

RESOLUTION NUMBER 25-04
SUPPORTING SENATE BILL 159 TO INCREASE THE STATUTORY ALLOCATION TO THE
STATE TRAINING AND EMPLOYMENT PROGRAM (STEP)

WHEREAS, the Alaska Workforce Investment Board (AWIB) is established under AS 23.15.550–580 to provide policy oversight and coordination for workforce development programs across the state of Alaska; and

WHEREAS, the State Training and Employment Program (STEP), established in 1989 and made permanent by the Alaska State Legislature, is funded through a dedicated statutory diversion from the Unemployment Insurance (UI) Trust Fund; and

WHEREAS, STEP is the only workforce training program in Alaska funded through a statutory diversion of UI payroll contributions and explicitly designed to reduce current and future UI claims by providing training to Alaskans who have contributed to the UI system; and

WHEREAS, STEP provides competitive training grants that upskill and reskill Alaskans, helping them obtain industry-recognized credentials in high-demand occupations such as healthcare, construction, education, and maritime trades; and

WHEREAS, the program plays a critical role in increasing local hire, reducing reliance on nonresident labor, and supporting regional economies across the state; and

WHEREAS, the costs of delivering workforce training, including travel, lodging, supplies, and staffing, have increased significantly, particularly in rural and remote regions, while the statutory diversion rate has remained at 0.1 percent since the program's inception; and

WHEREAS, Senate Bill 159 would increase the diversion rate from 0.1 percent to 0.2 percent of covered wages, effectively doubling the revenue available for competitive training grants while maintaining the solvency of the UI Trust Fund; and

WHEREAS, in FY2025, AWIB received more than \$11 million in STEP grant applications with only \$7 million available for award, demonstrating strong unmet demand; and

WHEREAS, STEP funds also support direct vocational services provided by the Division of Employment and Training Services through the Alaska Job Center Network, helping meet record demand for training and employment services statewide;

NOW, THEREFORE BE IT RESOLVED, that the Alaska Workforce Investment Board formally supports Senate Bill 159 and urges its passage by the 34th Alaska State Legislature to strengthen and expand Alaska's ability to prepare workers for high-demand jobs, reduce UI claims, and ensure a resilient, locally trained workforce.

CERTIFICATION

The AWIB held a meeting duly and regularly called, noticed, and convened this 14th day of May, 2025, and the foregoing Resolution was adopted at said meeting.

Signed this 14th day of May, 2025.

Signed by:

Patrick Rose

FD3A2545C19D46A
Patrick Rose, Chair

Alaska Workforce Investment Board