

HOUSE FINANCE COMMITTEE
February 3, 2009
1:33 p.m.

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CALL TO ORDER

Co-Chair Hawker called the House Finance Committee meeting to order at 1:33 p.m.

MEMBERS PRESENT

Representative Mike Hawker, Co-Chair
Representative Bill Thomas Jr., Vice-Chair
Representative Allan Austerman
Representative Harry Crawford
Representative Anna Fairclough
Representative Richard Foster
Representative Les Gara
Representative Reggie Joule
Representative Mike Kelly
Representative Woodie Salmon

MEMBERS ABSENT

Representative Bill Stoltze, Co-Chair

ALSO PRESENT

Larry Ledoux Commissioner, Department of Education and Early Development; Eddy Jeans, Director, Education Support Services, Department of Education and Early Development; Mark Hamilton, President, University of Alaska; Pete Kelly, Director, State Relations, University of Alaska; Clark Bishop, Commissioner, Department of Labor and Workforce Development; David Stone, Deputy Commissioner, Department of Labor and Workforce Development; Guy Bell, Assistance Commissioner and Director, Division of Administration

PRESENT VIA TELECONFERENCE

SUMMARY

#hb81

#hb83

HB 81 "An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making supplemental appropriations; and making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska; and providing for an effective date."

HB 81 was HEARD and HELD in Committee for further consideration.

HB 83 "An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

HB 83 was HEARD and HELD in Committee for further consideration.

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DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT - BUDGET OVERVIEW

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LARRY LEDOUX COMMISSIONER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT presented his staff.

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Commissioner Ledoux provided an overview of the Department of Education. He indicated he had been reviewing department operations with the purpose of focusing them toward increased student achievement. The commissioner believed it was important to realign the Deputy Commissioner of Education and Early Development to take direct responsibility for school improvement. Commissioner Ledoux indicated that a coherent organized model was necessary to work with school districts. The department was moving to accept responsibility for monitoring and complying with federal programs and provide resources for collaborative school improvement.

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Commissioner Ledoux reported that at a recent Alaska education summit many education experts and interested individuals throughout the state worked together to discuss the challenges of school improvement. The commissioner referred to the state education plan, Alaska Education Plan (Draft) January 23, 2009 (copy on file). The draft plan outlines visions, goals, missions and graduation outcomes. Commissioner Ledoux believed that with the current resources, targeting within a continuum, substantial progress can be made. He reported serious challenges but indicated that one of the most serious was the unacceptable 62 percent graduation rate. Currently graduation outcomes are determined by a high stakes exam, but he stressed that the expectations need to be greater for the student. Commissioner Ledoux declared that graduation problems can not be solved in a short amount of time, but improving the

graduation rates will involve partnerships, collaborations, dialogues and the focused use of limited resources. Commissioner Ledoux stressed the balance necessary between intervention and prevention and in reactive and proactive strategies. He cautioned that at risk students in the system now need immediate action to support their needs. Proactive measures instituted now for young people just entering the school system could help avoid reactive measures later.

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Vice-Chair Thomas asked about the higher graduation rates from Mt. Edgecombe High School (Sitka) and a few private schools in Anchorage. Commissioner Ledoux agreed that the Mt. Edgecombe graduation rate is higher than the state average but would prefer to provide statistical data at a later date.

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Commissioner Ledoux revealed the second priority of the department is to raise standards to meet the work-force training needs and the university. The goal is to have the student body work-tech and college ready. Commissioner Ledoux continued with the third priority issue, early learning. He reported that many students entering the school system are behind when they enter and often remain there for many years. The fourth priority would be to ensure that high school students have access to high quality career and technical education programs.

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Representative Gara remarked that the governor vetoed a large grant from an organization that provides school books to parents and wondered if the funding should be put in the budget again this year.

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Commissioner Ledoux referred to the Dolly Parton Library project. He indicated there are many worthy programs but considered it inappropriate to speak on any one of them at this time. Representative Gara interjected he just needed to know if the department thought requesting funds was worth working for again.

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Representative Austerman questioned if legislators needed to pay attention to any one particular thing to stop the low graduation rate.

Commissioner Ledoux commented that the high school graduation exam did not contribute to the low graduation rate; the issue was more complex. The commissioner remarked that the exam was passed into law by the legislature and he would be willing to give his opinion at a later date. Commissioner Ledoux reported that the exams had forced some districts with limited funds to pull resources from courses that allow students to explore their interests. He believed this affects the graduation rate because when students lose the ability to explore their curiosities, they often lose interest in school.

