# Alaska Department of Labor and Workforce Development

House Education Committee
Click Bishop, Commissioner
January 30, 2009

# Our Mission

- Provide safe and legal working conditions and advance opportunities for employment.
  - Workforce Development
    - Labor market information (Research & Analysis Section)
    - Employment assistance (Employment Security Division)
    - Worker training and education (Business Partnerships and Alaska Vocational Technical Center)
    - Unemployment compensation (Employment Security Division)
    - Assisting people with disabilities to obtain and maintain employment (Vocational Rehabilitation Division)
  - Regulatory
    - Assuring fair compensation for work performed (Labor Standards & Safety, Wage and Hour)
    - Assuring a safe workplace (Labor Standards & Safety, Occupational Safety & Health)
    - Assuring fair workers' compensation claim adjudication (Workers' Compensation Division and Appeals Commission)
    - Unemployment insurance tax collection/fraud detection (Employment Security Division)

# Alaska's Dynamic Labor Market

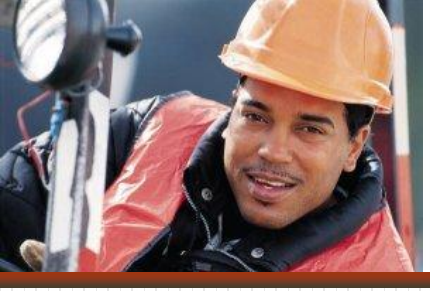
Workforce Projection: 44,000 new Alaska jobs from 2006 to 2016

- Aging workforce—18% of Alaskans (124,500) are between the ages of 51 and 65
- 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.

# Nonresident Workers - Resident opportunities

**In 2006 nonresidents –**

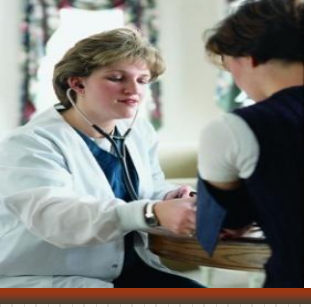
- Earned over $1.7 billion, just over 13% of total wage and salary earnings.
- Accounted for over 29% of the oil industry workers – down from 31% in 2006.
- Received $364.7 million in oil industry earnings – up from $327.6 million in 2006.



# Alaska's Youth

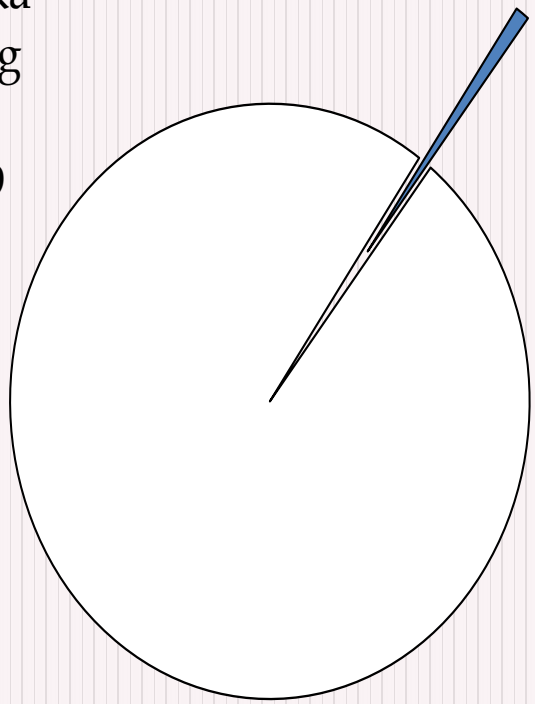
- 11,000 new Alaskan 18 year olds each year.
- 4,000 Alaskans ages 16-19 are not in school and not working.
- 62% of Alaska students who were freshmen in 2001 graduated high school in 2006 (does not include GED's).
- Only 62% of Alaskan high school graduates remain for training or employment; the rest 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…

