

**ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE**

January 29, 2013

1:31 p.m.

MEMBERS PRESENT

Senator Mike Dunleavy, Chair
Senator Peter Micciche, Vice Chair
Senator Donald Olson
Senator Johnny Ellis

MEMBERS ABSENT

Senator Bert Stedman

COMMITTEE CALENDAR

CONFIRMATION HEARING

Commissioner, Department of Labor and Workforce Development
Dianne Blumer

- CONFIRMATION ADVANCED

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

DIANNE BLUMER, Commissioner
Department of Labor and Workforce Development
Anchorage, AK

POSITION STATEMENT: Testified as appointee to the position of commissioner of the Department of Labor and Workforce Development.

ACTION NARRATIVE

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CHAIR MIKE DUNLEAVY called the Senate Labor and Commerce Standing Committee meeting to order at 1:31 p.m. Present at the call to order were Senators Micciche, Olson, and Chair Dunleavy.

CONFIRMATION HEARING

Commissioner, Department of Labor and Workforce Development

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CHAIR DUNLEAVY announced the business before the committee was a confirmation hearing. He asked Commissioner Blumer to tell the committee about herself and her qualifications to serve as commissioner.

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DIANNE BLUMER, Commissioner, Department of Labor and Workforce Development, said she was born and raised in Southeast, and started working for the State of Alaska in 1991. She described leadership positions she held as director of the Division of Personnel and Labor Relations and deputy director of the Child Support Services Division. As special assistant to the governor, she advised Governor Parnell on regulation and policy for the departments of Administration, Revenue, and Commerce, Community and Economic Development. In May 2012, she was appointed commissioner of the Department of Labor and Workforce Development (DOLWD).

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SENATOR ELLIS joined the committee.

SENATOR MICCICHE thanked Commissioner Blumer for her responsive efforts to encourage Alaskan hire.

CHAIR DUNLEAVY asked Commissioner Blumer to discuss her plans and visions for the department going forward.

COMMISSIONER BLUMER said the primary goal was to maintain a low unemployment rate. The current rate is about 6.6 percent and it could be lower since there is continuing workforce demand. Another goal was to improve outreach to all areas of Alaska to advertise the opportunities that DOLWD has to offer and get residents ready for jobs that are coming.

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CHAIR DUNLEAVY asked how her extensive background in labor relations and human resources would benefit her as commissioner and the department she would oversee.

COMMISSIONER BLUMER explained that when she was advocating for management and organizations she learned the importance of balance and not having preconceived notions. Those principles will be beneficial moving forward in the role of commissioner, she said.

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SENATOR ELLIS discussed the common complaint about the high percentage of non-Alaskans working in the oil fields on the North Slope. He asked Commissioner Blumer to discuss the numbers generally, the trends, and her efforts to increase the number of Alaskans in those good jobs on the North Slope.

COMMISSIONER BLUMER said she did not have specific data because the residency report would not be ready for release until the 31st, but the draft she'd seen indicated a slight increase in non-Alaskan hire. She expressed concern about the increase and assured the committee that DOLWD continued to look at ways to train local Alaskans for North Slope jobs. She specifically mentioned the core drilling training program with the University of Alaska Mining and Petroleum Training Service (MAPTS) on the Kenai Peninsula, which is committed to training students for careers that require advanced skills. She expressed hope and optimism that trained Alaskans would take those jobs, stay in the state, and increase the Alaskan-hire rates.

She said the mining industry provides other potential opportunities for local Alaskans. She described the successful mine simulator program in Juneau that has industry input and job placement from both Greens Creek and Kensington mines. If that program can be mobilized to areas in rural Alaska, local Alaskans could potentially be trained for mining jobs. "Hopefully we can use that model to address the issues on the Slope as well," she said.

SENATOR ELLIS requested that once the residency report was released that the committee invite Commissioner Blumer back to continue the conversation about what the data shows and plans moving forward. He asked if it was a policy of DOLWD to take the "Big Three" on the North Slope at their word that they would hire Alaskans if they were trained. He further asked if it was the policy of the administration to train Alaskans for specific North Slope jobs so that Alaskans would fill positions when they become available. "Is that what your training is focused on," he asked.

COMMISSIONER BLUMER confirmed that the primary focus was to put Alaskans in those jobs.

SENATOR ELLIS asked if she would be willing to return and continue the dialog about Alaskan hire numbers and trends.

COMMISSIONER BLUMER said yes.

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SENATOR OLSON asked what her plans were within DOLWD to get ready for the anticipated gas pipeline project, and which project she favored.

COMMISSIONER BLUMER explained that the Alaska Workforce Investment Board developed an oil and gas pipeline training plan that identified 113 occupational job classes that would be needed when pipeline construction occurs. Registered apprenticeship programs and Alaska work partnership programs were currently providing training to meet those occupational codes. DOLWD was committed to work with any company that meets any of those occupational codes to help with on-the-job or other training. She allowed that it would be a challenge for DOLWD to meet the employment demands over the next several years, but it was up to the task. She declined to voice her personal opinions about any particular project.

SENATOR OLSON asked about efforts to further the rural workforce.

COMMISSIONER BLUMER described a "Youth First" program in Emmonak to employ students in the Yukon Delta Fisheries Development Association processing plant. Since the program was implemented, youth crime rates and school dropout rates have declined. DOLWD is also reaching out to regional training centers and working more closely with ARDORS to assess needs and focus training regionally.

SENATOR OLSON mentioned throughput decline and projected revenue declines, and asked how she planned to protect the funding streams for skilled workforce training programs so that Alaskans could continue to be trained for North Slope jobs.

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COMMISSIONER BLUMER responded that she would look for efficiencies internally, allow regional training centers and ARDORS to be the "boots on the ground" to help determine what training is needed in a particular region, and streamline the training to simplify the process. She admitted it was a challenge and that she and the department would continue to work on it.

SENATOR ELLIS noted that there had been some money in the capital budget for film and television production and that he

was pleased with DOLWD's performance to date to get those workforce-training funds on the street so qualified Alaskans could be hired for those lucrative, creative economy jobs. He asked for an update.

COMMISSIONER BLUMER explained that just over half of the legislative appropriation was used to issue grants to training providers that specialize in film and television training programs and curricula, and just under half was budget for Individual Training Accounts (ITA). She acknowledged that there were not a lot of people that were ready to do ITA training in Alaska, so it was more of a start-up grant program. The training provider grantees have developed the following programs: Talking Circle Media, Alaska Crew Training (Act I), Affinityfilms, Inc., KPU Telecommunications, and University of Alaska Fairbanks, Film Program. She said the outcomes wouldn't be available until after June 30, but DOLWD was pleased with the progress to date.

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SENATOR MICCICHE expressed hope that Commissioner Blumer would make it a priority to incentivize local Alaskan hire, not temporary Alaskans. "I think it is a key priority for everyone in one of these seats that we see our Alaskan brothers working and we disincentivize those that are hiring folks from somewhere else. We're open to any ideas you have on how we can create legislation that encourages a greater percentage of Alaskan hire," he stated.

COMMISSIONER BLUMER said she looked forward to working with him on that issue.

CHAIR DUNLEAVY found no further questions or public testimony and asked for a motion.

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SENATOR MICCICHE moved to advance the name Dianne Blumer to the joint session for consideration with the understanding that it did not reflect intent by any member to vote for or against the confirmation of the individual.

CHAIR DUNLEAVY announced that without objection, the name Diane Blumer would be advanced to the joint body for consideration.

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There being no further business to come before the committee, Chair Dunleavy adjourned the Senate Labor and Commerce Standing Committee meeting at 1:57 p.m.