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Co-Chair Hawker remarked that the commissioner seemed to have problems with basic reading, writing, and math requirements. Commissioner Ledoux agreed that these skills are important but directed his comments to the problems of high stake exams.

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Representative Austerman questioned some of the basic education subjects providing skills for college. He believed schools were also failing in teaching general living skills.

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Representative Gara thought the purpose of the high school qualifying exams was to make sure students were graduating knowing basic skills but he felt the problem seems to be that students are still graduating today without the skills to enter college. He asked for information that would let the legislature know if the qualifying exam was achieving its goal. Commissioner Ledoux expressed he would be happy to come before the committee to talk about the pros and cons of the exams. He noted that educators in Alaska are on both sides of the issue. He elaborated that the standards for the test are low level and not up to the skills needed for college. Commissioner Ledoux believed it was time to look at the exam's purpose and how it may or may not help the students.

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Representative Fairclough wondered if the goal of the legislature to have every child attend college. She questioned if this was the correct measurement tool.

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Commissioner Ledoux believed that all students should be prepared to engage in the career of their choice. He indicated that the basic skills for success are identical

for both college and vocational success. Commissioner Ledoux considered the partnership with the Department of Labor allowed the education department to take advantage of their leadership but not to be moved out of the K-12 educational program. The commissioner believed high standards and expectations should be the goal for achievement among the students.

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Commissioner Ledoux commented on the fifth priority, teacher quality. He signified the importance of having qualified teachers provide the necessary instruction. Commissioner Ledoux recognized that it was impossible to achieve these goals alone, but depended on a number of other organizations for success. He reiterated that one of the most important partnerships was the leadership from the Department of Labor. Commissioner Ledoux reported that high schools across the nation have closed their vocational programs due to lack of funding and resources and that Alaska has closed shops and not replaced needed training equipment.

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Commissioner Ledoux expressed the importance of working with and aligning goals with the university to help students entering college. He indicated the necessity of having the university help prepare teachers, principals, and specialists needed in Alaska and the importance of utilizing the university's research capability to collect and collate information to integrate it into useful information. Commissioner Ledoux expressed the need to open new pathways of communication to the indigenous communities to align common goals.

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Representative Fairclough expressed how the three departments before the committee were interrelated. She asked who tallies the General Equivalency Diplomas (GED) in Alaska. Commissioner Ledoux responded that he did not have that information but would provide it at a later date. Representative Fairclough indicated that there is no statistical data available to look at a cross-section of the issue.

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Representative Joule commented that the regional hub districts and larger communities have a similar quality of education but questioned the quality of education in rural schools. He expressed his concern that students in rural communities are being shortchanged.

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Commissioner Ledoux observed that he has been responsible for developing and supervising rural programs but the challenges in finding qualified staff was significant. He reported that high school students need to have a broad range of experiences, opportunity to discover their interests, access to highly qualified teachers and support in developing a personal vision in order to be successful. The commissioner suggested there are possibilities of addressing the remoteness of rural schools through technology, but acknowledged the difficulty for rural students to make the connections important for their success. Commissioner Ledoux expressed his goal for parents in Alaska communities to have good choices so a choice is not forced upon them.

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Vice-Chair Thomas asked the commissioner if it would work to amend the count to two counts, one at the start of the year and one near the end of the year, to curtail the dropout rate. Commissioner Ledoux believed there were two count periods in the past. He considered that foundation programs have to be flexible enough to fund alternative educational programs. The commissioner added that many options pertaining to size only work in large school districts; the small school districts are not set up for it.

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Vice-Chair Thomas commented that most of the contractors in Haines went through vocational education training, but the funding had been cut so he considered funding for these programs should be looked at again.

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Representative Gara questioned the university and vocational education preparedness and attendance. He referred to the statistic that 5.8 percent of children are graduating college within 6 years of graduating from high school, a third the national average. Commissioner Ledoux answered that those statistics were mentioned in a subcommittee meeting although he did not make them. Representative Gara asked if the commissioner had statistics on how Alaska ranks in sending students to college. Commissioner Ledoux reported he would need time to research the statistics. Representative Gara stressed that having information on how comprehensive vocational opportunities were handled by the many divisions in the state would be helpful.

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Commissioner Ledoux replied that the department was working with the University of Alaska and the Department of Labor to find these answers. Representative Gara asked if the reason some Alaskan students are not attending college is financial. Commissioner Ledoux agreed that costs are a problem. He added that many in Alaska are from immigrant backgrounds and parents may not know how to work the system or have the ability to advocate for their children.

