

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

January 25, 2018

1:32 p.m.

MEMBERS PRESENT

Senator Mia Costello, Chair
Senator Kevin Meyer
Senator Gary Stevens
Senator Berta Gardner
Senator Peter Micciche

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION: AVIATION ADVISORY BOARD UPDATE

- HEARD

PRESENTATION: ALASKA TECHNICAL VOCATIONAL EDUCATION PROGRAM
(TVEP) UPDATE

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

LEE RYAN, Chair
Aviation Advisory Board
Unalakleet, Alaska

POSITION STATEMENT: Delivered an Aviation Advisory Board update.

GIDEON GARCIA, Member
Aviation Advisory Board and General Manager
Northern Air Cargo
Anchorage, Alaska

POSITION STATEMENT: Participated in the Aviation Advisory Board update.

TOM GEORGE, Member

Aviation Advisory Board and Alaska Regional Manager
Aircraft Owners and Pilots Association
Fairbanks, Alaska

POSITION STATEMENT: Participated in the Aviation Advisory Board update.

GREG CASHEN, Acting Commissioner

Department of Labor and Workforce Development (DOLWD)
Juneau, Alaska

POSITION STATEMENT: Delivered an update on the Alaska Technical Vocational Education Program (TVEP).

PALOMA HARBOUR, Director

Administrative Services Division
Department of Labor and Workforce Development (DOLWD)
Juneau, Alaska

POSITION STATEMENT: Participated in the update on the Alaska Technical Vocational Education Program (TVEP).

ACTION NARRATIVE

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CHAIR MIA COSTELLO called the Senate Labor and Commerce Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Stevens, Gardner, and Chair Costello. Senators Meyer and Micciche arrived during the meeting.

PRESENTATION: AVIATION ADVISORY BOARD

[1:32:57 PM](#)

CHAIR COSTELLO stated that the committee would continue the discussion about Alaska's economy. The question today is how to best train Alaskans for jobs. The Aviation Advisory Board would also give a presentation to share Alaska's unique relationship with the aviation industry and its importance in creating jobs. She introduced and welcomed the presenters.

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LEE RYAN, Chair, Aviation Advisory Board, Unalakleet, Alaska, said he is employed by Ryan Air, which his grandparents started in 1953. He said his roots run deep in Western Alaska, but he's had ample opportunity to travel throughout the state.

GIDEON GARCIA, Member, Aviation Advisory Board, said he is the General Manager for Northern Air Cargo. The airline serves customers from the North Slope to Western Alaska.

TOM GEORGE, Member, Aviation Advisory Board, said he is the Alaska Regional Manager of the Aircraft Owners and Pilots Association.

MR. RYAN stated that the goal today is to discuss the impact that aviation has on the economy of Alaska. He began the discussion highlighting his Junior year in high school when he was exposed to both highway and ferry travel for the first time. Up to that point he was only familiar with aviation travel. He learned that the State of Alaska owns and operates a unique transportation network that includes aviation, highways, marine highway, and rail. That year he decided to learn about the systems that make up Alaska's transportation network.

He reported that 82 percent of the communities in Alaska are not on a road system and are only accessible by air. Alaska has 242 state-owned airports, two of which are international. The Fairbanks International Airport and the Ted Stevens Anchorage International Airport make up the Alaska International Airport System. Alaska has six times more pilots and 16 times more aircraft per capita than any other state.

MR. RYAN stated that the Aviation Advisory Board has 11 members that are appointed by the governor to serve three-year staggered terms. Its purpose and function is to advise and provide recommendations to the commissioner of the Department of Transportation and Public Facilities and the deputy commissioner of the Division of Statewide Aviation on public policy related to the department's exercise of its aviation functions assigned by law.

Aviation has three mission statements. The Department of Transportation and Public Facilities mission statement is to keep Alaska moving through service and infrastructure. The Alaska International Airport System (AIAS) mission statement is to keep Alaska flying and thriving. The Division of Statewide Aviation (SWA) mission statement is to sustain and improve the quality of life throughout Alaska.

MR. RYAN reviewed the organization and leadership of the aviation system. Marc Luiken is the Commissioner of the Department of Transportation and Public Facilities (DOTPF) and John Binder is the Deputy Commissioner. The deputy commissioner

oversees both the International Airport System and Statewide Aviation.

