSN exiting a program. One individual may participate in more than one program. Includes Alaska reported employment and wage information only. Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.</small>												

The tables on pages four and five describe training program performance according to the five statutory requirements listed in AS.23.15.580(e):

1. The percentage of participants who have a job one year after leaving the training program
2. The median wage of participants 7 to 12 months after leaving the program
3. The percentage of participants employed who received training related to their jobs 7 to 12 months after leaving the program
4. The percentage of participants who were satisfied with the training services
5. The percentage of employers who were satisfied with the services

Note that the first table shows data for participants at the one-year mark before and after training and the second table shows data for the six-month mark before and after training.

Where We Were *2001*

FY 2002 Program Performance Measures												
Alaska Employment and Earnings for Months 7 to 12 (Six Months) Before and After Training												
	# Exiting	# Employed			Total Earnings		QTRs Worked		AVG Earnings per QTR		Total Median Earnings	
		Before	After	% Emp After	Before	After	Before	After	Before	After	Before	After
Training Programs												
WIA Title 1B Youth	653	197	326	49.9	\$350,422	\$1,001,623	301	495	\$1,164	\$2,023	\$1,073	\$1,659
WIA Title 1B Adult	380	248	270	71.1	\$1,464,792	\$2,724,787	426	483	\$3,438	\$5,641	\$4,468	\$9,362
WIA 1B Dislocated Workers	219	174	163	74.4	\$2,352,619	\$2,323,379	321	305	\$7,329	\$7,618	\$10,820	\$12,600
STEP	1,423	1,201	1,188	83.5	\$16,907,604	\$19,171,847	2,129	2,102	\$7,942	\$9,121	\$11,367	\$13,178
Denali Training Fund	619	495	500	80.8	\$4,447,406	\$5,480,964	859	893	\$5,177	\$6,138	\$5,869	\$7,841
TAA and NAFTA-TAA	61	55	34	55.7	\$1,305,800	\$693,079	100	65	\$13,058	\$10,663	\$23,261	\$18,192
Work Search	765	397	506	66.1	\$1,687,552	\$2,984,825	644	866	\$2,620	\$3,447	\$2,892	\$4,533
Vocational Education Programs												
Carl Perkins-Secondary	2,987	1,451	1,931	64.6	\$3,086,155	\$8,138,225	2,192	3,070	\$1,408	\$2,651	\$1,653	\$2,758
Carl Perkins-Postsecondary	4,828	3,308	3,301	68.4	\$30,162,413	\$39,379,558	5,828	6,003	\$5,175	\$6,560	\$6,744	\$10,361
Adult Basic Education	1,434	724	877	61.2	\$4,046,555	\$5,672,593	1,209	1,494	\$3,347	\$3,797	\$3,654	\$4,941
Training Institutes												
Alaska Technical Center	160	114	126	78.8	\$1,461,911	\$1,924,149	205	232	\$7,131	\$8,294	\$8,792	\$14,815
AVTEC	1,212	833	865	71.4	\$11,855,820	\$14,555,068	1,507	1,582	\$7,867	\$9,200	\$12,755	\$15,107
UA Vocational Education	5,601	3,506	3,617	64.6	\$38,248,063	\$46,386,480	6,361	6,567	\$6,013	\$7,064	\$8,940	\$11,239

Notes: Includes an unduplicated count of individuals with reported SSN exiting a program. One individual may participate in more than one program. Includes Alaska reported employment and wage information only.
Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Highlights of Alaska's Performance

- All of the training programs measured exceeded the one-year retention rate measure. Some exceeded the measure by as much as 30 points demonstrating that those trained had the skills to keep their jobs.
- All the training programs improved the overall six-month median earnings of their participants. Twelve of the thirteen exceed the performance target of a \$1,000 increase.
- Five of seven programs had more than 50% of those who completed training go to work in an occupation related to their training. For one program over 95% were working in a related occupation.
- Of the six programs that measure customer satisfaction, the average rate of overall participant satisfaction with training was over 84%, and all of these exceeded the negotiated target of 65%.

Customer Satisfaction

The ability to measure and compare customer satisfaction is new for FY 02. Prior to this report, programs did not consistently collect customer satisfaction information. The satisfaction is measured on a scale of 1 to 10 with 10 representing excellence and 1 representing total dissatisfaction. The customer satisfaction rates, which all exceed the 65% negotiated target, indicate an overall satisfaction with the training programs.

This year, six programs captured customer satisfaction data for participants:

- ❖ Alaska Vocational Technical Education Center 88%
- ❖ University of Alaska Vocational Students 81%
- ❖ WIA Adult Program 85%
- ❖ WIA Dislocated Worker Program 85%
- ❖ WIA Youth Program 78%
- ❖ STEP 89%

Customer Satisfaction Measures for FY 2002 Exiting Participants							
		Mean			Median		
		Overall Satisfaction	Meeting Expectations	Compares to Ideal	Overall Satisfaction	Meeting Expectations	Compares to Ideal
Training Programs	WIA Youth	7.8	7.8	7.6	8	8	8
	WIA IB Adult	8.5	8.3	8.3	9	9	9
	WIA IB Dis.Worker	8.5	8.3	8.2	9	9	9
	STEP	8.9	8.9	8.6	10	10	10
Training Institutes	AVTEC	8.8	8.3	8.3	10	9	9
	UA Vocational Education	8.1	7.5	7.6	9	9	8

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	653	653
% w/Alaska Wage and Salary Employment	69.5	49.9
Median Total Earnings	\$2,414	\$1,073
% of Workers Employed in Related Occupations	NA	6.0
Number of Alaska Wage and Salary Employed	454	326

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The Youth Program performance represents youth age 14 through 21. It has a broad spectrum of outcomes from remaining in school to entering employment.

WIA TITLE IB ADULT PROGRAM

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	380	380
% w/Alaska Wage and Salary Employment	82.5	71.1
Median Total Earnings	\$15,287	\$4,468
% of Workers Employed in Related Occupations	NA	48.7
Number of Alaska Wage and Salary Employed	314	270

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The Adult Program deals with individuals entering the workforce for the first time or after an extended period away from work.

WIA TITLE IB DISLOCATED WORKER PROGRAM

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	219	219
% w/Alaska Wage and Salary Employment	80.8	74.4
Median Total Earnings	\$24,289	\$10,820
% of Workers Employed in Related Occupations	NA	71.1
Number of Alaska Wage and Salary Employed	177	163

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The Dislocated Worker Program returns skilled workers to jobs. The related occupations indicator is at an acceptable level given that participants have experience and are supplementing it with training.

Where We Work STATE TRAINING AND EMPLOYMENT PROGRAM

Training Program Performance Indicators For Participants Exiting in 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	1,423	1,423
% w/Alaska Wage and Salary Employment	92.1	83.5
Median Total Earnings	\$27,024	\$11,367
% of Workers Employed in Related Occupations	NA	97.6
Number of Alaska Wage and Salary Employed	1,310	1,188

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

STEP is Alaska's only state-funded training program. It is one of the highest performing programs serving those who contributed to unemployment insurance.

DENALI TRAINING FUND

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	619	619
% w/Alaska Wage and Salary Employment	91.0	80.8
Median Total Earnings	\$14,927	\$5,869
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	563	500

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Data indicate that many of the training participants in rural Alaska entered the workforce and increased their wages substantially over a one-year period.

TRADE ADJUSTMENT ASSISTANCE PROGRAM

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	61	61
% w/Alaska Wage and Salary Employment	59.0	55.7
Median Total Earnings	\$29,694	\$23,261
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	36	34

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The TAA program participants had the highest median wage for the one-year period after exit. The program is operated by the Employment Security Division.

Where We Work CARL PERKINS VOCATIONAL PROGRAMS - Secondary

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	2,987	2,987
% w/Alaska Wage and Salary Employment	80.6	64.6
Median Total Earnings	\$4,890	\$1,653
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	2,407	1,931

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The Carl Perkins vocational programs are based on the principle that young people are much more likely to move to the labor force if they have marketable skills.

CARL PERKINS VOCATIONAL PROGRAMS - Postsecondary

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	4,828	4,828
% w/Alaska Wage and Salary Employment	77.4	68.4
Median Total Earnings	\$17,280	\$6,744
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	3,738	3,301

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Like the Carl Perkins Secondary program, the students who complete vocational training are much more likely to find employment.

ADULT BASIC EDUCATION

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	1,434	1,434
% w/Alaska Wage and Salary Employment	72.0	61.2
Median Total Earnings	\$7,977	\$3,654
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	1,032	877

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

In FY 02 more than 28% of ABE participants were enrolled in another training program. The program is operated by the Employment Security Division.

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	160	160
% w/Alaska Wage and Salary Employment	88.8	78.8
Median Total Earnings	\$28,536	\$8,792
% of Workers Employed in Related Occupations	NA	88.1
Number of Alaska Wage and Salary Employed	142	126

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Within one year of completing training, in Kotzebue, over 88% of graduates entered work in an occupation related to their training.