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Commissioner Ledoux reviewed the department's 10-year budget projection, Department of Education & Early Development-10 Year Fiscal Plan Assumptions (copy on file). He mentioned that variables used in making projections were simple to follow so that adjustments could easily be made (page 1-2). Commissioner Ledoux described some of the new initiatives appropriation estimates (page 3-4). Co-Chair Hawker interjected that it would be preferable for the commissioner to just concentrate on the overview for the next 10 years instead of specifics. Commissioner Ledoux pointed out the graphs for the 10 year plan showing the baseline, the current budget, and the baseline plus current initiatives being flat for the next 10 years (page 5). He concluded that all the new initiatives added to \$4 million.

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EDDY JEANS, DIRECTOR, EDUCATION SUPPORT SERVICES, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT expressed that the increases seen in the 10-year plan were a reflection of the increases passed last year by the legislature in HB273; the increases continue for the next 4 years past the FY 2010 budget. He proclaimed flat funding exists due to little or no growth. Mr. Jeans declared that state funding is affected by other things such as required local contributions which have been rising. Co-Chair Hawker repeated Mr. Jean's comments for clarification.

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Representative Gara asked how the department plans to raise graduation numbers and improve schools with no increase requests in the budget. Commissioner Ledoux recognized that there would be budget stress if the budget was flat lined, but the department could not predict the inflation rate or economics in future years. Co-Chair Hawker impressed upon the commissioner that the legislature requires information on what is needed in the budget to accomplish the department's objectives. Co-Chair Hawker questioned if money should define the school's mission or mission define money. He asked if the department was understating their financial needs.

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Representative Fairclough remarked that there were union contracts with incremental increases not reflected in this budget.

Vice-Chair Thomas requested information on the drop-out rate during the past flat funding period to see if the lack of money influenced the drop-out rate.

Representative Gara questioned where Alaska ranked nationally. Commissioner Ledoux indicated he would provide the information later to the committee.

[2:24:08 PM](#)

UNIVERSITY OF ALASKA- OVERVIEW

MARK HAMILTON, PRESIDENT, UNIVERSITY OF ALASKA expressed his long term interest in the State of Alaska and the University of Alaska (UA). He emphasized that the University of Alaska is the overwhelming provider of jobs for Alaskans. He declared the uniqueness of the university in that it embraces the community college system. He announced that 77 percent of jobs in America do not require a 4-year degree but added that the majority of these jobs do require post secondary education. Mr. Hamilton emphasized that higher skills in the basics of education are required for vocational jobs today.

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President Hamilton continued with information about special programs at UA that continue higher education for those entering vocational studies. He reiterated the importance of the university being a large workforce provider because \$1.4 billion leaves the state every year in payroll to nonresidents. President Hamilton expressed that these special workforce development programs were costly because good instructors are expensive and class sizes small. He added that modern equipment also adds a cost burden.

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President Hamilton named K-12 outreach as the university's number one priority. He believed being able to provide and assist Alaska graduates with the required skills for vocational as well as college educations. President Hamilton signified the importance of the university mentor program where college students work with students in high school. He believed that the legislature's decision to fund the university when he first came before them in 1999 helped the university move forward with positive results. President Hamilton proclaimed that the number of college bound

Alaskans moved from 42 percent to 63 percent, a 50 percent increase but still coming in last in the nation. He remarked that Alaska Native graduations have increased by 108 percent but less than 500 graduate per year.

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President Hamilton provided an overview of the university 10-year plan. He noted that demographics indicate fewer high school graduates in the future with only 48 percent who choose to go to college. President Hamilton remarked that funding has not kept up with inflation. He noted that the university has made enormous progress in university receipts, up 90 percent in the last ten years by doubling tuition and indirect cost recovery. He added the university took \$30 million from the Natural Resource Fund and applied it to the merit based scholarship, the Alaska Scholars. President Hamilton listed prior money received from BP and Conoco Philips which is now ended. He added funding received in the past included \$10 million from the Rasmussen Foundation, \$10 million from the Denali Commission, \$7 million from Mental Health Trust, and \$7 million from other various industries. He added it is highly unlikely that the university could repeat these statistics in the future.

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Representative Kelly mentioned the statistics of those graduating and going on to college or trade schools. He asked for the training and apprenticeship statistics on all on the graduating categories. President Hamilton said it was available. Representative Kelly also requested a look at the non-union statistics.

