

# Introduction

The Technical Vocational Education Program (TVEP), established by legislation in 2000, distributes training funds to technical and vocational education entities across Alaska's six economic regions. TVEP funds are obtained from a percentage of unemployment insurance contributions and depend on availability in that account. A percentage of the funds must be allocated to specific institutions in accordance with Alaska Statute 23.15.835.

Institutions must use TVEP funds for technical and vocational training programs and provide services that align with workforce regional demands and the Alaska Workforce Investment Board's (AWIB's) priority industries and state capital improvement projects. With the exception of University of Alaska, AVTEC, and Galena Interior Learning Academy, all entities must submit a grant application to the Alaska Department of Labor and Workforce Development's Division of Employment and Training Services to receive TVEP funds each fiscal year.

The institutions must have a military credit policy in place for the acceptance of credit or hours

toward a degree or technical program and an articulation agreement under which high school students may earn dual credit upon completion of a vocational education course. The division reviews applications for acceptable projects, use of funds, and conducts due diligence.

Subsequently, TVEP grant recipients must provide program and financial reports and requests for reimbursement to the division on a quarterly basis as well as collect participant data, which the department uses to report performance.

In State Fiscal Year 2016, TVEP funding totaled \$12,510,900. That amount is allocated directly in the percentages and to the institutions as shown below and includes the number of participants served with the TVEP funds.

The training institution overviews that begin on page 7 are based on the SFY 2016 program activities recipients reported directly and include training programs, partners, regional economic impacts, program highlights, and information about new and future endeavors.

SFY 2016 TVEP Allocations	Percent	Grant Amount	# of Adults Served	# of High School Students Served	Total # of Participants
Alaska Vocational Technical Center (AVTEC)	17 percent	\$2,126,900	1423	67	1490
Alaska Technical Center (ATC)	9 percent	\$1,126,000	696	187	883
Amundsen Educational Center	2 percent	\$250,200	15	2	17
Galena Interior Learning Academy	4 percent	\$500,400	n/a	260	260
Ilisaġvik College	5 percent	\$625,500	696	32	728
Northwestern Alaska Career and Technical Center (NACTEC)	3 percent	\$375,300	n/a	122	122
Partners for Progress in Delta, Inc.	3 percent	\$375,300	300	175	475
Southwest Alaska Vocational and Education Center (SAVEC)	3 percent	\$375,300	221	4	225
Yuut Elitnaurviat, Inc. People's Learning Center	9 percent	\$1,126,000	637	87	724
University of Alaska	45 percent	\$5,630,000	5,057	314	5,371

# Overview of Economic Regions

Each of Alaska's six economic regions (Northern, Interior, Southwest, Anchorage/Matanuska-Susitna, Gulf Coast, and Southeast) has one or more TVEP recipients and a university campus, postsecondary institution, or regional training center whose role is to help students and adults get the education and training they need to work in the region and the state.

This section of the report provides an overview of Alaska's economy and that of each of the regions, plus the state's overall employment and industry outlook for both the short and long term.

## Structure of Alaska's Economy

Alaska ranks 48th among states for population but is easily the largest geographically. The state's 570,641 square miles of land make up 16 percent of the U.S. total. For the U.S. as a whole, there are 89.5 people per square mile; in Alaska there is 1.3.

Alaska's economy is heavily dependent on oil and gas and other resource extraction industries and on the federal government, including a substantial number of military bases and installations. Alaska also has more veterans per capita than any other state.



Two other major basic sector industries — those that inject new money into the state’s economy by providing goods or services to outside consumers — are fishing and tourism.

Alaska has especially high concentrations of employment in natural resources and mining, at more than four times the national average. It has at least slightly higher concentrations in construction, utilities, and transportation and warehousing. The state has lower-than-average employment concentrations in manufacturing, financial activities, and professional and business services compared to the U.S. overall.

The economies and job markets in the Anchorage/Mat-Su, Gulf Coast, and Southeast regions roughly mirror statewide patterns, with declines in any of the state’s major industries having either direct or trickle-down effects.

Fairbanks, the largest part of the Interior Region by population and job counts, also has a mix of current and projected employment that resembles the state as a whole.

## Outlook for jobs and industries

In contrast to the national trend, Alaska will lose net jobs in 2016 as a result of low oil prices, layoffs, and a very large state budget deficit. So far the losses have been relatively mild overall, although the oil and gas, state government, construction, and professional and business services sectors have all sustained substantial job losses. Health care, retail trade, and tourism-related businesses have all grown moderately through the first half of 2016.