ALASKA VOCATIONAL TECHNICAL CENTER

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	1,212	1,212
% w/Alaska Wage and Salary Employment	81.4	71.4
Median Total Earnings	\$23,771	\$12,755
% of Workers Employed in Related Occupations	NA	95.7
Number of Alaska Wage and Salary Employed	987	865

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

As a statewide vocational training center, AVTEC was highly successful in assisting graduates to obtain jobs related to their training.

UNIVERSITY OF ALASKA VOCATIONAL EDUCATION PROGRAM

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	5,601	5,601
% w/Alaska Wage and Salary Employment	73.7	64.6
Median Total Earnings	\$18,628	\$8,940
% of Workers Employed in Related Occupations	NA	83.7
Number of Alaska Wage and Salary Employed	4,130	3,617

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Participants attending the university receive technical training that helps them become competitive in their fields.

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	765	765
% w/Alaska Wage and Salary Employment	79.1	66.1
Median Total Earnings	\$7,483	\$2,892
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	605	506
<i>Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.</i>		

Work Search is a program related to Public Assistance that has a *work first* tenet providing training only when other strategies have not worked.

ALASKA WORKFORCE INVESTMENT BOARD EVALUATION

Alaska's employment and training programs remain strong and well suited to the state of the economy. Areas for improvement were identified in FY 03 based upon performance results from FY 02. Better performance from several of the training programs is expected in FY 04. Overall, the trend for the training programs is positive. They appear to be meeting the needs of business and industry by training participants for high-demand occupations in the labor market.

It is important to monitor annual income performance. Declining wages may be a sign of economic concerns beyond the skill of Alaska's workforce.

The AWIB finds Alaska's workforce development programs meet or exceed statutory performance standards. An area to monitor for improvement is the ratio of training to employment, which is expected to increase. Only two programs fell below the FY 02 measure. Six programs did not measure the ratio of training to employment in related occupations. This ratio was significantly low for the youth program. The youth program represents a training program with different goals for different ages of youth, where many of the participants are too young to train for specific occupations.

The State Training and Employment Program (STEP) consistently performs at a level higher than most other training programs, despite being considered a pilot program for nearly sixteen years.

The board wants to ensure that the state receives the maximum benefit for its investment in employment and training programs. To this end a Return On Investment ratio should be developed for the training programs to aid in evaluation. The AWIB continues to advocate for adequate resources for job-training programs.

Alaska's training programs respond to employer needs. Areas for improvement have been identified and strategies developed. The Governor has made a strong commitment to develop Alaska's workforce using the state's training programs.

Fiscal Year 03 was a year of transition and change.

With the election of a new administration under Governor Frank Murkowski, the board saw an elevated commitment to economic and workforce development. In his first few weeks in office Governor Murkowski revitalized the workforce system when he demanded that the state reduce administrative overhead, get better at investing workforce development resources, and start performing at the level expected of the system. The board was called upon to play a leadership role in designing a new system, pulling stakeholders together, and realigning the local areas. The board also pursued important issues around vocational development and the quality of training.

Early in the fiscal year the board settled a long-standing discussion on the role of skill standards in Alaska's workforce system by setting timelines for adoption and enforcement of nationally recognized, industry-based skill standards. The standards were intended to improve the quality of vocational training in Alaska and in turn attract new business and industry. Second, the board accepted the Vocational Training Education Providers Group (VTEP) as an ad hoc subcommittee of the Workforce Readiness Committee. The VTEP identified service gaps and developed strategies to meet the needs. This group of training providers support nationally recognized, industry-based skill standards.

In November of 2002 the board passed a resolution directing an ambitious statewide activities plan calling for development of a certificate of Youth Employability Skills, creating a workforce information Clearinghouse, analyzing the status of youth services, and updating the 1997 report on vocational education in Alaska.

The full redesign and development of the administration of the workforce system was the most significant change in Fiscal Year 03. With the Governor's issuance of Administrative Order 210 the board dissolved two local area boards collapsing their responsibilities into a single statewide board. This resulted in a streamlined and simple system that business and industry could more easily access. The effort also modified the State Unified Plan and implemented a statewide planning area in FY 04.

**Performance measure data, including retention of jobs and wage gains, is derived from Unemployment Insurance records. Compiling the data takes up to five quarters after exiting training. This is why federal performance data lags behind other state or fiscal reporting.*

Workforce development programs have different measures. However, each program is evaluated according to five performance standards defined in statute. Several of the programs can provide preliminary data on their performance prior to the required reporting period.* Examples of programs with measures, other than those defined in state statute, are the Workforce Investment Act programs.

The Workforce Investment Act of 1998 (WIA) targeted nine key areas of program performance. Under WIA, four basic programs of service delivery are measured: Adult Program, Dislocated Worker Program, Older Youth Program and Younger Youth Program. The Adult, Dislocated Worker and Older Youth programs share four performance measures. These measures are Entered Employment Rate, Six Month Retention Rate, Six Month Earnings Change Rate, and the Employment and Credential Rate. The Younger Youth program has three measures: Skill Attainment Rate, Diplomas or Equivalent Rate and, Retention Rate. Finally, two customer satisfaction rates are measured for participants and employers. The participant satisfaction rate is an aggregate of participants from all four programs. These measures track overall WIA performance as well as individual performance. Alaska has collected this information for three years now. What follows is a brief analysis of each program.

WIA Older Youth Program, Ages 19-21

The older youth program has experienced the most difficulty with performance since the start of the program in FY 00. The program has been plagued with poor participant enrollment and poor credential attainment. Further, outcomes for entered employment and earnings change have been declining.

In FY 03 USDOL implemented a corrective action plan with Alaska to improve performance and halt the downward trend. This effort resulted in performance improvements. In FY 03 Alaska's performance in the Older Youth program was acceptable. None of the negotiated performance measures were exceeded. Nonetheless, for the first time Alaska exceeded the minimally acceptable threshold for the Employment and Credential Attainment Rate.

WIA Younger Youth Program, Ages 14-18

In contrast to the Older Youth Program, the performance in the Younger Youth program is generally acceptable. The program has over 1,100 participants and exceeded two out of three performance measures. Those measures reveal a trend of steady improvement.

Placement and retention are areas where the program is meeting acceptable performance but could be improved. Several issues may contribute to this including: lack of timely data entry, lack of clarity on the definitions of placement and retention, and a greater emphasis on the other two measures at the expense of the third. The program administrator is encouraged to maintain performance while determining the cause for the low performance in placement and retention as well as and to conduct additional analysis and develop strategies for improvement.

WIA Adult Program

The adult program primarily serves low-income individuals who experience barriers to employment such as childcare, transportation, training, and criminal convictions. The performance of the Adult program indicates the program is successful and exceeding all of the measures. The Adult program had over 500 new enrollments in FY 03 and exited 241 individuals. The total number of participants served was over 1,700. With such a high number of new registrations and a low number of participants exiting the program, it is important to determine how services will be provided if funding is reduced.

This valuable program has been the cornerstone of job-training programs for many years. It is successful and is providing a wide range of assistance to its participants. However, with declining funds it is important to more closely manage the rate at which clients are served, the rate at which they exit the program, and enter employment.

WIA Dislocated Worker Program

The primary objective of the dislocated worker program is to return workers who were laid-off, through no fault of their own, back to work. Performance measures indicate the program is successful yet the number of participants reported as having entered employment is only 188 out of 241 people who exited the program. According to the data, more than 1,200 individuals are actively being served. The new enrollments for FY 03 are just over 400. With high new enrollments and low exit rates, it appears that participants are spending more time enrolled in this program.

This program has significantly more resources than other WIA job-training programs. It appears that resources are not fully utilized since large amounts of funding are carried over from one year to the next. Given the increase in participants, the low numbers actually entering employment, and significant unspent funds, it would be appropriate to analyze the service delivery structure to improve program efficiencies and address possible issues with decisions to exit and enroll participants. Nonetheless, for those served, this is a successful program and has the capacity to meet the needs of other dislocated workers.

Denali Training Fund

As a short-term intensive training program, the Denali Training Fund has had a positive impact on the skills of workers in rural Alaska. In FY 03 the Denali Training Fund provided targeted training to 607 trainees in the construction and related industries. This program is significant because it does not fit the standard measurements of success. People in Denali Training Fund projects are looking for short-term training associated with the

Other Training Programs

construction, maintenance, and operations of public infrastructure in rural Alaska. The program has over an 85% placement rate in jobs, many of which are short-term or seasonal. The value in the Denali Training Fund is the way that it expands the skill base of rural Alaskans. This means when construction projects are proposed for rural Alaskan communities the residents will have the skills to accept jobs associated with the projects. In conjunction with the Denali Commission Training Subcommittee, the program administrator should seek out ways to promote training that leads to longer-term employment for participants.

Trade Adjustment Assistance

Trade Adjustment Assistance (TAA) is available to workers who lose their jobs or whose hours of work and wages are reduced as a result of increased imports from or a shift in production to another country. TAA includes a variety of benefits and reemployment services to help unemployed workers prepare for and obtain suitable employment. Benefits include job search and relocation allowances, training benefits, wage replacement for approved workers over 50 and a health care tax credit for continuing health insurance coverage after separation from the affected employment.