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Representative Gara agreed that the university is an economic factor in this state. He asked what legislators could do to help more high school students enter the university. President Hamilton answered that scholarships would be a great help to those that can not afford college. He added coordinating help between the Department of Labor, the K12 system and the university. He stressed the importance of not duplicating what is being done elsewhere. Representative Gara reiterated that \$7 million would help fund the student financial aid. He mentioned that last year the governor proposed and the legislature put \$2.2 million in low-income grant funding that is not in budget this year. Representative Gara wondered if this would be beneficial again. President Hamilton agreed it would be very beneficial for the short run. He mentioned events that had been held to help students apply for financial aid. He added that the online application process had proved fruitful.

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Representative Fairclough stated that she had been asked by students for support in scholarship programs. She felt there was a large disconnect in the student's understanding where the state of Alaska received the majority of its money. Representative Fairclough stressed that the production of oil provides revenue for the state of Alaska that is in turn invested in the university system. She declared that the university staff and students often do not support mining and oil projects and wondered how she could advocate giving money for people who were against development projects that provide money to Alaska. President Hamilton thought perhaps those students would change their opinions as they matured over time. He felt they would grow up and understand the definition of responsible development. Representative Fairclough stressed that the questions she had asked students and staff had been specific. She felt there existed a voting block inside the university that seemed to be disconnected to the way money was generated in Alaska. She wondered how funding could be increased and the money appreciated if the university and its students did not recognize the way the money was made.

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President Hamilton answered that it was good that students held their own beliefs. He felt that these disagreements were part of the learning process for the students. He elaborated that the budget was put together by him and the board of regents, not the student body. President Hamilton wanted the university to provide sufficiently for its students. Representative Fairclough said she did not want to dampen the student's enthusiasm or try to sway them politically; she simply wanted the students to be aware of how the state is really funded. She suggested that maybe the students could seek new ways of funding.

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President Hamilton remarked that during the recent Conference of Young Alaskans, funded by the BP, Conoco Phillips compact money, he stipulated that there must be a one hour class on the economics of the state of Alaska.

Representative Austerman remembered a past plan for 10 percent of graduating high school students to receive free tuition and wondered if there had been a backlash for the other 90 percent who may have felt they were not worth going to college. Representative Austerman felt the K-12 outreach system was failing its students. He wondered if any work had been done on the K-14 program.

President Hamilton disagreed that the scholars program had been a disincentive to some. He felt it was not a matter of disrespecting the students who did not receive funding. He remarked that discussions of a K-14 program had been ongoing. President Hamilton believed in the idea of a job resting on a set of academic criteria could be a pathway for students to identify opportunities for future employment. He expressed that to form a statewide organization to discuss the issue would be up to the state. He felt the primary key for any such idea was collaboration working together for common goals.

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Representative Austerman agreed that collaboration was necessary throughout the departments, but he felt that the present system has failed and wondered why there had not been collaboration in the past. Co-Chair Hawker reported he was also troubled by the issues brought up by Representative Austerman. He was looking for true advances for guidance on these subjects.

Representative Gara disagreed with Representative Fairclough's view that a student's opinion has any bearing on whether or not the university should be funded; he felt it was wrong to withhold funding for students at the university because of their political views. He believed the university should have a list of goals that would lead to job creation or job training. Representative Gara wondered if President Hamilton had any ideas the university would be actively pursuing over the next 30-60 days.

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President Hamilton replied that the university has looked into some ideas for the stimulus package. He mentioned there should be increased needs-based scholarships. He named deferred maintenance as the university's number one capital request. President Hamilton added that professionals needed to train in the workforce development program are expensive. He declared there is a massive demand for new projects and programs in job training. President Hamilton stressed that during these difficult times it is important not to cut back on education. President Hamilton believed the university is part of the solution to produce a qualified employable workforce for Alaska.

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Representative Gara noted that money for deferred maintenance in the stimulus package would provide work in the short run but questioned if any ideas had been discussed on how to use this money to create more jobs in the long run. President Hamilton noted there could be a long list of

money needs but it was decided to stick with the deferred maintenance requests. He added that the beauty of deferred maintenance is it has already been identified and planned.

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Co-Chair Hawker agreed that deferred maintenance is a great choice for the planning future.

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Representative Joule declared that a primary goal should be to force good quality back into the education system. He believed in the need to look at meaningful reform throughout the state. Representative Joule emphasized that this lack is acutely felt in the rural areas and he hoped the subcommittee chairs would really look at meaningful reform to help lift up the people of Alaska.

