# Alaska Department of Labor and Workforce Development

House Labor & Commerce Committee
Click Bishop, Commissioner
January 23, 2009

# Our Mission

- Provide safe and legal working conditions and advance opportunities for employment.
  - Workforce Development
    - Labor market information
    - Employment assistance
    - Worker training and education
    - Unemployment compensation
    - Assisting people with disabilities to obtain and maintain employment
  - Regulatory
    - Assuring fair compensation for work performed
    - Assuring a safe workplace
    - Assuring fair workers' compensation claim adjudication
    - Unemployment insurance tax collection/fraud detection

# Alaska's Dynamic Labor Market

- Approximately 87,000 individuals moved in/out of Alaska between July 1, 2006 and June 30, 2007.
- Alaska employers hire over 250,000 "new-to-the-firm" workers each year.
- In 2008, employment in July exceeded employment in January by nearly 44,000, a 15% difference – a seasonal swing unrivaled by any other state.
- Aging workforce—18% of Alaskans (124,500) are between the ages of 51 and 65.

# Nonresident Workers - Resident opportunities

**In 2006 nonresidents –**

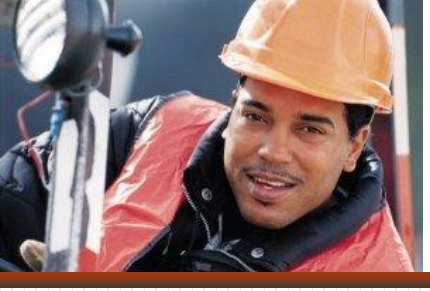
- Earned over $1.7 billion, just over 13% of total wage and salary earnings.
- Accounted for over 29% of the oil industry workers – down from 31% in 2006.
- Received $364.7 million in oil industry earnings – up from $327.6 million in 2006.

# Alaska's Skills Mismatch
## The case for training

**During 2007 Alaska had both –**

- **Unemployed Alaska Workers**: Approximately 22,000 unemployed each month (a 6.2% average annual unemployment rate), and

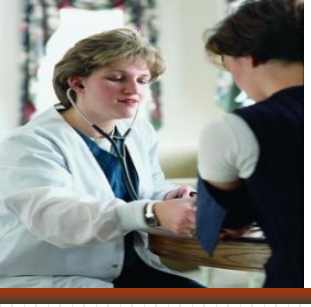
- **Imported workers:** nearly 20% of Alaska's workers -- 78,700 individuals -- were nonresidents.



# Alaska's Youth

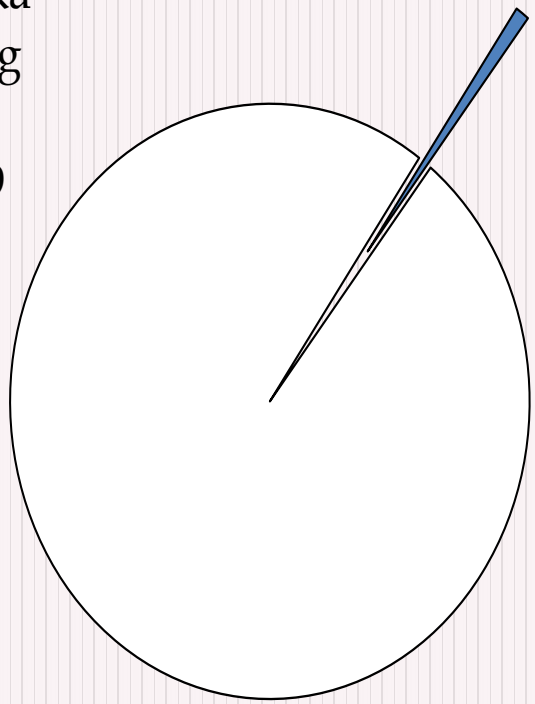
- 11,000 new Alaskan 18 year olds each year.
- 4,000 Alaskans ages 16-19 are not in school and not working.
- 62% of Alaska students who were freshmen in 2001 graduated high school in 2006 (does not include GED's).
- Only 62% of Alaskan high school graduates remain for training or employment; the rest leave the state.
- 2000 Census—over 57,000 Alaskans age 18 and over with no high school diploma.