The recent decline in the salmon industry due to increased foreign imports has allowed many affected workers to enroll in TAA. This program will be effective in meeting their needs for reemployment in Alaska's workforce.

State Training and Employment Program

The State Training and Employment Program (STEP), established in 1989, is intended to provide job-training opportunities for Alaska residents who need these services in order to work and do not have access to other federally funded training programs. Since inception, STEP has provided training opportunities for 16,284 Alaskans. An additional 1,658 residents are slated to receive training before June 30, 2004, either through a customized training grant or a Job Center. A total of 17,942 people who would not otherwise have received services are served by STEP.

STEP is one of the highest performers in the mix of job training programs within the workforce development system. STEP helped people increase wages, remain employed or become employed. The annual performance report provided by the Department of Labor and Workforce Development Research and Analysis Section clearly demonstrates the consistent success of this program.

An important ingredient for the program's success is a self-generating funding mechanism. A very small set aside from Unemployment Insurance tax contributions provides 100% of program revenue. No program revenue comes from the state's general fund. Federal funding and national priorities do not affect the amount of revenue available or priorities for this program.

The programs most valuable characteristic is its flexibility. STEP allows for responsiveness to the unique needs of the Alaskan workplace. Eligibility for STEP is simple. One must (a) want to work, (b) be a resident and intend to stay in Alaska, (c) have worked in a job covered by Unemployment Insurance, (d) have a real job opportunity upon the completion of training, and finally (e) not have access to federal funds. STEP participants are screened for federal program services before they are registered in a STEP funded training program.

An example of how the flexibility built into the STEP program serves Alaskans is a current project that partners with the Nuniwarmiut Reindeer and Seafood Products manufacturing plant. This plant is located in the City of Mekoryuk, which sits on the north shore of Nunivak Island surrounded by the Bering Sea. In Mekoryuk, unemployment exceeds 46%; the per capita income is \$11,957 and 23% of the population lives below the poverty level.

The Nuniwarmiut Reindeer and Seafood Products plant recently expanded its harvesting capacity to include the processing of value-added retail food products. STEP funds were used to provide the training required to work in the new plant. Thirteen Mekoryuk residents learned how to make, package and sell the finished

State Training and Employment Program

products. They also learned how to safely use the industrial equipment in the plant's new commercial kitchen. Eleven of the thirteen trainees have newly created jobs directly resulting from this \$60,000 STEP investment.

Recent changes to the workforce development system, specifically the consolidation of the local service delivery areas, enable STEP to provide more job training opportunities than ever before. Streamlining brought a dramatic increase in the amount of funds allocated for direct training.

The table below demonstrates that even though the overall STEP fund decreased 12% in the current year, the allocation for training increased 68%.

STEP Analysis	2003	2004	Increase/Decrease in \$	By %
Total Fund	\$5,256,800	\$4,634,100	\$(622,700)	-12%
Training	\$2,260,447	\$3,792,751	\$1,532,304	+68%

The opportunity to apply for grants has more than doubled since implementation of the Division of Business Partnership's New Workforce Investment Strategy that offers a single application for multiple funding streams. Current grants exceed the total volume of grants last year as shown in the table below with no grants duplicated.

STEP Training Grants	July 1 – June 30, 2003	Current Year	July 1 – June 30, 2004
MOA/Mat-Su	7	Grants Renewed	10
Balance of State	19	Investment Strategy	18
Duplicates	4	Duplicates	0
Total Non-Duplicated	22	Total Non-Duplicated	28

This has broadened the STEP applicant pool by more than 100% resulting in an expanded variety of training options. In the second grant cycle in the winter of 2004, 16 applicants out of 24 had not previously applied for STEP grants until now.

State Training and Employment Program

The table below shows the percentage of grants funded according to industry categories at the beginning of the year compared to the distribution of grants and shows the increased variety of training options. STEP is, by statute, aligned directly to the priority industries defined by the Alaska Workforce Investment Board.

Grant Distribution by Industry	July 1, 2004	Currently
<i>Construction</i>	61%	47%
<i>Transportation</i>	0	6%
<i>Information Technology</i>	14%	11%
<i>Health Care</i>	0	4%
<i>Education</i>	13%	18%
<i>Seafood</i>	6%	6%
<i>Hospitality</i>	0	5%
<i>Occupations in Demand</i>	6%	3%
<i>total</i>	100%	100%

Grantees receive ongoing technical assistance, formal training, and participate in at least one forum per year. The forums address grantee issues. An electronic newsletter, STEP Update, is distributed to grantees to shine a light on particularly outstanding programs or individual success stories.

In the Job Centers, actions have been taken to build awareness of program requirements including on site staff training, the distribution of written and electronic learning tools, and a monthly teleconference. These efforts are designed to address issues that come up and provide technical assistance for staff providing individual services.

Community outreach is an important part of the effort to increase program awareness. Staff participate in professional conferences and outreach efforts, such as serving on a panel, or providing written information and/or slide presentations whenever possible.

The integration of STEP grants and Job Center services will bring consistency to the program. Individual applications and monthly reporting requirements are now standardized. Program data is interpreted and entered into the system according to the same rules across the state. Consistency will insure the accountability needed to continue the success of this program for Alaskan workers who have no other options.

Alaska's vocational training programs are highly effective at meeting the needs of their students while keeping pace with the needs of business and industry. The Alaska Vocational Technical Center (AVTEC) in Seward reports that 96% of their graduates are employed in a training-related occupation. In response to the priority on the healthcare industry by the board, AVTEC partnered with a non-profit business and state agency to begin Certified Nurse Assistant and Licensed Practical Nursing programs. The University of Alaska (UA) is offering training in 65 different vocational disciplines in areas such as healthcare, process technology and information technology.

The university programs are successful at getting people ready for jobs in high demand areas. The university had nearly 100% of its successful dental assistants, dental hygienists, and community health aides, return for continued education.

Other programs are training students in rural Alaska for jobs in demand. The Carl Perkins programs are expanding the performance of secondary and post-secondary training facilities in response to such trends as national skill standards. The Adult Basic Education programs are responding to the need for basic skills before vocational training. Participants in these programs are successful and often go on to find employment related to their training.

The workforce development and vocational programs form the backbone of Alaska's job-training system. The training program performance demonstrates that they meet the goals of the board and the state. The vocational programs are responsive to student and industry needs. Alaska's overall job-training and workforce development system has several opportunities for improvement. Program administrators have developed strategies to improve these programs. Performance and accountability continuously improves as these programs evolve.

University of Alaska Vocational Education Programs

There were 16,600 students enrolled in one or more vocational education courses at UA in FY 03. Of those 16,600 students, 5,600 have not re-enrolled in vocational education programs and are considered "exiters". The post-training performance of these exiters, as measured by Alaska wage and salary employment, is very favorable. A majority took just a single course, while others were enrolled in a full-length degree or certificate program. UA, through its 15 campuses around the state, offers 2000 vocational education courses and nearly 200 different programs covering 65 different vocational disciplines. In addition, UA campuses offer a significant number of programs that meet established state and national industry skills standards for certification.

Recent growth in UA vocational education programs has focused on nursing, allied health areas, process technology, information technology and specific regional needs such as marine welding at the Ketchikan campus. Increasing and sustaining program capacity in these areas was made possible through industry partnerships, legislative appropriation, and distribution of the Technical Vocational Education Program (TVEP) funding. Business partnerships with the health care providers and the Alaska Process Industry Careers Consortium, are two examples.

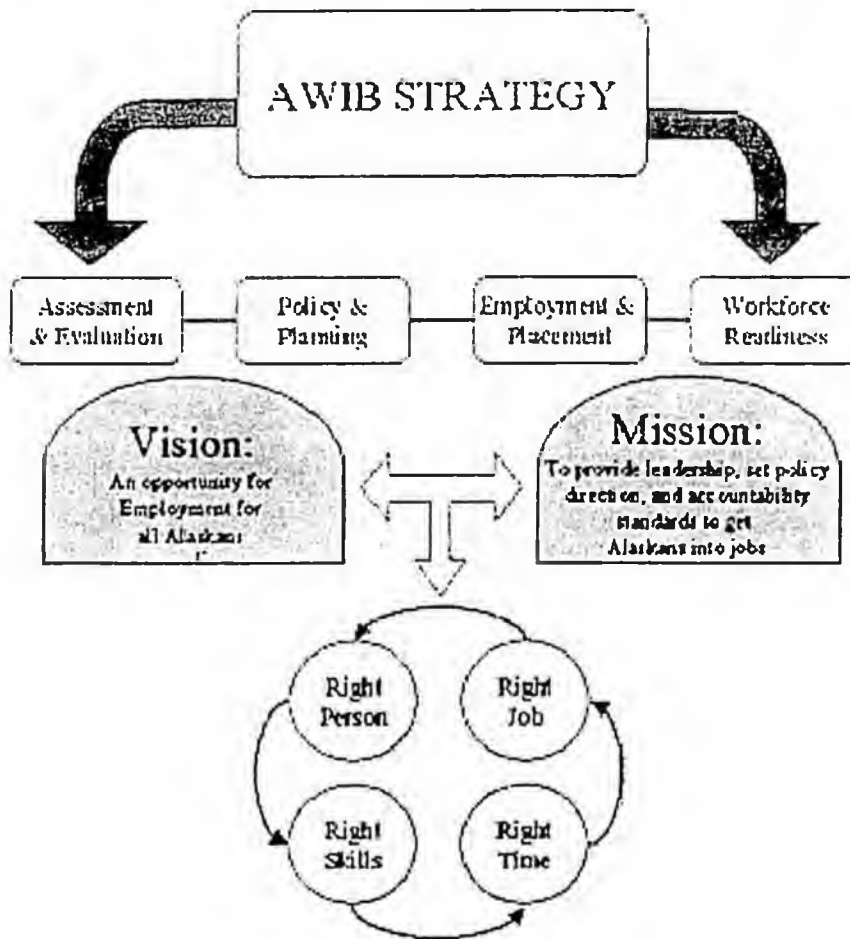
After UA training, vocational students increased their wages by an average of 17%. This increase applies to all students exiting from UA vocational training. It includes those who have only taken one vocational education class to learn a skill, advance their career, or even out of curiosity as well as those who obtained a certificate or degree. Those students who completed a full vocational degree or certificate program demonstrated an average 70% increase from pre-training wages.

