Alaska Department of Labor and Workforce Development

Senate Labor & Commerce Committee
Click Bishop, Commissioner
January 29, 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

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

During 2007 Alaska had both –

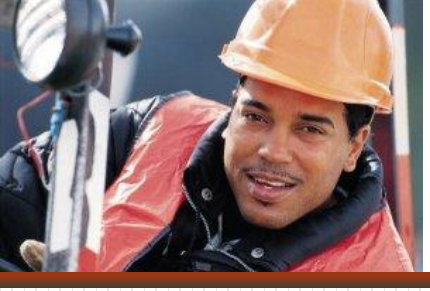
- **Unemployed Alaska Workers**: Approximately 22,000 unemployed each month (a 6.2% average annual unemployment rate), and

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

Nonresident Workers - Resident opportunities

In 2006 nonresidents –

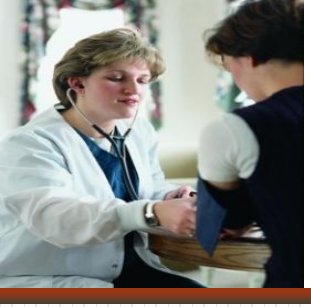
- Earned over $1.7 billion, just over 13% of total wage and salary earnings.
- Accounted for over 29% of the oil industry workers – down from 31% in 2006.
- Received $364.7 million in oil industry earnings – up from $327.6 million in 2006.



Alaska's Youth

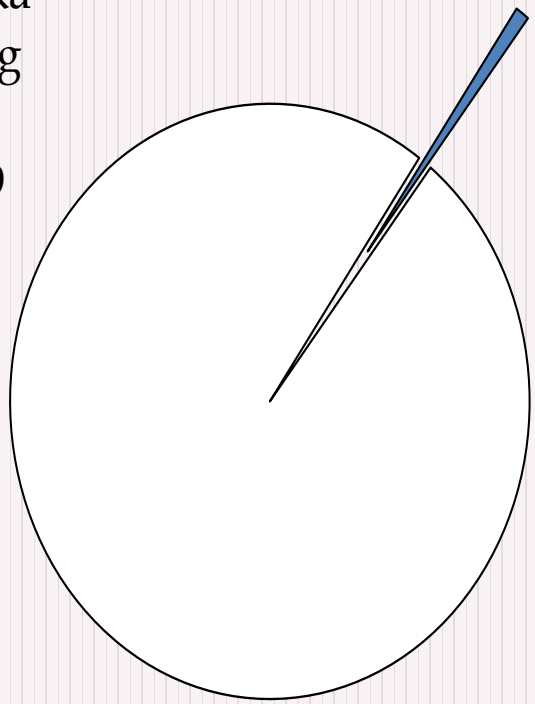
- 11,000 new Alaskan 18 year olds each year.
- 4,000 Alaskans ages 16-19 are not in school and not working.
- 62% of Alaska students who were freshmen in 2001 graduated high school in 2006 (does not include GED's).
- Only 62% of Alaskan high school graduates remain for training or employment; the rest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