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President Hamilton recalled a meeting in Kotzebue called by Representative Joule regarding jobs at the Red Dog mine to serve as an inspiration to the young people in the rural areas. Representative Joule remarked that a result of that meeting was a proposal for a magnet school to isolate areas of growth in employment. He added that Nome and Bering Strait were also exploring new ideas.

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Representative Crawford shared the frustration of talking about change without seeing a lot of progress. He added that in the end the discussion always returns to money, not the desire to make education more exciting or accessible to the people of Alaska. Co-Chair Hawker added that the problem is not just wanting to spend the money, but having the money to spend.

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LABOR AND WORKFORCE DEVELOPMENT - WORKFORCE DEVELOPMENT

CLICK BISHOP, COMMISSIONER, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT presented the overview of the Department of Labor and Workforce Development. He read a letter from him to President Hamilton (copy on file).

The AGIA Training Plan calls for alignment of Alaska's vocational and technical education system in the best interest of the citizens of our state. I'm seeking your support to develop a strategy for the postsecondary systems for career and technical education in the state, to assure they are aligned to

train and educate our citizens without needless duplication of programs and investments.

I have directed my staff to work closely with representatives from the University of Alaska and prepare recommendations to address the AGIA strategy of CTE alignment in our state. Over the coming months I anticipate conversations to take place that will help us plan and shape Alaska's workforce development future. It is my intention to have recommendations from this working group, led by Fred Villa and David Stone, in May, 2009.

I hope you will join me in this endeavor to make sure that we position the state of Alaska to place the right programs in the right places to assist Alaskans in getting quality jobs in Alaska, maximizing Alaska resident hire overall and reducing the wages that are leaving the state.

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Commissioner Bishop referred to the committee's previous questions on the alignment of resources. He believed there had been success in working with the education department as a team. He expressed his interest in increasing the high school graduation rate. He indicated an earlier meeting with the Commissioner of Education on the WorkKeys assessment system and the Career Readiness Certificate.

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Representative Austerman asked what the WorkKeys assessment and Career Ready certificate was. Commissioner Bishop indicated he would acquaint Representative Austerman with these programs during their scheduled meeting. Co-Chair Hawker requested Commissioner Bishop present his personal experiences regarding the department.

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Commissioner Bishop considered one of the most serious problems was \$1.7 billion leaving the state in non-resident wages. He believed the goal should be to try and capture a higher percentage of this money for resident workers. He stressed that holding onto this money could possibly grow Alaska's economy during the recession. Co-Chair Hawker asked what job sectors should be looked at first. Commissioner Bishop responded that the three job sectors targeted by the department were mining, oil and gas, and construction. He noted that the non-resident hire rate went down and resident hire increased, still \$374 million was exported to non-resident hires.

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DAVID STONE, DEPUTY COMMISSIONER, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT revealed there was a large non-resident force working in the mining industry because of the lack of skilled Alaskan workers. He reported that the department was working with UA to develop mining programs to expand into longer more skilled programs. He added they were working on a new core drilling training program that involved both classroom and on-the-job training to eventually graduate top hands. Mr. Stone expressed a goal of taking an underground miner, over a 4-year period, from the entry level to the journeyman level, giving them the skills to work in any mine in Alaska.

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Mr. Stone pointed out that there was a lot of support from the mining industry. Commissioner Bishop interjected it takes a long time to meet with business and industry to show them the benefit and values of resident hires. He announced a one-of-a-kind agreement for a data sharing with the federal Department of Labor. He emphasized that from 1996 to the present 90 percent of students enrolled in apprenticeship programs have stayed and remained working in Alaska.

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Representative Salmon questioned how the development of a statewide workforce was reaching into rural areas. Commissioner Bishop admitted movement into rural areas had been slow, but he has had a dialogue with the local school districts to increase youth career guidance.

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Representative Gara asked if the Department of Labor had thought about construction projects that could be incorporated into the federal stimulus package. Commissioner Bishop replied that the department had not factored any stimulus money into the present budget before the committee.

GUY BELL, ASSISTANCE COMMISSIONER AND DIRECTOR, DIVISION OF ADMINISTRATION added that the primary focus had been on the workforce training and unemployment insurance components of the stimulus package. There is anticipated federal money for workforce training and unemployment insurance with some anticipated job creation in transportation, but as yet there are no firm announcements from the federal government what they will be.