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MR. GARCIA stated that the Alaska International Airport System (AIAS), which consists of the international airports in Anchorage and Fairbanks, operates as a self-sustaining enterprise system. The airlines that have signed on to be part of the enterprise help fund it through user fees. The signatory airlines include Alaska Airlines, FedEx, and UPS, among others. In 2017 they contributed over \$123 million in user fees.

He pointed out that the locations of the two airports are geographically strategic. They are 9.5 hours from 90 percent of the industrialized world, which makes them valuable for refueling and cargo transfer. He displayed a map of routes that are flown more than 140 times a year. It is heavily Pacific Rim and domestic locations throughout the U.S.

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SENATOR MICCICHE asked why Anchorage has become such a hub for international cargo. "Is it low landing fees, low fuel prices, location, combination of those things or what are the primary factors?"

MR. GARCIA replied it's a combination of those factors and they are striving to keep that competitive edge.

He reviewed 2011 data to illustrate that AIAS is an economic engine in Alaska. The airport system in Anchorage generates one in ten jobs and in Fairbanks it's one in twenty.

CHAIR COSTELLO asked what airports AIAS competes with and if the Aviation Advisory Board has looked at whether improvements in technology may reduce or eliminate the use of Anchorage International as a hub for refueling.

MR. GARCIA said they keep an eye on that; some airports have tried for market share but so far, the airlines have come back because Anchorage is strategically located, competitive, and provides good service.

SENATOR STEVENS pointed out that airlines from the West Coast can carry less fuel and more cargo if they can stop in Anchorage to refuel.

MR. GARCIA agreed it's a tradeoff between weight and distance. Carrying less and going further is the competitive edge they are always watching.

SENATOR STEVENS asked if fuel prices are reasonable and how to ensure they stay that way.

MR. RYAN replied the majority of jet fuel goes to the international airport in Anchorage where there is a consortium that keeps the price down. He referenced previous questions about the importance of the system and explained that the likely competitors do not have a system. The airport in Fairbanks serves as an alternate if the need arises. Additionally, international carriers can partner with a domestic carrier in Anchorage to run transfers. This is a competitive advantage that other states don't have.

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CHAIR COSTELLO asked him to explain the communication process and procedure between the airport director who is appointed by the governor, the signatories, the community such as the Lake Hood Pilots Association, and the Aviation Advisory Board.

MR. RYAN responded that the key to the overall system and public involvement is the communication process. He explained that, by statute, the board doesn't necessarily deal with the signatories or take up signatory issues at Fairbanks, Anchorage, and Lake Hood. However, they do recognize the importance of advising the commissioner and governor about aviation issues. They are an avenue for getting the right people in the room and having discussions about an aviation issue. He cited the example of the Lake Hood lease renewal and acknowledged that there was a break in communication in that instance.

CHAIR COSTELLO asked him to explain the Lake Hood lease situation.

MR. RYAN related that the Lake Hood Seaplane Base is a general aviation and small commercial airport within the grounds of the International Airport System. When 13 slips came up for lease on Lake Spenard, a company worked with the Anchorage International Airport to put these unimproved leases to bid for a 25-year term. It went through all the channels including public notice and everything was quiet. Questions didn't come up until the community saw development on Lake Spenard that has a 10-year waiting list for slips and a history of no commercial development. Commercial activity has been limited to Lake Hood.

This dispute came about because of a lack of communication between the international airport and the community.

CHAIR COSTELLO said it's a priority of hers to improve communication between the airport, community councils, and the user group. Having you here today to answer questions brings that to light and puts it on the record, she said.

SENATOR GARDNER commented that it was surprising that people didn't hear about this because Spenard has a very active community council and the airport manager attends the community meetings and makes regular reports.

MR. RYAN said the advisory board's advice to the department was to hold a separate community meeting on this issue and find a way to move forward and ensure it never happens again.

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MR. RYAN turned to the slide titled "Putting Alaska in Perspective."

SENATOR GARDNER noted that Juneau, too, is an international airport. She asked the impact of being categorized as such.