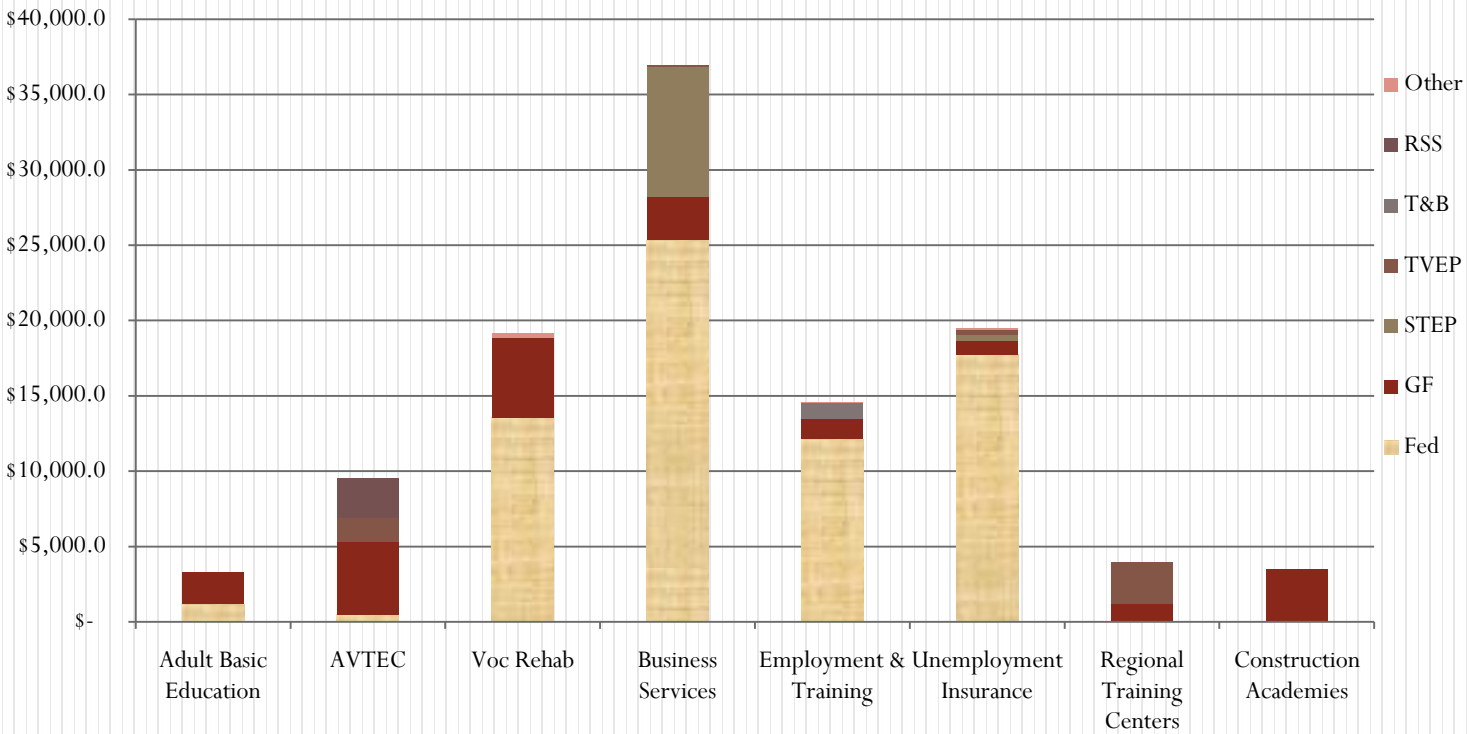
State of Alaska GF Operating Budget $4,564,039.9



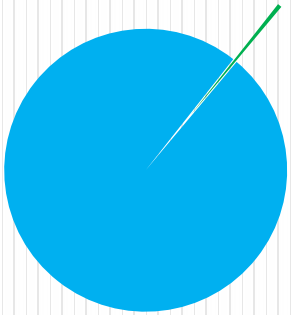
Department of Labor GF Operating Budget $31,001.0 (0.68%)