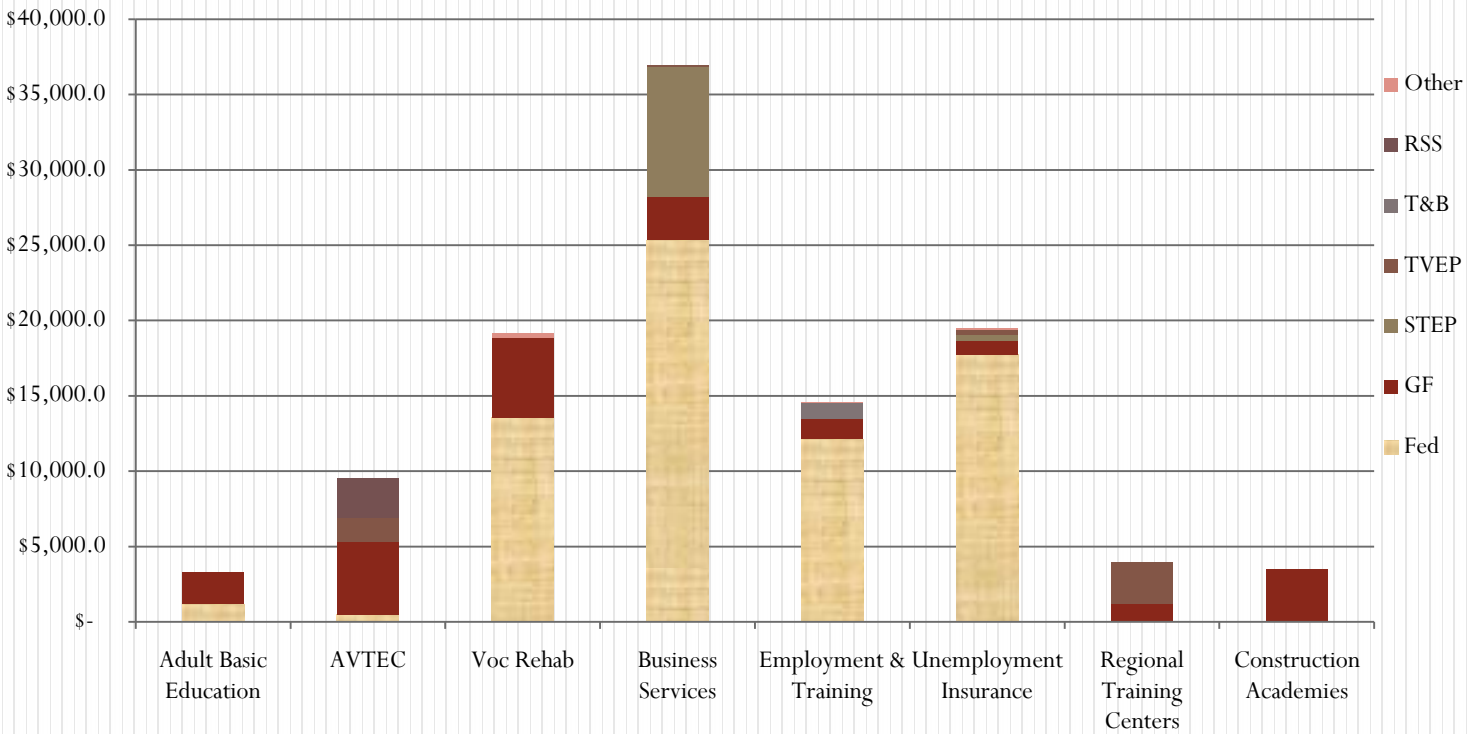
State of Alaska GF Operating Budget $4,564,039.9



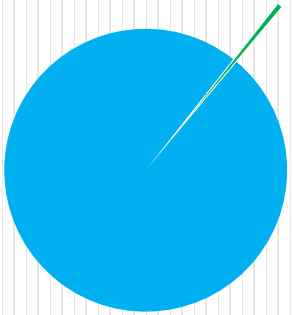
Department of Labor GF Operating Budget $31,001.0 (0.68%)