Overall, 74% of UA vocationally trained students are employed and earned \$94 million in the year after training. Post-training employment of UA students is much higher in some of the board high priority occupations such as dental assistant (100%), dental hygienist (100%), community health aide (95%), process technology operator (85%), and nurse (80%). For areas such as information technology (58% employment) and aviation technology (54% employment), it is important to consider UA's mission in providing life long learning. Many training participants improve their knowledge and skills to better participate in an advancing society, or in small businesses not included in these employment statistics.

Regarding customer satisfaction, the University of Alaska is the only open admissions service provider of training. It is also unique in providing training to a broad cross section of students in all regions of the state.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Workforce development is everyone's business.



The Alaska Workforce Investment Board made a critical decision this year that is driving its strategic planning and thinking for the future of the workforce. Alaska needs to provide real opportunities for employment for all Alaskans. This means getting the RIGHT person for the job with the RIGHT skills. It means helping Alaskans land the RIGHT job at the RIGHT time.

If this is going to happen then the board needs to provide leadership and guidance, hold people and programs accountable and point them in the right direction.

Board Strategies

Thinking strategically means looking forward and seeing the opportunities and stumbling blocks. The board has seen the future and it lies in connecting people with good jobs. Some of the key strategies the board will use to navigate the future include:

- Focusing training resources on industry gaps;
- Increasing local business involvement in identifying local needs;
- Coordinate economic and workforce development through regional councils;
- Create a clearinghouse of workforce information;
- Develop strong partnerships with rural and native communities and;
- Improve workforce system performance.

Responding to Alaska's Employment Trends

Already the Alaska Workforce Investment Board has changed the system for better. Implementation of the *New Workforce Investment Strategy* has increased the amount of grant funds at work in the workforce development system. In the first half of this year over \$700,000 was awarded in grants creating job-training opportunities for 326 residents. The process continues in quarterly grant cycles.

Governor Murkowski challenged business and industry throughout Alaska to make a serious commitment to hiring Alaskans in "good" paying jobs. In just a few months, over twenty major employers signed a pledge committing to a goal of 90% or higher resident hire. By targeting our training funds on the industries most in need of skilled workers we are helping these employers live up to their commitment.

Within the last weeks of 2003, the Division of Business Partnerships was awarded a National Emergency Grant to help individuals affected by the salmon industry decline make the difficult transition to new jobs. Alaska's ten-year long salmon fishery decline created an economic disaster for those working in the industry. This grant will help more than 400 workers with job training opportunities and other assistance to help them land on their feet as contributing members of Alaska's economy.

INDUSTRY FOCUS

A critical component of the board workforce development strategy is targeting priority industries for investment with workforce development resources. With help from the Alaska Department of Labor and Workforce Development, Division of Administrative Services, Research and Analysis Section and input from industry consortia, the board identifies and targets industries for workforce development through training.

In 2003 the industries were organized in three categories. Category one represents the high demand critical industries that are at a crisis with their workforce. Category two represents industries with high growth potential and good jobs. Category three represents industries identified by the administration that have a high demand for workers based on the levels of non-residency.

Healthcare is the top priority industry. In the first quarter of this year the Division of Business Partnerships awarded over \$160,000 in grants targeted toward the healthcare industry. The

training programs focused on nursing and nurses' aides as well as information technology in healthcare.

The second category includes construction, information technology and transportation. All are growth industries in Alaska and all represent occupations with good paying jobs.

The third category includes seafood, education, and the hospitality industry. The decline in the salmon industry requires more effort to train Alaskans working in the industry. The need for skilled teachers and others associated with education is reflected in rural schools. Tourism or hospitality is a growth industry with a great potential to provide seasonal jobs to those who might otherwise have no job at all.

In 2004, the board reiterated these industry priorities for another year, while adding a fourth category, resource development—specifically mining, oil, and gas. This sector represents high economic growth potential and offers Alaskan some of the best jobs in the state.

Consortia

Many of the industries represented on this list is supported by coalitions of business, public and non-profit organizations dedicated to the advancement of workforce in their industry. The consortia provide leadership on workforce development issues and are advocates for training better skilled workers. The consortia include:

- ❖ Alaska State Hospital and Nursing Home Association
- ❖ Alaska Process Industry Careers Consortium
- ❖ Alaska Hospitality Alliance
- ❖ Transportation Consortium
- ❖ Information Technology Careers Consortium
- ❖ Construction Industry Consortium

REGIONAL FOCUS

FY 04 is the first year with a single board providing advice and guidance to Alaska's workforce system. A critical component necessary for effective guidance is communication from the regional level up to the Alaska Workforce Investment Board. The state board hopes to engage new regional councils in meaningful dialogue about the development of the regions. An important lesson learned in past years is that economic and workforce development must be considered together. Thus the board is looking for entities and organizations that can examine both aspects of Alaska's future and offer effective counsel to the board. The regional councils will share information, review local outcomes

and help set the priorities within the regions.

What is a workforce regional council?

Regional Councils are important in defining local needs when it comes to economic and workforce development. They can originate from a variety of different organizations or a consortium of entities. Economic development councils might make good regional councils. Associations of business and industry in the local area could fill the need. Even a combination of business, industry, economic development, local government and native representation might be appropriate for a particular region. The salient point is that regional councils must represent and speak for the region. Without that authority and validity it is not likely that the full range of a region's needs will be adequately represented. The board has developed guidelines and procedures for creating regional councils. Local officials and leadership are encouraged to contact the board for additional information.

HB

559

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 5/5/04

FURTHER:

DATE TURNED
IN TO OFFICE:

REPORTED OUT

MAY 07 2004

SENATE FINANCE
COMMITTEE

5 07 04

Finance Committee considered HOUSE BILL NO. 559 am

HB 559 STEP PROGRAM CONTINUANCE

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

and recommends:

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

Senate Bill:
 Same Title
 New Title

House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero.	FN#

PREVIOUS FISCAL NOTE(S):

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

APPROPRIATION - no fiscal note

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

FISCAL NOTE

REPORTED OUT

MAY 07 2004

SENATE FINANCE
COMMITTEE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

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

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

Expenditures/Revenues (Thousands of Dollars)

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

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

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

FUND SOURCE	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See Attached Analysis.

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

FISCAL NOTE #1

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL VERSION: HB 559

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

REPRESENTATIVE
BILL WILLIAMS

Co-Chair

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Fax: (907) 465-3793

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Co-Chair

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INTERIM ADDRESS

State Capitol, Room 507

Juneau, AK 99801-1182

SPONSOR STATEMENT

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

House Bill 559 reauthorizes the State Training and Employment Program (STEP), which was established by the Legislature in 1989, through June 30, 2008. In 2002, the legislature reauthorized the program for an additional two years. STEP will sunset on June 30, 2004, without further action. STEP uses a small part of the employee Unemployment Insurance tax to fund training for Alaskan workers. The Alaska Department of Labor and Workforce Development collects STEP revenues and administers the program with partner agencies and vendors. The Alaska Workforce Investment Board is responsible for oversight and direction.

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

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

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

SENATE COMMITTEE REPORT

DATE: 5/2/04

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 5/4/04

Labor and Commerce Committee considered HOUSE BILL NO. 559 am

HB 559 STEP PROGRAM CONTINUANCE

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

and recommends:

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

Senate Bill:

- Same Title
- New Title

House Bill:

- Same Title
- Technical Title Change
- New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

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

APPROPRIATION - no fiscal note

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

Seckins
Davis
French
G. Stevens

Bunde

HB

561

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 29, 2004

FURTHER REFERRALS:

Date of Committee Action: 5-4-04

The FINANCE Committee considered:

HB 561

HOUSE BILL NO. 561

G.O. BONDS FOR TRANSPORTATION PROJECTS

"An Act providing for and relating to the issuance of general obligation bonds in a principal amount of not more than \$1,000,000 for the purpose of paying the cost of state transportation projects; and providing for an effective date."