**Alaska Youth First goal -- in school, engaged and prepared for Alaska jobs…**



# FY 10 Operating Budget is $175.2 million…

State of Alaska GF Operating Budget $4,564,039.9



Department of Labor GF Operating Budget $31,001.0 (0.68%)

| DOLWD Non-General Funds | |
|---|---|
| Federal: | $85,751.6 |
| Other: | $58,432.5 |

# Training System at a Glance

## Funding

- *Federal*
  - Workforce Investment Act
  - Denali Training
  - Pipeline Training
- *State*
  - STEP
  - TVEP
  - GF

## Workforce Investment Board

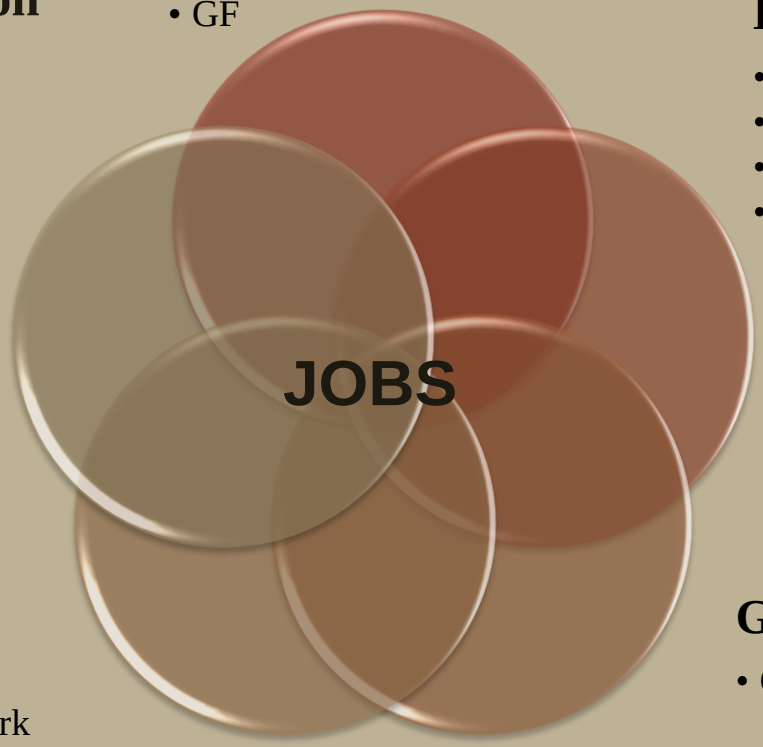
- Policy Development
- System Oversight

## Secondary Education

- DEED/High Schools
- Adult Basic Education
- Youth First
- Construction Academies
- College Ready/Work Ready
- Private Partners

## Postsecondary Education

- University of Alaska
- AVTEC
- Regional Training Centers
- Private Partners




## Employment Services

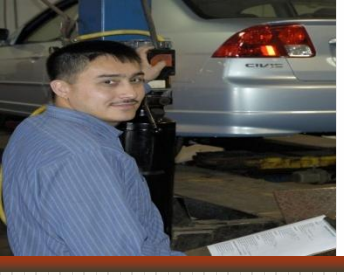
- Job Center Network
  - Counseling
  - Job/ Training Referral

## Grantees

- Competitive Selection

# State Entity Partnerships

- **University of Alaska**
  - Sharing of workforce data and projections
  - Training program performance report
  - Coordination of training and articulation agreements
- **Education and Early Development**
  - Career and Technical Education
  - Work Keys & Alaska Career Ready Certificate
- **Commerce, Community and Economic Development**
  - Meet the workforce needs of economic development projects
- **Transportation and Public Facilities**
  - Apprentice utilization on public construction projects



# Private Sector Partnerships

- **Workforce Investment Board**
  - Private sector dominated; sets workforce development policy
  - Regional Advisory Councils provide region-specific input
- **Gasline Training Plan Steering Committee**
- **Alaska Construction Academies**
  - Partnership with School Districts, Association of General Contractors and Home Builders Association to employ trainees; industry financial contributions in FY 08 totaled over $600 thousand.
- **State Training and Employment Program Partners**
  - Private sector partners in STEP contributed over $5 million to training efforts in FY 08
- **Alaska Occupational Safety and Health**
  - Successful efforts to enhance employer compliance vs. enforcement activity;
  - Voluntary Protection Program and SHARP
  - OSH Board Reviews Appeals
- **Workers' Compensation**
  - Medical Services Advisory Committee
  - Board and Appeals Commission

# FY 08 Key Program Accomplishments

**Workforce Development**

- Alaska job center network connected 31,274 Alaskans with jobs.
- 6,673 individuals received employment and/or training services for jobs. 94% of trained participants entered employment.
- 529 Vocational Rehabilitation Division consumers were employed
- Issued 1,540 General Education Development Diplomas.
- AVTEC trained nearly 900 Alaskans.
- Published a gasline workforce training plan.