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

Workforce Development Program Funding - $110.5 Million



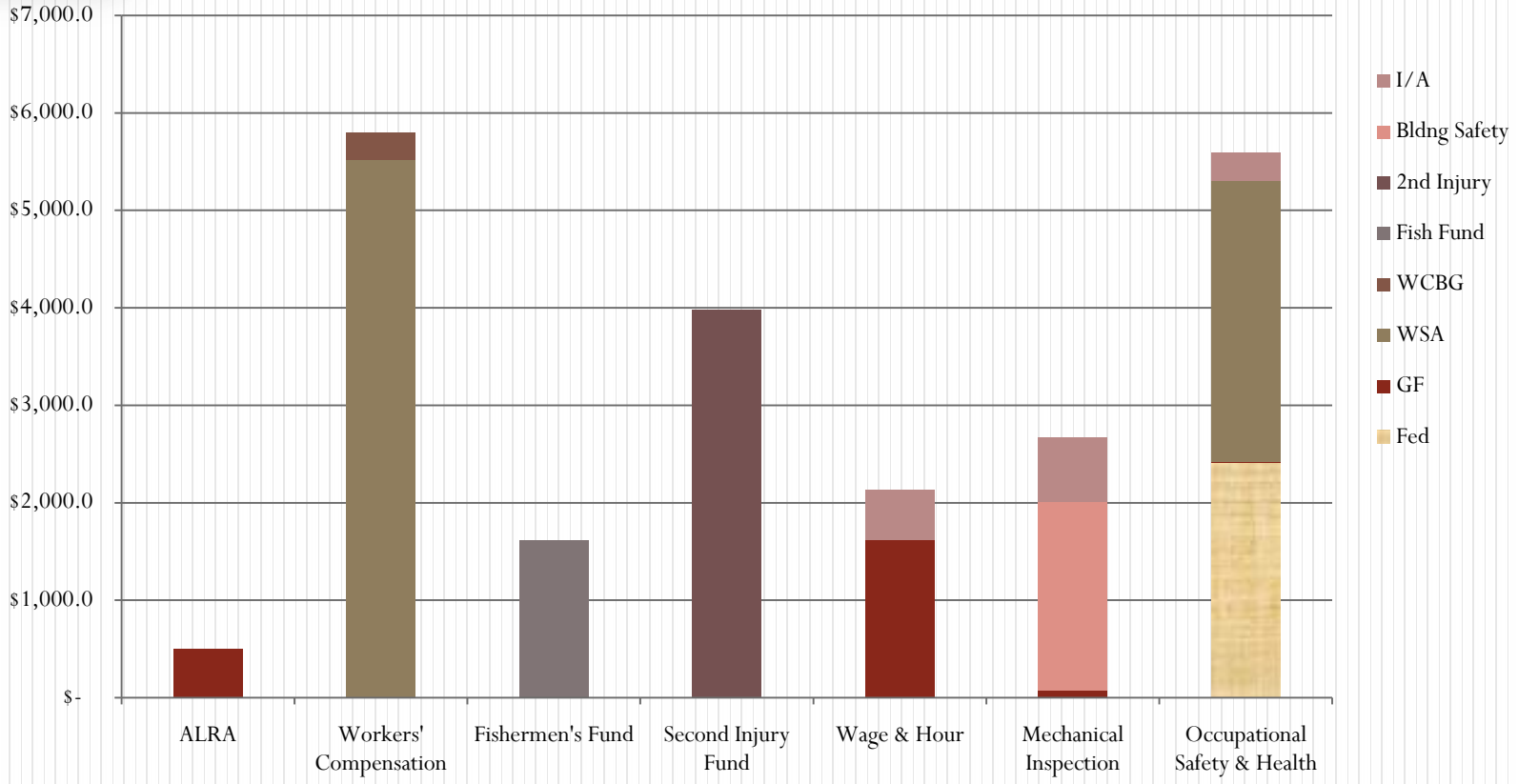
RSS - Receipt Supported Services
T&B - Training and Building Fund
TVEP - Technical Vocational Education Program
STEP - State Training and Employment Program
GF- General Funds
Fed - Federal



State GF Operating Budget $4.56 Billion

DOLWD Training & Support GF $22.22 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

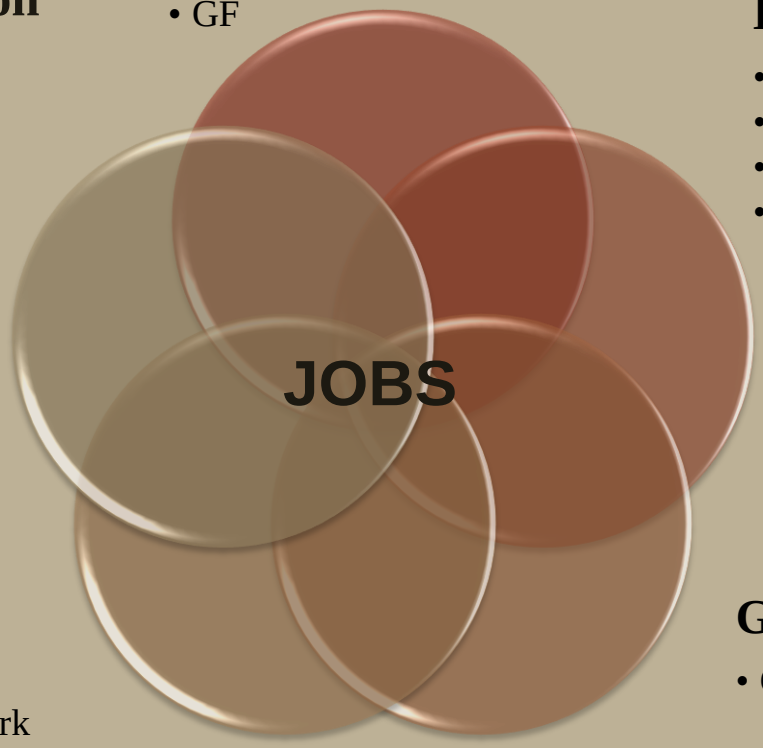
- Policy Development
- System Oversight

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.