

SPONSOR STATEMENT

Senate Bill 309

This legislation responds to the upcoming opportunity to train resident Alaskans to fill the thousands of high paying jobs that will be created in the construction of a gas pipeline by providing a stable stream of revenue, subject to legislative appropriation, to Alaska Work Partnership, Inc. for both training and increasing the capacity of training facilities.

With a project as large as the gas pipeline and the thousands of jobs it will create, we must start now to make sure resident Alaskans are trained and employable. This bill provides the multi-year commitment necessary to do that. This funding will leverage industry investment in training facilities and equipment to build private sector training capacity and increase industry capability for sustaining training into the future.

In 2005 there were more than 20,000 individuals employed in Alaska construction trades with annual incomes approaching \$60,000. Unfortunately, one in every five jobs, or 20% belongs to individuals, who according to Permanent Fund Dividend Eligibility are recent arrivals to Alaska. These high paying jobs will continue to attract workers from other states and countries. Also, with our 45% of our resident construction workforce being over 45 years old, industry must renew it's workforce with thousands of appropriately training workers.

Alaska Works Partnership, Inc. has developed successful programs that are proven effective in moving residents into construction jobs. The programs are uniquely designed to meet the needs of residents, employers, workers and future workers. In the past five years AWP has helped more than 1,000 residents become employed in construction. More than 85% of the residents AWP has served are employed in construction as a result of training. The majority of persons served are retained in industry employment year after year. More than 90% of the workers Alaska Work Partnership, Inc. trains are not members of a union. The majority of workers placed in jobs work for non-union employers. AWP brings quality union endorsed training to the public with no requirement for joining a union

SB 309 will divert 1/10th of a percent of current employee contributions to a new "holding account" for appropriation by the Legislature. Estimated income to the account is projected to be over five million a year. With increased payroll within the state, the Department of Labor has projected that it is highly unlikely that this small percentage diversion will cause any increase in overall unemployment insurance rates.

This legislation is slated to sunset in six years and requires an annual report on performance.