**Regulatory**

- Occupational Safety: 21% reduction in the rate of lost workday accidental injuries and illness – from 2.02 to 1.59 per 100 employees.
- Wage & Hour: Wage claim resolution time is 4.5 months, 1.5 months less than the target of 6 months.
- Workers' Compensation: 169 uninsured employers were detected and there were 60 uninsured injuries .

# A Note About Apprenticeship

- A registered program providing
  - on-the-job-training at wages commensurate with skills attained
  - enhanced through courses of related instruction
- Goal: increase the number of apprentices to improve Alaska hire and give hope to our youth that there are job opportunities in Alaska.
  - Data sharing agreement with U.S. Dept. of Labor
  - Apprentice Coordinator hired—partnership with federal apprenticeship office
  - Working with mining and other industries to develop registered apprenticeships
  - 25 local job center staff trained as apprenticeship liaisons; working directly with employers to establish registered apprenticeship programs

* **10 year result: over 91 percent (3,144) of the 3,439 active or completer apprentices are Alaska residents .**

# Key Legislative Issues

- **State Training and Employment Program**
  - Set-aside from employee contributions to unemployment insurance
  - $8.5 Million in FY 10 budget for job training and assistance
  - Will support training for approximately 2,500 Alaskans
  - Program expires June 30, 2010 unless extended

- **Workers' Compensation Medical Cost**
  - Current medical fee schedule expires on March 31, 2009
  - Unless addressed prior to the expiration date, there will be no cost controls on workers' compensation medical charges.

## Workforce Training Related Programs and FY 10 Expected Funding Amount

| | The Training Continuum | | | |
|---|---|---|---|---|
| | **Secondary** | **Postsecondary Training** | **On the Job** | **Reemployment Assistance** |
| **Private Training System** | Build-up Program and other programs in the schools | Employer paid tuition | Match state funding for training programs. Apprenticeships and Training Programs. | |
| **Gasline Training Plan $860.0 GF** | | Training System Coordination focusing on Accreditation and Skills Standards. Regional economic data gathering. | Apprenticeship and OJT Incentives to Expand Skilled Opportunities. Increase registered apprentices and trainees. *Number Served: 200* | |
| **Construction Academies $3.5 million GF** | Train in and out of school youth as well as young adult workers in basic construction, welding, and other skills. *Number served: 1,000 High School/300 Adults* | | | |
| **Youth First $2,300.0 GF** | Secondary School Youth Career Awareness, Preparation and Job Experiences. Now working in tandem with DEED's Work Ready/College Ready . Captures all kids--not just those identified as "high risk" *Number served: 2,000* | | | |
| **AVTEC $10,326.2 Total $4,852.9 GF** | | Vocational Training for in-demand occupations. *Number Served: 893* | | |
| **TVEP $9,447.0 TVEP** | | Allocated to various training entities and the University of Alaska to support operations and training programs. | | |
| **STEP $8,568.1 STEP** | | Used through the Job Center Network and Competitive Grant Awards to Train Workers who are Unemployed or face the threat of Unemployment. Fills funding gaps not met by WIA programs. *Number served: 2,000 to 2,500* | | |
| **Gasline Worker Federal Grant $2.5 million Federal** | Summer Camps for College Bound Students *Number Served: 100* | Regional Training Center/AVTEC Targeted Training *Number Served: 350* | Apprenticeship and OJT Incentives to Expand Skilled Opportunities/Fairbanks Pipeliner Training *Number served: 350* | |
| **Denali Training Fund $3.15 Million Federal** | Denali Training Fund includes a $1 million per year allocation for competitive youth employment grants in rural Alaska, preferably connected with Denali Commission projects. *Number served: 1,000* | | Denali Training Fund offers approximately $2.15 million in competitive grants for rural workforce development projects, preferably connected with Denali Commission Projects. *Number served: 250* | |
| **Workforce Investment Act $12.7 Million Federal** | Youth Funding focuses on at-risk in-school and out of school youth (ages 14 to 21) *Number Served: 500* | | - Adult Program focuses on Job Center Services to unemployed individuals including counseling, assessments, job referral, and training. *Number Served: 530* - WIA Dislocated Worker program focuses on Job Center services to workers unemployed by virtue of business downsizing or closure. *Number served: 560* | |