MR. RYAN explained that Juneau as an international airport because it has international flights. Being municipally run, it qualifies for federal airport improvement funding. The city charges landing or fuel-flowage fees to have an enterprise like AIAS. He noted that Alaska has about 25 municipal airports.

CHAIR COSTELLO asked if the Department of Commerce, Community and Economic Development, Division of Community and Regional Affairs works with communities to make sure they are aware of any federal dollars they may be eligible to receive.

MR. RYAN said he would follow up with an answer.

CHAIR COSTELLO asked if the advisory board follows the condition of airports and if the aviation statistics included any Department of Defense airports in the state.

MR. RYAN replied the board does follow the condition of airports. Rural airports are scored for federally funded projects through the Airport Performance Evaluation Process (APEP) and paved airports are scored through the Pavement Mass Index (PMI). State-owned airports that qualify for a federal project must be maintained for 20 years to live up to the grant

assurances. Military airports are counted among the more than 700 registered airports in the state, but they run under their own premise.

He displayed a state map with colored dots depicting the state operated, municipal, private, military, and road system airports throughout the state. He highlighted the overall efficiency of the system. In 2017, the aviation network operating costs totaled about \$38.3 million. That is an increase of about \$8.3 million, much of which is attributed to better tracking of facility expenses. The 19 certified airports account for about \$23 million of that annual cost and the non-certified airports accounted for \$7 million. In rural Alaska, each airport on the map represents \$35,000 to \$50,000 a year to maintain and operate. But their economic impact and the multiplier is far greater. They serve the oil and gas industry, fishing industry, mining, health and social services, and education.

CHAIR COSTELLO asked if someone like the McDowell Group or ISER has done a study on the economic impact of the aviation industry.

MR. RYAN deferred the question until later in the presentation.

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MR. GEORGE supplemented the information on the rural airport system. He explained that the 240 state-owned airports are made up of a mixture of gravel and paved airports, seaplane bases, and one heliport. The regional FAA certificated airports support aircraft with more than 30 passenger seats. Of the 25 regional airports in the state, 19 are state operated. The airport in Kotzebue is an example. It has multiple runways and provides the only year-round access to the community of 3,000. These airports have crash, fire, and rescue support and are typically more expensive to operate.

He displayed a picture of the Koyukuk community airport that provides the only year-round access to this city on the Yukon River. The runway is gravel. He displayed a picture of the Gold King Creek backcountry airstrip and stressed the importance of these airstrips to provide access to remote areas and former industrial sites. Locals generally do maintenance, not DOTPF. The designation of "off-field operations" describes areas that have no airport infrastructure, are not supported by DOTPF, but are important for commercial, industrial, and recreational uses. The aircraft that operate in this environment generally came from an airport, so it is a link in the system.

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MR. GEORGE discussed funding the construction, expansion, and development of airports. Like all states, Alaska relies on the FAA Airport Improvement Program (AIP) as the principal funding source to build or expand airports. The FAA pays 90-95 percent of the capital costs. It's a good deal but the airport must be built to federal standards. That's not always the best fit for Alaska and often increases costs. Another factor in accepting federal money is that the state must sign a sponsor agreement to live up to 39 grant assurances. One of those is a signed agreement to support the operation of the runway for 20 years or longer. The state received \$222.5 million in AIP grants in FY2017 and a similar amount is expected this fiscal year.

CHAIR COSTELLO asked if data is kept on the airports that aren't usable due to lack of maintenance. She clarified that she wasn't asking about temporary closures for things like snow on the runway.

MR. GEORGE deferred the question to the department. He added that the FAA has made changes in the last year on how to report runway conditions, which has increased the notices to airmen (NOTAMs) that a runway is closed.

CHAIR COSTELLO asked if the Aviation Advisory Council works with the Medallion Foundation. She opined that any discussion about aviation safety in Alaska needs to involve that organization.

MR. GEORGE said there isn't an official connection, but the board is well aware of the work the foundation does.

MR. RYAN added that it brings up a good point and is an opportunity for the Aviation Advisory Board to work more closely with the Medallion Foundation. He noted that he and Mr. Garcia work for airlines that are members of that organization and that his dad is the chair of the Medallion Foundation.