Recommends it be replaced with HCS or CS for HB 561 (FIN)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

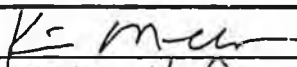


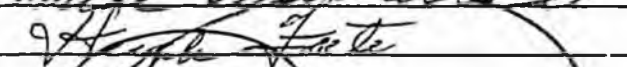

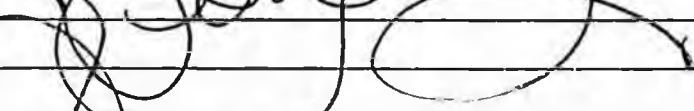

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

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
REV		✓		

<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
	Meyer	X			
	Hard	X			
	Starn			X	
	Chermant	X			
	Foster	✓			
	FOSTER	X			
Chair: 	Williams	X			

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 561
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title G.O. Bonds for Transportation RDU Revenue Programs & Services
Projects Component Treasury Management
 Sponsor House Finance
 Requester House Finance Component No. 121

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	0.0	0.0	0.0	0.0	0.0	0.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service	5.0	72.0	72.0	72.0	72.0	72.0
TOTAL OPERATING	5.0	72.0	72.0	72.0	72.0	72.0

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

FUND SOURCE	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	72.0	72.0	72.0	72.0	72.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
GO Bond Proceeds	5.0					
TOTAL	5.0	72.0	72.0	72.0	72.0	72.0

Estimate of any current year (FY2004) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Position Type	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Authorizes the issuance of \$1 million in general obligation bonds to pay for state transportation projects.

If the bill is passed by the legislature the proposal would be included on the ballot for voter authorization in the fall of 2004. Assuming voter approval the entire authorization of bonds would be issued in the spring of 2005. However, the State Bond Committee would determine the actual timing, amount, and term of the bond sales based on project demand, market conditions and the state fiscal outlook. HB561 provides that \$5.0 will be appropriated from the general fund of the state to pay the costs of issuing the bonds including rating agency, printing, public notice, travel, financial advisor, and bond counsel fees. Therefore that amount is shown in this fiscal note. Fiscal notes for GO bonds typically

Prepared by: Tom Boutin, Deputy Commissioner Phone 465-3750
 Division Treasury Division Date/Time 4/29/04, 5 PM
 Approved by: Steve Porter, Deputy Commissioner Date 4/29/2004
 Agency Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. _____

ANALYSIS CONTINUATION

provide for issuance costs of 2% of the amount of bonds to be issued. Issuance costs can be significantly less than that percentage depending on the amount issued. However, GO bond issuance does have fixed costs such as the costs of purchasing ratings from 3 rating agencies and the cost of the Internet service that provides the auction.

This fiscal note assumes level debt service, a 20-year final maturity, and a true interest cost of 3.75%. Interest rates will change between the date of this fiscal note and any date that bonds might be issued. In order to illustrate sensitivity to interest rates; if the true interest cost increased to 4.00%, the annual debt service would increase to \$73.6 from the \$72.0 shown.

These bonds would be sold on a competitive basis with the bonds being awarded to the bidder offering the lowest true interest cost. The bidder would be given the option of purchasing bond insurance.

The interest rates in this fiscal note require the maintenance of the State's credit ratings through this additional bonds issuance, a possible but perhaps unlikely scenario absent a demonstrable additional revenue source in place prior to issuance. The State is currently on negative outlook from Moody's Investors Service. Standard and Poor's and Fitch Services have indicated mid-term concern related to the disparity between ongoing recurring revenues and expenditures, and the continuing and projected depletion of the State's short term reserves. If no steps had been taken to balance recurring revenues with expenditures by the time these bonds were issued, it is likely that the cost of capital would increase for all issuers of Alaska public debt when the state credit ratings were downgraded by at least one of the agencies.

Adopted

5/4/04

HB 561 - Project Detail	Cost
Federal Earmark Match for State Highway System Projects	\$15,000,000
Anchorage - Abbott Loop Road Upgrade (68th Avenue to Abbott Road)	\$15,000,000
Anchorage - Lake Otis and Tudor Intersection Improvements	\$8,500,000
Anchorage - Jewel Lake Road and Strawberry Road Signalization	\$1,100,000
Chugiak Birchwood Eagle River Rural Road Service Area - Road and Drainage Rehabilitation	\$700,000
Glenn Highway Lighting - Artillery Road Overpass - South Birchwood	\$330,000
Mat-Su - Bogard Road Extension East	\$6,600,000
Mat-Su - Trunk Road Hospital Access	\$1,000,000
Kenai - Sterling Hwy Kasilof River Safety Area Improvements	\$4,000,000
Kenai - Kenai Borough Road Improvements	\$2,000,000
Kenai - City of Kenai Road Improvements	\$1,000,000
Fairbanks - Steese Corridor Safety and Capacity Improvements	\$7,500,000
Fairbanks - Cowles Road Upgrade	\$1,200,000
Sitka - Old Thomsen Harbor renovation	\$2,500,000
Juneau - Areawide Transportation Improvements	\$2,300,000
Ketchikan - Thomas Basin Harbor, Ryus Float, Bar Harbor North, Hole-in-the-Wall Harbor, Kundson Cove Harbor renovations	\$2,650,000
Ketchikan Gateway Borough - Road and Pedestrian Improvements	\$500,000
City of Ketchikan - Road and Pedestrian Improvements	\$500,000
Kodiak Island Borough - Airport Terminal Acquisition and Renovation	\$1,000,000
Port Lions - Public Dock Replacement	\$500,000
Nome - City Streets Improvements	\$1,650,000
Kotzebue and Noatak - Road and Facility Maintenance and equipment	\$1,400,000
Petersburg - Middle Harbor Renovation	\$1,200,000
Wrangell - Heritage Harbor Renovation	\$1,400,000
Valdez - Harbor Deferred Maintenance	\$1,000,000
Homer - Deep Water Dock Corrosion	\$450,000
Chignik - Public Dock Project	\$1,000,000
Adak - Small Boat Harbor Expansion	\$3,000,000
Whittier - Harbor Renovation	\$1,500,000
Donlin Creek - Crooked Creek/Donlin Creek Access Road	\$2,000,000
Statewide Harbor Deferred Maintenance	\$4,800,000
Totals	\$93,280,000

adopted 5/4/04
 Amendment # / Replaced

HB 561 - Project Detail	Cost
Federal Earmark Match	\$15,000,000
Anchorage - Abbott Loop Road Upgrade (68th Avenue to Abbott Road)	\$15,000,000
Anchorage - Lake Otis and Tudor Intersection Improvements	\$8,500,000
Chugiak Birchwood Eagle River Road Service Area - Road and Drainage Rehabilitation	\$700,000
Glenn Highway Lighting - Arterial Road Overpass - South Birchwood	\$330,000
Mat-Su - Bogard Road Extension East	\$6,600,000
Mat-Su - Trunk Road Hospital Access	\$1,000,000
	\$4,000,000
Kenai - Sterling Hwy Kasilof River Safety Area Improvements	
Kenai - Kenai Borough Road Improvements	\$2,000,000
Kenai - City of Kenai Road Improvements	\$1,000,000
Fairbanks - Steese Corridor Safety and Capacity Improvements	\$7,500,000
Fairbanks - Cowles Road Upgrade	\$1,200,000
Sitka - Old Thomsen Harbor renovation	\$2,500,000
Juneau - Areawide Transportation Improvements	\$2,300,000
Ketchikan - Thomas Basin Harbor, Ryus Float, Bar Harbor North, Hole-in-the-Wall Harbor, Kundson Cove Harbor renovations	\$2,650,000
Ketchikan Gateway Borough - Road and Pedestrian Improvements	\$500,000
	\$500,000
City of Ketchikan - Road and Pedestrian Improvements	
Kodiak - Airport Terminal Renovation	\$1,000,000
Port Lions - Public Dock Replacement	\$500,000
Nome - City Streets Improvements	\$1,650,000
Kotzebue Areawide Road Maintenance	\$1,400,000
Petersburg - Middle Harbor Renovation	\$1,200,000
Wrangell - Heritage Harbor Renovation	\$1,400,000
Valdez - Harbor Deferred Maintenance	\$1,000,000
Homer - Deep Water Dock Corrison	\$450,000
Chignik - Public Dock Project	\$1,000,000
Adak - Small Boat Harbor Expansion	\$3,000,000
Skagway - Harbor Deferred Maintenance	\$1,300,000
Whittier - Harbor Renovation	\$1,500,000
Statewide Harbor Deferred Maintenance	\$3,500,000
Totals	\$90,180,000

23-LS1960\D
Cook
5/3/04

CS FOR HOUSE BILL NO. 561(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

*NOT
adopted*

A BILL

FOR AN ACT ENTITLED

1 "An Act providing for and relating to the issuance of general obligation bonds in a
2 principal amount of not more than \$86,850,000 for the purpose of paying the cost of
3 state transportation projects; and providing for an effective date."