In the long term, from 2014 to 2024, Alaska is projected to add 19,700 jobs for a 10-year growth rate of a little less than 6 percent. Although health care jobs are not expected to grow as fast as they have in recent years, the 16 percent growth rate for that sector (which also includes social services) is still expected to substantially outpace overall job growth.

Other relatively strong sectors include leisure and hospitality at 11 percent projected growth and transportation and warehousing at 10 percent. Large or especially important sectors projected to lose jobs or grow more slowly than the economy overall include oil and gas extraction (-10 percent), support activities for mining

(-7.2 percent), financial activities (-1.2 percent), and state government, excluding university jobs (-3.4 percent).

## Gulf Coast and Southeast

Although parts of the Gulf Coast and Southeast regions are isolated and rural, as a whole they contain a mix of jobs not dramatically different from the statewide pattern. Coastal areas have more opportunities in fishing and fishing support industries, for example, but strong health care growth is expected wherever there are stable or growing populations. Similarly, the mix of government and private sector support jobs (in stores, restaurants and bars, construction, transportation, etc.) does not differ markedly between areas with population centers of 10,000 or more.

## Northern Region

The Northern Region is home to most of the state’s large oil and gas industry and includes the Red Dog Mine, one of the world’s largest zinc mines.

Because North Slope workers typically work a schedule close to two weeks on and two weeks off, they prompt a substantial number of jobs in food services, health care, and custodial jobs when oil and gas activity picks up and a corresponding reduction in those jobs when it falls. There are almost no permanent population centers close to oil and gas fields. The Northern Region’s largest city is Barrow, with about 4,500 people, but it is 200 miles away from the center of oil field activity and not connected by road.

## Southwest Region

The Southwest Region depends heavily on fishing. The region supplies a large percentage of the nation’s total commercial fish harvest by both poundage and value. Its Bristol Bay sockeye salmon, Bering Sea crab, and pollock harvests represent some of the largest salmon, crab, and whitefish fisheries in the world.

Fishing is largely not captured in wage and hour employment data because permit holders and their crew are self-employed and not subject to state unemployment insurance coverage and the mandatory reporting from which we collect

the most reliable employment data. What the employment data do show, however, is a large number of seafood processing jobs and the roughly typical mix of government, health care, retail, construction, and restaurant/bar employment that result from economic base industries such as the area's fisheries.

Two census areas in the region — Bethel and Kusilvak — have some of the state's and nation's highest unemployment rates among counties or county equivalents. Jobs in these areas are primarily connected to local government and to the support jobs that exist wherever populations cluster, including health care and retail jobs and a certain number of construction and transportation jobs. Unlike the southern parts of the region, the area does not profit substantially from commercial fish harvests.

## Interior Region

The Interior Region has a mix of resource industries — large coal and gold mines, for example — and is also home to Denali National Park, which generates a large number of seasonal jobs and a handful of year-round jobs.

Fairbanks, with a borough population of nearly 100,000, depends heavily on the military and the University of Alaska Fairbanks. Fort Wainwright, an Army post, and Eielson Air Force Base are home to 8,600 active duty military and an additional 1,400 dependents. The University of Alaska Fairbanks has a student enrollment of nearly 10,000, 88 percent of whom are undergraduates.

Both the military and the university also create significant demand for goods and services in the community and state. At both the industry and occupational levels, existing demand is similar to the statewide pattern: 1) especially high demand for health care workers; and 2) demand across the rest of the industry and occupational spectrum that's roughly similar to population trends.

# Performance Measures Summary

The Department of Labor and Workforce Development's Research and Analysis Section matched information provided by TVEP recipients about the participants who exited a program during the prior state fiscal year 2015 (July 1, 2014 through June 30, 2015) to unemployment insurance wage records to determine employment outcomes.

The performance outcomes are based on the

measures in AS 23.15.835(e). This report includes outcomes for the following two measures:

1. The percentage of former participants who have a job one year after leaving the training program
2. The median wage of former participants seven to 12 months after leaving the program

Institution for SFY 2015	% Employed 1 Year After Exit	Median Wage 7-12 Months After Exit
Alaska Vocational Technical Center (AVTEC)	76.4%	\$13,052
Alaska Technical Center, Kotzebue	81.3%	\$11,635
Amundsen Educational Center	50.0%	\$3,190
Galena Interior Learning Academy	n/a	n/a
Ilisaġvik College	82.7%	\$24,410
Northwestern Alaska Career and Technical Center (NACTEC)	32.1%	\$1,183
Partners for Progress in Delta	48.7%	\$12,280
Southwest Alaska Vocational and Education Center (SAVEC)	74.8%	\$15,389
Yuut Elitnaurviat	72.6%	\$7,715
University of Alaska	74.2%	\$13,860