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SENATOR GARDNER asked if the \$222.5 million in AIP grants was used for both capital projects and operating funds.

MR. GEORGE replied AIP grants are primarily capital money to expand or build new airports.

SENATOR MICCICHE asked if state law requires ongoing maintenance of an airstrip that is permitted on state land. The business or

industry that applied for the permit may have closed or moved on, but the airstrip continues to be used for other reasons.

MR. GEORGE said he isn't aware of a statutory requirement. Last year DOTPF established a working group that looked at backcountry airstrips. They found they receive considerable use. He offered to follow up with a copy of the report. A surprising finding was the number of people who indicated they use backcountry airstrips year-round. He opined that the next step is to focus on the different landowners that have state-permitted airstrips.

SENATOR MICCICHE expressed interest in seeing the report.

CHAIR COSTELLO asked Mr. George to send the report to her office and she would distribute it to the committee members.

MR. GEORGE turned to the slide showing cost and revenue options to operate in the system. Overall, the annual operating cost for the 240 airports is about \$35 million; \$23.3 million goes to the 19 regional hubs, \$7.7 million goes to the remaining 220 airports, and the statewide aviation infrastructure costs about \$4 million.

He explained that the aviation community contributes about \$10 million toward the overall operating costs. The two general sources are \$5.3 million for lease, tiedown, and other fees and the other is \$4.6 million in motor fuel tax. Proposed revenue additions include a \$1.4 million leasing program that is on hold and \$9.3 million in increased motor fuel tax. The latter is a bill going through the process this year. He acknowledged that supporting the rural airport system is a significant impact on the general fund and opined that more than just the aviation community benefits from airports.

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SENATOR STEVENS asked for clarification that the cost for bypass mail is a separate matter and is not part of the discussion about the cost to operate airports.

MR. GEORGE said that's correct.

MR. RYAN added that the bypass system equalizes the price of mail to the nonpriority rate paid in the Lower 48 for delivery over a road system. The airline is subsidized to the point that it can deliver nonmail freight and passengers at a reasonable price.

SENATOR STEVENS said bypass mail is extremely important to Alaskan communities and the carriers and he'd like follow up information on how it is working.

MR. RYAN said a lot of people would be very excited to participate in that discussion.

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MR. RYAN turned to the slide that highlights aviation and airline business challenges. He mentioned the bypass mail system and said the goal of airlines in Alaska is to help people living in nonurban areas have access to goods that are readily available to people living in Anchorage, Fairbanks, or Juneau. In Alaska, 75,000 people live off the road and marine highway systems and 82 percent of the communities in Alaska are only accessible by air. Operating a business in Alaska is very expensive. For example, Ryan Air has invested \$11 million in facilities infrastructure and significantly more than that in aircraft infrastructure. "Our goal as businessmen is to provide a service to our people but doing it to try and run a business as well." The federal rules and regulations are extensive, and the pilots must be highly trained. There are remote access issues, increased building costs, and the environment is extreme. He highlighted that the economic downturn has had a decided impact on the aviation industry.

CHAIR COSTELLO asked it's difficult to attract pilots.

MR. RYAN responded there is not as much prestige associated with being a pilot as in years past. It's difficult to attract pilots and the barriers to becoming a pilot are high. Training is expensive, it's a technical job with a lot of regulations, and there are few aviation schools in Alaska. We need more partnerships with the Department of Labor, Native corporations, and the Association of Village Council Presidents (ACCP), he said.

SENATOR STEVENS asked how many pilots the university is producing and what can be done to increase that number.

MR. RYAN said the university's Industry Advisory Council brought that to the attention of the new director of the university's aviation program. He hasn't received an answer, but he would follow up with more information.

CHAIR COSTELLO asked if new FAA regulations or training requirements are presenting challenges.

MR. RYAN said yes. He related that after a large aircraft accident on the East Coast the FAA initiated a new requirement for [14 CFR part] 121 certified air carriers like Northern Air Cargo and Alaska Airlines. Those airlines are required to have two crew members that have flown 1,500 hours and have the airline transport pilot certification (ATP) rating. A lot of copilots didn't qualify and that created a domino effect that rippled to Western Alaska.