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

5 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
6 to read:

7 **GENERAL OBLIGATION BONDS.** For the purpose of paying the cost of state
8 transportation projects, general obligation bonds of the state in the principal amount of not
9 more than \$86,850,000, if ratified by a majority of the qualified voters of the state who vote
10 on the question, shall be issued and sold. The full faith, credit, and resources of the state are
11 pledged to the payment of the principal of and interest and redemption premium, if any, on
12 the bonds. The bonds shall be issued under the provisions of AS 37.15 as those provisions
13 read at the time of issuance.

14 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 TRANSPORTATION PROJECT FUND. If the issuance of the bonds described in
3 sec. 1 of this Act is ratified by a majority of the qualified voters of the state who vote on the
4 question, a special fund of the state to be known as the "transportation project fund" shall be
5 established, to which shall be credited the proceeds of the sale of the bonds described in sec. 1
6 of this Act except for the accrued interest and premiums.

7 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 TRANSPORTATION PROJECT ALLOCATION. The amount of \$86,850,000 is
10 appropriated from the transportation project fund to the Department of Transportation and
11 Public Facilities to be allocated among the following transportation projects in the amounts
12 listed subject to reallocation between projects in accordance with AS 37.07.080(e).

13	PROJECT	ALLOCATION
14	Federal earmark match	\$15,000,000
15	Anchorage - Abbott Loop Road upgrade (68th Avenue	15,000,000
16	to Abbott Road)	
17	Anchorage - Lake Otis and Tudor intersection	8,500,000
18	improvements	
19	Eagle River/Chugiak - road and drainage	700,000
20	rehabilitation	
21	Matanuska - Susitna - Bogard Road extension East	6,600,000
22	Matanuska - Susitna - Trunk Road hospital access	1,000,000
23	Kenai - Sterling Highway Kasilof River safety area	4,000,000
24	improvements	
25	Kenai - road improvements	3,000,000
26	Fairbanks - Steese Highway corridor safety and capacity	7,500,000
27	improvements	
28	Fairbanks - Cowles Road upgrade	1,200,000
29	itka - Old Thomsen Harbor renovation	2,500,000
30	uneau - second channel crossing	2,300,000
31	Ketchikan - Thomas Basin Harbor, Ryus float, Bar	2,650,000

1	Harbor North, Hole-in-the-Wall Harbor, Knudson Cove	
2	harbor renovations	
3	Ketchikan - road and pedestrian improvements	1,000,000
4	Kodiak - airport terminal renovation	1,000,000
5	Port Lions - public dock replacement	500,000
6	Nome - city streets improvements	1,650,000
7	Kotzebue - city streets improvements	1,400,000
8	Petersburg - Middle Harbor renovation	1,200,000
9	Wrangell - Heritage Harbor renovation	1,400,000
10	Valdez - harbor deferred maintenance	500,000
11	Homer - deep water dock corrison	450,000
12	Chignik - public dock project	1,000,000
13	Skagway - harbor deferred maintenance	1,300,000
14	Whittier - harbor renovation	2,000,000
15	Statewide harbor deferred maintenance transfers	3,500,000
16	Total	\$86,850,000

17 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 STATE BOND COMMITTEE. If the issuance of the bonds under sec. 1 of this Act is
20 ratified by a majority of the qualified voters of the state who vote on the question, the amount
21 of \$434,250 or as much of that amount as is found necessary is appropriated from the general
22 fund of the state to the state bond committee to carry out the provisions of this Act and to pay
23 expenses incident to the sale and issuance of the bonds authorized in sec. 1 of this Act. The
24 amounts expended from the appropriation authorized by this section shall be reimbursed to
25 the general fund from the proceeds of the sale of the bonds authorized by sec. 1 of this Act.

26 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to
27 read:

28 ADVANCE PLANNING. The amount withdrawn from the public facility planning
29 fund (AS 35.10.135) for the purpose of advance planning for the capital improvements
30 financed under sec. 3 of this Act shall be reimbursed to the fund from the proceeds of the sale
31 of bonds authorized by sec. 1 of this Act.

1 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 LAPSE; REDEMPTION; REIMBURSEMENT. The unexpended and unobligated
4 balance of the appropriation made in sec. 3 of this Act lapses under AS 37.25.020 and is
5 appropriated to the state bond committee to redeem bonds sold under sec. 1 of this Act. The
6 amounts expended from the general fund to pay the principal, interest and redemption
7 premium on bonds issued under sec. 1 of this Act shall be reimbursed to the general fund
8 from the appropriation made under this section to the extent that the money is not needed to
9 redeem the bonds.

10 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 BALLOT PROPOSITION. The question whether the bonds authorized in this Act are
13 to be issued shall be submitted to the qualified voters of the state at the next general election
14 and shall read substantially as follows:

15 PROPOSITION

16 State General Obligation State Transportation Project Bonds \$86,850,000

17 Total Bond Authorization \$86,850,000

18 Shall the State of Alaska issue general obligation bonds in the principal
19 amount of not more than \$86,850,000 for the purpose of paying the cost of
20 state transportation projects?

21 Bonds Yes []

22 Bonds No []

23 * Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

Adopted 5/4/04 Amendment #1

HB 561 - Project Detail	Cost
Federal Earmark Match	\$15,000,000
Anchorage - Abbott Loop Road Upgrade (68th Avenue to Abbott Road)	\$15,000,000
Anchorage - Lake Otis and Tudor Intersection Improvements	\$8,500,000
Chugiak Birchwood Eagle River Road Service Area - Road and Drainage Rehabilitation	\$700,000
Glenn Highway Lighting - Arterial Road Overpass - South Birchwood	\$330,000
Mat-Su - Bogard Road Extension East	\$6,600,000
Mat-Su - Trunk Road Hospital Access	\$1,000,000
	\$4,000,000
Kenai - Sterling Hwy Kasilof River Safety Area Improvements	
Kenai - Kenai Borough Road Improvements	\$2,000,000
Kenai - City of Kenai Road Improvements	\$1,000,000
Fairbanks - Steese Corridor Safety and Capacity Improvements	\$7,500,000
Fairbanks - Cowles Road Upgrade	\$1,200,000
Sitka - Old Thomsen Harbor renovation	\$2,500,000
Juneau - Areawide Transportation Improvements	\$2,300,000
Ketchikan - Thomas Basin Harbor, Ryus Float, Bar Harbor North, Hole-in-the-Wall Harbor, Kundson Cove Harbor renovations	\$2,650,000
Ketchikan Gateway Borough - Road and Pedestrian Improvements	\$500,000
	\$500,000
City of Ketchikan - Road and Pedestrian Improvements	
Kodiak - Airport Terminal Renovation	\$1,000,000
Port Lions - Public Dock Replacement	\$500,000
Nome - City Streets Improvements	\$1,650,000
Kotzebue Areawide Road Maintenance	\$1,400,000
Petersburg - Middle Harbor Renovation	\$1,200,000
Wrangell - Heritage Harbor Renovation	\$1,400,000
Valdez - Harbor Deferred Maintenance	\$1,000,000
Homer - Deep Water Dock Corrison	\$450,000
Chignik - Public Dock Project	\$1,000,000
Adak - Small Boat Harbor Expansion	\$3,000,000
Skagway - Harbor Deferred Maintenance	\$1,300,000
Whittier - Harbor Renovation	\$1,500,000
Statewide Harbor Deferred Maintenance	\$3,500,000
Totals	\$90,180,000

HB

561

SFIN

FILE

HB 561

was referred to the
Senate Finance
Committee

No hearing was held
on this bill

HB

562

HFIN

FILE

ALASKA STATE HOUSE OF REPRESENTATIVES

Representative Carl Morgan, Chair
409
Representative Kelly Wolf, Vice Chair
1182
Representative Tom Anderson
3882
Representative Ralph Samuels
4527
Representative Pete Kott
representative_carl_morgan@legis.state.ak.us
Representative Sharon Cissna
Representative Albert Kookesh



Alaska State Capital, Room
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HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS Representative Carl Morgan, Chair

INTERIOR RIVERS PORT AUTHORITY ACT

The Interior Rivers region of Alaska is one of the more economically depressed areas of our state, yet it is a region that also has tremendous potential. What has been missing is the regional transportation and energy infrastructure that would lead to self-sufficiency. Currently the region cannot carry the financial burden of establishing a municipal government. A regional port authority can provide the regional focus and development authority that local government normally provides, until the region is prosperous enough to justify formation of a sustainable local government structure.

The region contains mineral deposits that could provide local employment opportunities, similar to the Red Dog Mine, if sufficient transportation and energy infrastructure can be provided through tax-exempt bonding. The area could also benefit from the leverage of regional bulk fuel purchase agreements, electrical interties, and in the long run providing gas to the region through a spur line or barge system to deliver North Slope gas from an Alaskan gas pipeline.

The region also contains opportunities for developing river tourism experiences that could stimulate local employment and revenues. Development of tourism facilities and experiences along with coordinated marketing programs are necessary for this opportunity to be realized.

Regional landfill solutions can also provide cost efficient solutions to solid waste management and help resolve health issues associated with uncovered landfills.