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Representative Gara questioned the construction level of the Fairbanks gas line job training facility. Commissioner Bishop replied there had been a groundbreaking ceremony and the first outdoor exercise was held in October. Representative Gara asked if the construction was completed. Commissioner Bishop replied it was not completed but it was operational. Representative Gara questioned if the department had looked into the federal stimulus funds to expand the dormitory space at the facility to better incorporate those from rural areas for the training of gas line jobs.

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Commissioner Bishop remarked that talks had been ongoing about the use of the stimulus funds. Mr. Bell reported that land acquisitions and site development to the area was ongoing to provide a larger facility for more comprehensive training. He added that the department envisions a new dormitory but does not have the funding yet. Mr. Bell hoped for some federal funding, but has not yet seen actual money figures offered.

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Commissioner Bishop spoke of the anticipated addition of 44,000 jobs in Alaska's workforce growth from 2006 to 2016. He noted that some industries will outperform others such as health care, utilities, mining, construction, and research analysis for planning, training and long range employment trends. Commissioner Bishop related again his goal of capturing more employment for Alaskans within the state and not to non-residents. He stressed that Alaska unemployment is at 7.5 percent and it is important to prevent double digit numbers that have existed in the past.

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Co-Chair Hawker asked if the department was doing anything to focus on areas such as health care and professional clerical activities. Commissioner Bishop remarked that these professions have been identified. Co-Chair Hawker remarked that his desire would be to see more comprehensive collaboration between departments in addressing workforce training to avoid duplication.

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Commissioner Bishop expressed that he had been traveling throughout the state looking closely at possible overlaps and duplications in job training.

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Co-Chair Hawker requested a brief overview of the department's goals for the next ten years. Mr. Bell disclosed that an inflation assumption had not been built into the 10-year plan. He noted that deferred maintenance for the Alaska Vocational Technical Center had been built into the base line growth beyond 2010. He added for the gas line related activity there were significant investments for FY 2010 in both the operating and the capital budget. Mr. Bell expressed that in FY2011 and beyond additional investments would be needed to fully implement the strategic training plan associated with Alaska Gasoline Inducement Act (AIGA).

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Co-Chair Hawker questioned if the AIGA plans are project specific or adaptable to other state projects. Mr. Bell responded it was a one-size-fits-all training program for many different possibilities. Commissioner Bishop indicated that the Denali Pipeline Group and TC Alaska have been brought to the table for training purposes. Co-Chair Hawker asked if they were both resident workers. The Commissioner replied that both groups were working toward the common goal of training the workforce in Alaska.

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Mr. Bell added that training efforts would step down in FY2015 at 20 percent a year as the pipeline is completed. Mr. Bell also expected additional enforcement activity would be required at the time construction begins for workforce safety and resident hire provisions on projects connected to the gas line construction. Mr. Bell suggested new initiatives developing around career and technical education in the health care area and expanding the resident hire enforcement efforts. Co-Chair Hawker expressed his hope that continued dialogue on a shared vision for the future continues to grow between the legislative and executive branches and the people of Alaska.

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Representative Joule requested information on ideas for getting rural residents involved in these projected ventures. Commissioner Bishop agreed to listen to all ideas on this subject. Representative Salmon referred to a situation where people working on a village project were not from the area and he believed it was time to correct this problem.

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Representative Fairclough announced to the committee members to please let her know if there are specific questions or

interests that they would like the subcommittee to probe further.

Representative Kelly asked where health care fits into the departments list of projects. Commissioner Bishop replied health care fits into the mix equally with the other focused projects. He considered it a high priority as it is one of the fastest growing occupations. Representative Kelly welcomed a more proactive approach to the department's responding to the health care needs throughout the state.

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Commissioner Bishop applauded continued good communication between his department, the committee members, and the university.

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Co-Chair Hawker delivered the gavel to Representative Fairclough designating her chair for the duration of the meeting.

Representative Joule commented that it was refreshing to see the cooperation and communication between the three departments dealing with education. Representative Kelly recounted a conversation with President Hamilton about a perceived anti-university bias within the legislature. He remarked that training is necessary to teach students the proper way to request funds from the legislature and that being staunchly anti-development was not a positive response. Representative Fairclough declared her support for the university, workforce development, and K-12 education. She added that Alaska is experiencing a revenue shortfall, but there is the need to invest these revenues in providing hope to rural communities and job creation for Alaskans.

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ADJOURNMENT

The meeting was adjourned at 4:07 PM