SENATOR GARDNER referred to the slide showing cargo volumes for selected airports and asked why cargo levels are falling.

MR. GARCIA confirmed that the volumes have been flat to down for most of the selected airports depicted on the slide. King Salmon and Dillingham were exceptions because of good fishing. During the 2017 commercial salmon season, about 1.7 million pounds was flown out of Norton Sound communities. The value of the salmon was about \$2.8 million. He noted that cargo volumes in and out of Deadhorse peaked in 2015 because the Haul Road experienced closures.

He turned to aviation challenges going forward. Some fleet changes include international wide-body aircraft that may affect refueling in Anchorage. Modernization is also occurring. Alaska Airlines is bringing on new 737-700 freighters which will change the lift capability and provide more resources. There will be infrastructure challenges as well. Alaska Airlines has major capital projects underway with a new hanger in Anchorage and security upgrades in Kotzebue and Nome. He also spoke to the challenges air carriers face related to ever-increasing federal requirements. He related that a new National Environmental Policy Act (NEPA) determination has added another layer of federal environmental review of projects. The Alaska Region FAA is working with DOTPF helping to make this process as smooth as possible.

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MR. RYAN thanked the committee and expressed optimism about the economy and keeping Alaska connected by the movement of goods and services. He concluded that to have a healthy network it takes aviation, the highway system, the marine highway, and rail working together.

CHAIR COSTELLO thanked the presenters and observed that what came through is that aviation touches every area of the state. She reiterated her intention to continue the conversation about improving communication between the community and the Anchorage airport.

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At ease

PRESENTATION: ALASKA TECHNICAL VOCATIONAL EDUCATION PROGRAM
UPDATE

[2:40:04 PM](#)

CHAIR COSTELLO reconvened the meeting and welcomed Acting Commissioner Greg Cashen and Administrative Services Director Paloma Harbour to address the question of how to best train Alaskans for jobs, with specific focus on the Alaska Technical Vocational Education Program (TVEP). She listed the individuals who were listening online and available to answer questions.

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GREG CASHEN, Acting Commissioner, Department of Labor and Workforce Development (DOLWD), Juneau, introduced himself and Ms. Harbor and thanked the committee for the invitation to provide an update on the Technical Vocational Education Program (TVEP). The latest report was transmitted to the legislature this morning and is available on the Alaska Workforce Investment Board website. He also offered to answer specific questions about training for aviation.

ACTING COMMISSIONER CASHEN stated that TVEP was established by the legislature in 2000. The purpose was to enhance the quality and accessibility of job training throughout the state and to align training with regional workforce demands. The program is funded by employee contributions to the unemployment insurance trust fund. TVEP funds are distributed to technical and vocational education entities throughout Alaska as designated by statute. A statewide network of training providers is critical to developing an Alaskan workforce for Alaska's jobs, he said.

He explained that TVEP serves youth and adults; ensures a statewide training infrastructure; supports operating costs for centers across the state, including rural Alaska; and provides a wide range of vocational training from entry-level to associates degrees. In FY2017, the ten TVEP recipients were allocated \$13.3 million serving 10,168 Alaskans at a cost per participant of

\$1,307. The program is effective in increasing graduation rates, employment, earnings, and Alaska hire.

ACTING COMMISSIONER CASHEN turned to performance highlights and warned that the data the department reports relies on data that employers submit for unemployment insurance (UI) reporting. Because the self-employed are not covered by UI and the federal government has a separate UI program, employment and wage data is not available for these groups.

He displayed a chart that shows the number of distinct Alaskans served by TVEP recipients since FY2012 and how many of those individuals were employed within the year after completing their training.

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SENATOR STEVENS asked if the individuals were employed in the field of their training.

ACTING COMMISSIONER CASHEN replied this data doesn't reflect that level of granularity; it is overall employment data.

SENATOR GARDNER summarized her understanding the exit data reflects the number of people who participated and completed the program and the blue line reflects the people who were employed a year after completing the program. The difference may, in part, be explained by those who completed a program that doesn't report employed people such as fishermen or federal workers.

ACTING COMMISSIONER CASHEN said that's right.