The Interior Rivers Port Authority is structured to provide representation from the major land owning and economic development organizations in the region. The authority has the power to accept private, municipal, state and federal funds, to issue tax-exempt revenue bonds, to enter into land leases and acquisitions, and to contract for the provision of management services for authority facilities and operations.

The Interior Rivers Port Authority empowers the local people to determine their own development strategy and gives them the tools to implement it. Funding organizations will be more likely to provide funding because they will be able to see a coordinated program that has a strong likelihood of success with a minimum of duplication of services. They will view their contributions in the authority as investments in the self-sufficiency of the region.

Private sector business will also want to invest in the region because the authority will provide a source of stability and access to tax exempt bonding for necessary infrastructure.

23-LS1951\Q
Utermohle
5/6/04

CS FOR HOUSE BILL NO. 562()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY

Offered;
Referred:

Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to the establishment of the Interior Rivers Port Authority; and**
2 **providing for an effective date."**

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

4 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **FINDINGS AND PURPOSE.** (a) The Alaska State Legislature finds that

7 (1) certain communities and residents on the Yukon River, Kuskokwim River,
8 and Tanana River desire the establishment of a port authority to provide an organization for
9 economic development, transportation system infrastructure development, natural resource
10 marketing, and promotion of efficient energy development and distribution;

11 (2) since many of the communities in the region are not organized
12 municipalities, those communities cannot form a port authority under the Municipal Port
13 Authority Act (AS 29.35.600 - 29.35.730);

14 (3) it is in the best interest of the state to establish a state port authority for the

1 Interior Rivers region of the state to promote economic self-sufficiency in the region.

2 (b) The purpose of this Act is to establish the Interior Rivers Port Authority to provide
3 an organization that residents and communities in the region encompassing portions of the
4 Yukon, Kuskokwim, and Tanana Rivers may use to finance and manage transportation,
5 energy, and economic development infrastructure projects that will improve economic
6 conditions in the region and promote resource development and visitor industry opportunities
7 in the region.

8 * Sec. 2. AS 30 is amended by adding a new chapter to read:

9 **Chapter 21. Interior Rivers Port Authority.**

10 **Article 1. Creation and Organization.**

11 **Sec. 30.21.010. Interior Rivers Port Authority.** (a) The Interior Rivers Port
12 Authority is established as a public corporation of the state. The corporation is an
13 instrumentality of the state in the Department of Community and Economic
14 Development but has a legal existence independent of and separate from the state and
15 has continuing succession until its existence is terminated by law.

16 (b) The powers of the authority are vested in the board of directors of the
17 authority.

18 (c) The purpose of the authority is to improve, establish, and develop facilities
19 and operations to provide transportation, energy, regional waste disposal, and other
20 infrastructure services and economic development in the operating area of the
21 authority.

22 **Sec. 30.21.020. Board of directors.** (a) The board of directors of the
23 authority consists of eleven voting members.

24 (b) The governor shall appoint nine persons to serve on the board. The
25 governor shall solicit nominations for persons to be appointed to the board from
26 private persons and public and private entities, including: the Kuskokwim
27 Corporation, Calista Corporation, Kuskokwim Native Association, Tanana Chiefs
28 Conference, MTNT Limited, Doyon, Limited, and Gana-A'Yoo, Limited. Six of the
29 appointed members of the board shall be officers, directors, or employees of private
30 entities that have a physical presence within the area of operation of the authority.

31 (c) The commissioner of community and economic development and the

1 commissioner of transportation and public facilities are voting members of the board.
2 Each commissioner may designate a person to serve on the board in the
3 commissioner's absence.

4 (d) The appointed members of the board serve for staggered terms of three
5 years. The terms of the appointed members begin on January 1.

6 **Sec. 30.21.030. Removal and replacement of members.** The members of
7 the board serve at the pleasure of the governor. A person appointed to fill a vacancy
8 on the board shall serve for the balance of the unexpired term.

9 **Sec. 30.21.040. Per diem and travel expenses.** A member of the board may
10 receive per diem and travel expenses authorized for boards and commissions under
11 AS 39.20.180.

12 **Sec. 30.21.050. Meetings.** (a) The board shall hold at least four regular
13 meetings each year. The board shall set the schedule and locations for meetings of the
14 board.

15 (b) The board may hold special meetings at the call of the chair or at the
16 request of three members of the board.

17 **Sec. 30.21.060. Officers and quorum.** (a) The board shall elect a chair and a
18 vice-chair from among its members.

19 (b) The board shall elect a secretary, who need not be a member of the board.
20 The secretary serves at the pleasure of the board.

21 (c) Six members of the board constitute a quorum. Action may be taken and
22 motions and resolutions adopted by the board at a meeting by the affirmative vote of at
23 least six members. Members may not vote by proxy. A vacancy in the membership of
24 the board does not impair the right of a quorum to exercise all the powers and perform
25 all the duties of the board.

26 (d) Members may participate in meetings of the board by electronic means.

27 **Sec. 30.21.070. Staff; legal advisor.** (a) The board shall employ officers and
28 employees as necessary for the efficient operation of the authority.

29 (b) The board may employ executive, administrative, and fiscal officers and
30 employees as the board considers necessary for the efficient management of the
31 authority.

1 (c) The attorney general is the legal counsel for the authority. The attorney
2 general shall advise the authority in legal matters and represent the authority in suits.

3 **Sec. 30.21.080. Operating area of the authority.** The authority is authorized
4 to operate within the contiguous area enclosed by a line that is at all points 10 miles
5 inland of the mean high water line of the shore that is generally the northern bank of
6 the main channel of the Yukon River from the municipality of Russian Mission to a
7 point 10 miles north of the E. L. Patton Bridge; a line from a point 10 miles north of
8 the E. L. Patton Bridge to a point 10 miles south of the E. L. Patton Bridge; a line
9 from a point 10 miles south of the E. L. Patton Bridge to the easternmost point of the
10 boundary of the municipality of Nenana that crosses the Tanana River; a line from the
11 easternmost point of the boundary of the municipality of Nenana that crosses the
12 Tanana River to the nearest point of the drainage of the North Fork of the Kuskokwim
13 River and then southerly and westerly along the boundary of the drainage of the North
14 Fork of the Kuskokwim River to a point 10 miles south of the mean high water line of
15 the southern bank of the main channel of the North Fork of the Kuskokwim River at
16 the community of Medfra; a line that is at all points 10 miles south of the mean high
17 water line of the southern bank of the main channel of the North Fork of the
18 Kuskokwim River and the main channel of the Kuskokwim River between the
19 community of Medfra and the municipality of Lower Kalskag; a line between a point
20 10 miles south of the mean high water line of the southern bank of the main channel of
21 the Kuskokwim River at the municipality of Lower Kalskag and a point 10 miles
22 inland of the mean high water line of the shore that is generally the southern bank of
23 the main channel of the Yukon River at the municipality of Russian Mission; a line
24 that is at all points 10 miles inland from the mean high water line of the shore that is
25 generally the southern bank of the main channel of the Yukon River between the
26 municipality of Russian Mission and the municipality of Marshall; a line from a point
27 10 miles inland from the mean high water line of the shore that is generally the
28 southern bank of the main channel of the Yukon River at the municipality of Marshall
29 and a point 10 miles inland of the mean high water line of the shore that is generally
30 the northern bank of the main channel of the Yukon River at the municipality of
31 Marshall; and a line that is at all points 10 miles inland from the mean high water line

1 of the shore that is generally the northern bank of the main channel of the Yukon
2 River between the municipality of Marshall and the municipality of Russian Mission.

3 **Sec. 30.21.090. Regulations.** The board may adopt regulations under
4 AS 44.62 to carry out its functions and the purposes of this chapter, including rules to
5 safeguard property owned by the authority and to protect employees and persons using
6 the authority's property or services.

7 **Article 2. Powers and Duties.**

8 **Sec. 30.21.100. Powers and duties of authority.** (a) In addition to other
9 powers granted in this chapter, the authority may

- 10 (1) sue and be sued;
- 11 (2) adopt and alter an official seal;
- 12 (3) maintain an office in the state;
- 13 (4) acquire, hold, use, and dispose of its money, subject to
14 appropriation by the legislature;
- 15 (5) acquire, hold, use, lease, rent, construct, and dispose of property for
16 its purposes;
- 17 (6) exercise the power of eminent domain within the operating area of
18 the authority;
- 19 (7) issue revenue bonds under AS 30.21.200 - 30.21.320 to provide
20 financing for projects;
- 21 (8) enter into agreements to provide transportation, energy, regional
22 waste disposal, marketing, facilities and services, and to provide coordinated training
23 in association with authority facilities and operations;
- 24 (9) enter into contracts or other transactions with any federal, state,
25 municipal, or other agency, or instrumentality, private organization, or person
26 consistent with the exercise of any powers of the authority under this chapter;
- 27 (10) charge and collect those rents, rates, fees, or other charges that are
28 necessary to pay for capital, maintenance, and operating costs of the services and
29 facilities and operations of the authority, for the establishment of reserves to secure
30 payment of bonds or notes or interest on bonds or notes, and for repairs,
31 improvements, storage, and care of personal property made or furnished by the

1 authority in connection with the facilities and operations of the authority;

2 (11) accept money, gifts, loans, or grants from any federal, state,
3 municipal, or other agency or instrumentality, private organization, or other person;
4 and

5 (12) do all acts necessary to carry out this chapter that are not
6 expressly prohibited by law.