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

# Workforce Development Program Funding - $110.5 Million



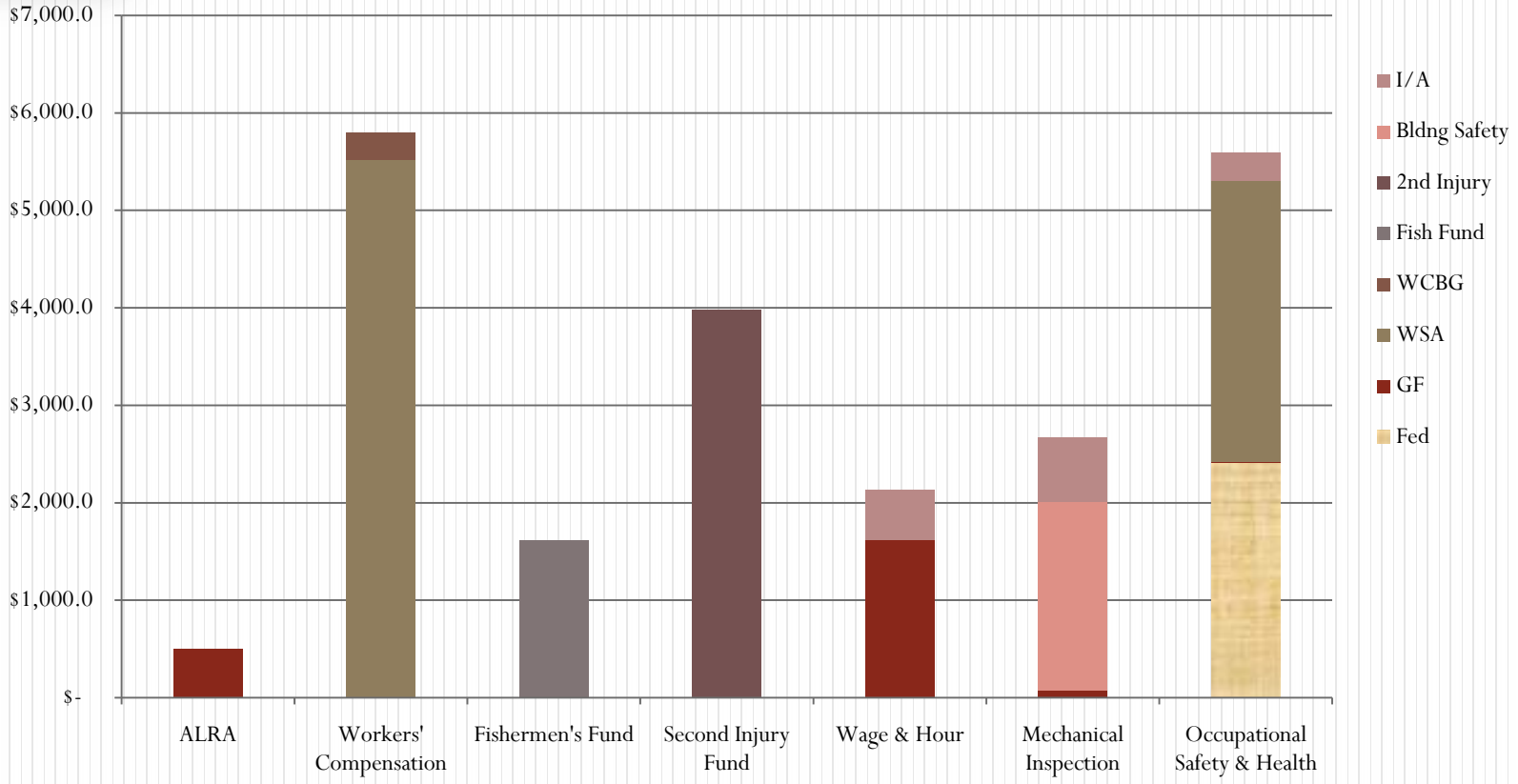

RSS - Receipt Supported Services
T&B - Training and Building Fund
TVEP - Technical Vocational Education Program
STEP - State Training and Employment Program
GF- General Funds
Fed - Federal



State GF Operating Budget $4.56 Billion

DOLWD Training & Support GF $22.23 Million

# Regulatory Program Funding – $22.2 Million Total Funds/$2.2 Million GF




I/A: Interagency Receipts
WCBG: Workers' Compensation Benefit Guaranty Fund
WSA: Worker Safety Account
GF: General Fund
Fed: Federal Funds