CHAIR COSTELLO asked if TVEP provides training for people who may become federal workers or fishermen, and if the gap reflects people who didn't find a job or those the department isn't able to track.

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PALOMA HARBOUR, Director, Administrative Services Division, Department of Labor and Workforce Development (DOLWD), Juneau, explained that the gap reflects those individuals the department couldn't identify with the unemployment insurance data. They wouldn't show up for any number of reasons such as working for the federal government, in the military, self-employed, or continuing their training.

CHAIR COSTELLO asked if the department tracks how long a graduate continues to be employed.

MS. HARBOUR replied the data is reported quarterly so they could report on the number of quarters the graduates were employed, if asked.

ACTING COMMISSIONER CASHEN related that many of the Alaskans served by TVEP are just beginning their training. Success in these programs gives participants the skills and confidence they need to enter employment or seek additional training. Many students go from one training provider to another to advance their skills.

He displayed a chart showing the median wage for a TVEP participant 7-12 months after they exited the program, which is the statutory performance measure. Because it reflects just six months of wages, they also included the median wage for the full year after exit. He noted that individuals who work part time bring down the average. He displayed a graph showing the average income for a TVEP recipient the year before they entered the TVEP program compared to the year after they exited the program. On average, participants saw a 13 percent salary increase. He displayed a slide showing the total earnings for all FY2016 TVEP participants the year before entering the TVEP program compared to the year after training. He highlighted that, as a result of the TVEP program, \$22 million in wages was added to the Alaska economy.

CHAIR COSTELLO asked if fulltime students receive a salary or stipend while enrolled in TVEP.

MS. HARBOUR replied it depends on the student. They could be working part time while attending training, but many of the programs are fulltime during the day.

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ACTING COMMISSIONER CASHEN displayed slides showing the top occupations in which TVEP participants were employed and the occupations with the highest total jobs. He reported that the top ten occupations listed mirror the employment outcomes of TVEP participants. It shows that TVEP programs are successfully preparing Alaskans for Alaska's jobs.

CHAIR COSTELLO pointed out that aviation is not listed. She asked if the combined employment numbers reflect the total number of student who exited the programs and were employed for FY2017.

ACTING COMMISSIONER CASHEN said that's correct. He added that aviation is incorporated in the transportation data.

He said the committee requested information last year about the occupations that might be categorized as Office and Administrative Support Services. He explained that occupations include business and office technology, which are high-demand occupations that are critical to businesses. He noted that Ms. Harbour worked as an administrative assistant for 15 months before she was promoted to a budget position that may have been categorized as related to her math degree. He displayed a list of the remaining occupations in which TVEP participants were employed. An additional nine participants were employed in occupations that could not be categorized.

ACTING COMMISSIONER CASHEN displayed a table that shows the TVEP distribution by recipient since FY2016. He noted that the FY2019 distribution will be the second year of declining funding for recipients. TVEP revenue declines when overall employment and wages in Alaska decline.

[2:53:40 PM](#)

CHAIR COSTELLO asked the name of the most recent recipient.

ACTING COMMISSIONER CASHEN replied Ilisagvik College was added in 2014. That increased the contribution from unemployment insurance to 0.16 percent.

He displayed a slide that detailed by TVEP recipient the funds distributed and number of Alaskans served in FY2017. He noted that some TVEP recipients serve youth, some serve adults, and many serve a mix.

SENATOR GARDNER observed that TVEP funding comes from wages and as wages fall the funding falls and that is a time when more people might need the services.

ACTING COMMISSIONER CASHEN said that's correct.

He displayed a slide of employment and wage data by TVEP recipient for FY2016 program participants based on the statutory performance measures. It identifies the percentage of participants that worked in the fourth quarter after they completed training. He pointed out that given the seasonality of Alaska jobs, looking at just three months for employment outcomes will not provide an adequate picture. The median wage measure is equally flawed because it represents six months of

wages instead of a year and it focuses on particular quarters after exit, not the full year.

CHAIR COSTELLO asked if the department tracks how and on what the TVEP recipients spend their money.

ACTING COMMISSIONER CASHEN replied the department requests budgets in the grant agreement for each TVEP recipient.