7 (b) The authority shall

8 (1) operate, manage, plan, improve, market, construct, and maintain
9 the facilities and operations of the authority; and

10 (2) adopt and enforce

11 (A) bylaws of the authority;

12 (B) regulations for the conduct of its business and for the use of
13 its facilities, operations, and services;

14 (C) personnel rules necessary to establish a system of personnel
15 administration.

16 (c) The resources of the authority may not be used to finance or influence
17 political activities.

18 **Sec. 30.21.110. Public nature of authority activities.** The planning,
19 construction, improvement, maintenance, and operation of a facility or operation,
20 whether by the authority separately or jointly with a federal, state, or municipal agency
21 or a private entity, and the exercise of other powers granted to the authority are public
22 and governmental functions exercised for a public purpose and matters of public
23 necessity. Land and other property and privileges acquired and used by or on behalf
24 of the authority for the purposes enumerated in this chapter are acquired and used for
25 public and governmental purposes and as a matter of public necessity.

26 **Sec. 30.21.120. Acquisition of land and easements.** Within the operating
27 area of the authority, the authority may acquire by purchase, gift, grant, or exchange
28 land in fee simple or easements, either temporary or permanent, that the authority
29 considers necessary for present or future public use authorized under this chapter. By
30 the same means, the authority may obtain material, including clay, gravel, sand,
31 timber, rock, or other material, and the land necessary to obtain the material. When

1 the authority declares that it is in the best public interest of the state to do so, the
2 authority may acquire by purchase, gift, grant, or exchange land or an interest in land
3 for the purpose of exchanging the land or interest in land for land or an interest in land
4 that the authority is authorized by law to acquire.

5 **Sec. 30.21.130. Eminent domain.** (a) The authority may exercise the power
6 of eminent domain under AS 09.55.240 - 09.55.460 to acquire private or public land
7 or an interest in private or public land within the operating area of the authority for
8 facilities or operations consistent with this chapter. Notwithstanding AS 09.55.250,
9 the authority may acquire a fee simple title whenever, in the judgment of the authority,
10 ownership of a fee simple title is necessary to carry out the purposes of this chapter.

11 (b) The authority may file a declaration of taking in the manner provided for
12 the state under AS 09.55.420.

13 (c) The power of eminent domain conferred under this section includes the
14 power to obtain clay, gravel, sand, timber, rock, or other material for the projects of
15 the authority, the land necessary to obtain the material, and access to the land and
16 material.

17 (d) The exercise of the power of eminent domain requires the prior approval
18 of the governor.

19 **Sec. 30.21.140. Indemnification.** (a) If the person acted in good faith on
20 behalf of the authority and within the scope of the person's official duties or powers,
21 the authority may defend and indemnify a current or former member of the board,
22 employee, or agent of the authority against all costs, expenses, judgments, and
23 liabilities, including attorney fees, incurred by or imposed upon that person in
24 connection with a civil or criminal action in which the person is involved by affiliation
25 with the authority.

26 (b) The authority may purchase insurance to protect and hold personally
27 harmless its board members, employees, and agents from an action, claim, or
28 proceeding arising out of the performance, purported performance, or failure of
29 performance, in good faith, of duties for, or employment with, the authority and to
30 hold them harmless from expenses connected with the defense, settlement, or
31 monetary judgments from that action, claim, or proceeding. The purchase of

1 insurance is discretionary with the board, and insurance is not considered to be
2 compensation to the insured person.

3 **Sec. 30.21.150. Insurance.** Except as provided in AS 30.21.140(b), the
4 authority shall protect its assets, services, and employees by purchasing insurance or
5 providing for certain self-insurance retentions. The authority shall also maintain
6 casualty, property, and other insurance in amounts reasonably calculated to cover
7 potential claims against the authority or state for bodily injury, death, or disability and
8 property damage that may arise from or be related to authority operations and
9 activities.

10 **Sec. 30.21.160. Fidelity bond.** The authority shall obtain a fidelity bond in an
11 amount determined by the board for members of the board and for each executive
12 officer responsible for accounts and finances. A bond must be in effect during the
13 entire tenure in office of the bonded person.

14 **Article 3. Revenue Bonds and Notes.**

15 **Sec. 30.21.200. Bonds and notes of the authority.** (a) The authority, by
16 resolution, may issue revenue bonds and bond anticipation notes in order to finance
17 projects under this chapter. Before issuing bonds for a project under this chapter, the
18 authority must find, on the basis of all information reasonably available to the
19 authority, that

20 (1) the project and its development under this chapter will be
21 economically advantageous to the state and the region and the general public welfare
22 and will contribute to the economic growth of the state and the region within which
23 the authority operates;

24 (2) the project is financially sound and can be expected to produce
25 revenue adequate to repay the bonds with which it is financed; and

26 (3) the scope of the project is sufficient to provide a reasonable
27 expectation of a benefit to the region and the economy of the state.

28 (b) The principal and interest on the revenue bonds or bond anticipation notes
29 authorized and issued under (a) of this section are payable from authority funds. Bond
30 anticipation notes may be payable from the proceeds of the sale of bonds or from the
31 proceeds of the sale of other bond anticipation notes or, in the event bond or bond

1 anticipation note proceeds are not available, the notes may be paid from other funds or
2 assets of the authority.

3 (c) Bonds or bond anticipation notes may be additionally secured by a pledge
4 of a grant or contribution from the federal government, or a corporation, association,
5 institution, or person, or a pledge of money, income, or revenue of the authority from
6 any source.

7 (d) Bonds or bond anticipation notes of the authority may be issued in one or
8 more series and shall be dated, bear interest at the rate or rates a year or within the
9 maximum rate, be in the denomination, be in the form, carry the conversion or
10 registration provisions, have the rank or priority, be executed in the manner and form,
11 be payable at the times, from the sources, and in the medium of payment and place or
12 places within or outside the state, be subject to authentication by a trustee or fiscal
13 agent, and be subject to the terms of redemption with or without premium, as the
14 resolution of the authority may provide. Bond anticipation notes shall mature at the
15 time or times that are determined by the authority. Bonds shall mature at a time not
16 exceeding a number of years from their date that is determined by the authority.
17 Before the preparation of bonds or bond anticipation notes, the authority may issue
18 interim receipts or temporary bonds or bond anticipation notes exchangeable for bonds
19 or bond anticipation notes when these bonds or bond anticipation notes have been
20 executed and are available for delivery.

21 (e) Bonds or bond anticipation notes may be sold in the manner and on the
22 terms the authority determines.

23 (f) If an officer whose signature or a facsimile of whose signature appears on a
24 bond or note ceases to be an officer before the delivery of the bond or note, the
25 signature or facsimile is valid to the same extent as if the officer had remained in
26 office until delivery.

27 **Sec. 30.21.210. Covenants.** In a resolution of the authority authorizing or
28 relating to the issuance of bonds or bond anticipation notes, the authority has power by
29 provisions in the resolution that will constitute covenants of the authority and
30 contracts with the holders of the bonds or bond anticipation notes to

31 (1) pledge to a payment or purpose all or a part of its revenue to which

1 its right then exists or may thereafter come into existence, and the money derived from
2 the revenue, and the proceeds of bonds or notes;

3 (2) covenant as to the use and disposition of payments of principal or
4 interest received by the authority on loans or other investments held by the authority;

5 (3) covenant as to establishment of reserves or sinking funds and the
6 making of provision for and the regulation and disposition of the reserves or sinking
7 funds;

8 (4) covenant with respect to or against limitations on a right to sell or
9 otherwise dispose of property of any kind;

10 (5) covenant as to bonds and notes to be issued, and their limitations,
11 terms, and conditions, and as to the custody, application, and disposition of the
12 proceeds of the bonds and notes;

13 (6) covenant as to the issuance of additional bonds or notes, or as to
14 limitations on the issuance of additional bonds or notes and the incurring of other
15 debts;

16 (7) covenant as to the payment of the principal of or interest on the
17 bonds or notes, as to the sources and methods of the payment, as to the rank or priority
18 of the bonds or notes with respect to a lien or security, or as to the acceleration of the
19 maturity of the bonds or notes;

20 (8) provide for the replacement of lost, stolen, destroyed, or mutilated
21 bonds or notes;

22 (9) covenant as to the redemption of bonds or notes and privileges of
23 their exchange for other bonds or notes of the authority;

24 (10) covenant to create or authorize the creation of special funds of
25 money to be held in pledge or otherwise for operating expenses, payment or
26 redemption of bonds or notes, reserves, or other purposes;

27 (11) establish the procedure, if any, by which the terms of a contract or
28 covenant with or for the benefit of the holders of bonds or notes may be amended or
29 abrogated, the amount of bonds or notes the holders of which must consent to
30 amendment or gation, and the manner in which the consent may be given;

31 (12) covenant as to the custody of property or investments, their