# Training System at a Glance

## Funding

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

## Workforce Investment Board

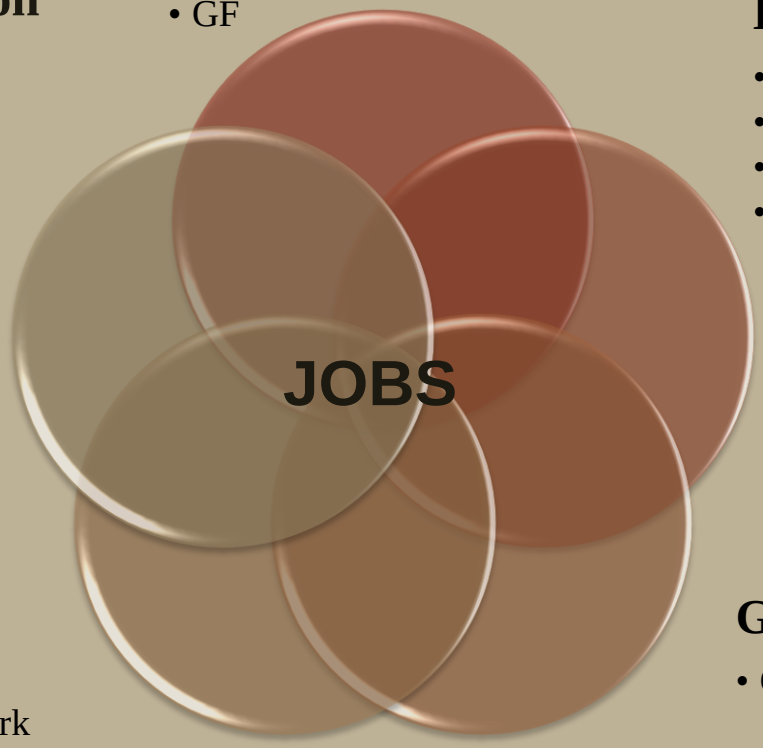
- Policy Development
- System Oversight

## 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 .**

# FY 10 General Fund Continuation Increments

- **Construction Academy continuation--$3.5 Million GF***
  - Construction career training for youth and adults in Anchorage, Fairbanks, Mat-su, Juneau, Kenai, and Ketchikan.
- **On-the-Job Training and Registered Apprenticeship Incentives--$ 585.0 GF***
  - 200 participants targeted for industry related occupational training.
- **Coordinator to integrate Vocational Education/Set Standards--$130.0 GF***
  - Consistent standards for training programs/Program Accreditation.
  - Connect Education and Workforce Development.
- **Regional Economic Data Gathering--$95.0 GF***
  - Research & Analysis' support regional/local workforce planning.
- **Training Program Guide--$50.0 GF***
- **Continue designated grant to SAVEC--$195.0 GF***
- **Vocational Rehabilitation lease cost increase--$130.0 GF**

* **Funded in FY 09 but counted as one-time items and removed from the budget base. Year over year GF change from FY 09 Authorized to FY 10 Request is $214.6.**

## The Training Continuum

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

| | 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 $2,321.8 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* | |

# Alaska Department of Labor and Workforce Development Capital Projects

| Project | Priority | Amount | Notes |
|---|---|---|---|
| AVTEC Deferred Maintenance | 1 | $ 1,500.0 GF | Facility Deferred Maintenance |
| AVTEC Dormitory Replacement | 2 | $ 20,000.0 AHCC | Replace existing 120 bed dormitory that has numerous ADA and code deficiencies. |
| AVTEC Heavy Equipment/Diesel/Pipe Welding Training Facility | 3 | $ 12,000.0 AHCC | Add a 16,000 square foot steel fabricated to AVTEC's Applied Technology campus to replace the current facility, which has numerous code and safety issues. |
| Workers' Compensation .Net Upgrade and Rewrite | 4 | $ 3,092.2 WSA | Replace outdated Workers' Compensation system |
| AWP—Fairbanks Pipeline Training Center Equipment | 5 | $ 2,310.5 AHCC | Funding to equip the Center to include large diameter pipe, sideboom and welding equipment. |
| DVR MIS Interface | 6 | $ 275.4 GF | Interface between DVR Management Information System and Social Security and Unemployment Insurance databases to improve services to clients. |