MS. HARBOUR confirmed there is a budget on the grants the department administers, and it shows some detail about how the money is spent. The department doesn't have those details for the Galena Learning Academy or the university because it doesn't administer those grants. However, the Department of Education and the university could probably provide it if requested.

CHAIR COSTELLO asked if all the students pay tuition or if some of the grant is used for student fees.

ACTING COMMISSIONER CASHEN replied all the institutions are tuition-based.

SENATOR GARDNER observed that there is a wide range in the percent employed after exit. Amundsen Educational Center is the highest at 82 percent and the Northwestern Alaska Career and Technical Center (NACTC) is 34 percent. She asked if they know why there's such a difference.

ACTING COMMISSIONER CASHEN explained that NACTC trains primarily youths under age 18 so some of those people may have gone on to additional training.

CHAIR COSTELLO commented that it would be valuable to look at the data five years out. She asked if there is a philosophy embedded in the program about the best time for training, because it seems that it would be beneficial if students exited high school with some of these skills.

ACTING COMMISSIONER CASHEN said the department only tracks statutorily required statistics, but the university may track that information. He reiterated that some students go on to additional training and it may be in an entirely different area.

CHAIR COSTELLO mentioned the process technology track at West High and the training program at King Career Center. She said she's always thought it would make sense to offer ground school in high school because it integrates a lot of different content

matter. She asked if DOLWD works closely with the Department of Education and Early Development (DEED).

ACTING COMMISSIONER CASHEN answered yes; the department is currently working with the Alaska Workforce Investment Board, the Department of Education, and the University of Alaska to update the Career and Technical Education Plan that was created in 2010.

CHAIR COSTELLO expressed interest in having a discussion sometime this session about the Career and Technical Education Plan.

ACTING COMMISSIONER CASHEN mentioned training opportunities at the regional training centers, King Career Center, Mat-Su Career and Tech High School in Wasilla, and Hutchinson Career Center in Fairbanks.

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ACTING COMMISSIONER CASHEN displayed a slide that showed the percentage of employed within a year after exit and their median wage for that year. He said the Research and Analysis Section reports that in 2016 federal civilian employees in Alaska totaled 15,200 and the payroll was \$1.2 billion. The number of uniformed military was 21,000. The department does not know if any of these individuals received training from TVEP recipients.

SENATOR GARDNER asked if he was talking about "other TVEP performance measures" and the measure he's talking about is wages.

MS. HARBOUR explained that the first slide shows the statutory measures, which is one year after exit. The current slide shows employment any time during the year following exit. On the wage information, the statutory measure is the median wage from months 7-12 after exit. The current slide shows the median wage for the full year after exit.

SENATOR GARDNER summarized that the measure is wages and the question is over what period.

MS. HARBOUR agreed. She added that given Alaska's high seasonality, she thought these better reflect outcomes.

SENATOR STEVENS commented that Delta seems to be doing very well with an average wage of \$42,000. He asked what Delta trains students to do.

ACTING COMMISSIONER CASHEN said construction and mining are probably the primary drivers. The Delta Mine Training Center is there.

ACTING COMMISSIONER CASHEN returned to the PowerPoint and displayed a slide that provides an update of the work the department has done since last session with the Alaska Workforce Investment Board (AWIB) to review and potentially change the TVEP performance measures and reporting requirements. The AWIB executive director has been working with the head of the executive committee to identify improvements for program accountability. Department staff have been meeting with the committee monthly since early summer to review the current reporting challenges. The final recommendations will be reviewed by the full board at its May meeting.

He thanked the committee for the opportunity to present.

SENATOR STEVENS requested follow-up information on pilot training.

ACTING COMMISSIONER CASHEN shared that the Galena Interior Learning Academy provides private pilot ground school, flying, and Arctic survival. The Northwestern Alaska Career and Technical Center (NACTEC) in Nome provides aviation, airframe, and power plant mechanic training. He added that the department has started working with some of the airlines that presented earlier on an apprenticeship program for commercial pilots and A&P mechanics. He offered to follow up with a more specific conversation.

[3:11:44 PM](#)

There being no further business to come before the committee, Chair Costello adjourned the Senate Labor and Commerce Standing Committee meeting at 3:11 p.m.