

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

January 24, 2022

1:43 p.m.

MEMBERS PRESENT

Senator Joshua Revak, Vice Chair
Senator Peter Micciche
Senator Gary Stevens
Senator Elvi Gray-Jackson

MEMBERS ABSENT

Senator Mia Costello, Chair

COMMITTEE CALENDAR

UNIVERSITY OF ALASKA PRESENTATION ON WORKFORCE DEVELOPMENT PROGRAMS

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

PAT PITNEY, Interim President
University of Alaska
Anchorage, Alaska

POSITION STATEMENT: Delivered a presentation on Workforce Development Programs.

TERI COTHREN, Associate Vice President
University of Alaska
Anchorage, Alaska

POSITION STATEMENT: Participated in the presentation on Workforce Development Programs.

ACTION NARRATIVE

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VICE CHAIR JOSHUA REVAK called the Senate Labor and Commerce Standing Committee meeting to order at 1:43 p.m. Present at the

call to order were Senators Gray Jackson, Micciche, and Vice Chair Revak. Senator Stevens arrived during the course of the meeting.

**UNIVERSITY OF ALASKA PRESENTATION ON WORKFORCE DEVELOPMENT
PROGRAMS**

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VICE CHAIR REVAK announced the committee would hear a presentation on Workforce Development Programs by University of Alaska Interim President Pat Pitney.

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PAT PITNEY, Interim President, University of Alaska, Anchorage, Alaska, began the presentation by explaining that the University of Alaska is Alaska's system of higher education. It has three universities in Anchorage, Juneau, and Fairbanks: UAA, UAS, and UAF. Each has a different mission: UAF is research; UAA is open access, comprehensive; and UAS is regional. Combined, they provide a breadth of programs from workforce credentialing to doctoral degrees. The community campuses throughout the state provide leadership advocacy and are an important component of the whole, particularly in the workforce development sector.

PRESIDENT PITNEY related that since she accepted the interim position, her focus has been to build stability for the UA system, which will foster confidence and trust in meeting the needs of the state. These include: meeting Alaska's workforce needs through increased skill and degree attainment; world-class nationally competitive research, which is an economic engine for the state; and more cost effective operations.

She displayed slide 4 and cited the following data to demonstrate that postsecondary education pays:

Median earnings:

- \$35,328 for high school graduates
- \$44,619 for Alaskans with an associate's
- \$57,708 for those with a bachelor's
- \$77,402 for holders of graduate or professional degrees

PRESIDENT PITNEY said the focus and attention on postsecondary education - from technical programs to graduate programs, makes a difference to a person's life and a large difference to the state's economy.

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She related that Alaska has been challenged for the last several years because the population is flat and the working age population is declining. She asked Teri Cothren if she had anything to add.

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VICE CHAIR REVAK reconvened the meeting and recognized Teri Cothren.

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TERI COTHREN, Associate Vice President of Workforce Development, University of Alaska, Anchorage, Alaska, confirmed that the declining access to a skilled workforce is a challenge. She said there are very good, high-pay jobs available throughout all regions of the state. Alaska will be in a better position economically if more Alaskans become interested in obtaining training to increase their skill level for those jobs. The university is positioning itself to offer both short and long-term programs that will train Alaskans for the jobs both today and in the future.

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PRESIDENT PITNEY turned to slide 6 that depicts the percent of UA graduates working in Alaska. She said UA has analyzed nine different industry sectors, one of which is workforce development. Across all sectors, 96.3 percent of UA graduates working in Alaska are residents. For comparison, residency for all Alaska workers in these occupation areas is 79.3 percent. She displayed a map of the state to show that UA graduates work throughout Alaska according to the nine industry workforce reports.

She deferred to Ms. Cothren to discuss the Department of Labor and Workforce Development (DOLWD) 2022 Jobs Forecast and the federal Infrastructure Bill.

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MS. COTHREN said she does not know how much Alaska will receive from the Infrastructure Bill, but the initial analysis indicates that it will be more per capita than any other state. It is therefore important to partner to prepare Alaskans for the jobs this funding will require. This includes ensuring students obtain cross-cutting skills they can utilize long term.

She mentioned the UA construction programs at the three universities and highlighted that those occupations require cross-cutting skills for mining, maritime, oil & gas, and other key industry sectors to the state's economy. Because the funding will spread over five years, she said there is a window to prepare and be strategic to leverage existing assets across the state's six economic regions to prepare and train Alaskans for these jobs. She pointed out that a number of the jobs listed on slide 8 require short term training while others such as construction management take longer. She noted that many of the university programs that support construction in particular already exist. What is needed is to increase awareness to get Alaskans involved in these training programs. It is also important to increase awareness about access to funding such as federal student aid. She highlighted that while Alaska ranks 50th for completing FAFSA applications for financial aid, the research shows that students who complete the FAFSA application are 40 percent more likely to enroll in post-secondary education.

MS. COTHREN said UA also partners with the Department of Labor and Workforce Development (DOLWD) and local job centers to increase access to USDOL Workforce Innovation Opportunity Act funding that provides wraparound services and helps remove barriers to Alaskans accessing jobs training. She said engagement with industry partners can be strengthened by utilizing labor market data to identify gaps and emerging needs, and this requires strategic investment. She noted that the January 2022 issue of DOLWD's Trends magazine highlighted that job growth is also anticipated in health care, transportation, public schools, and oil and mining exploration and development.

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VICE CHAIR REVAK asked about enrollment trends in the UA system.

PRESIDENT PITNEY replied there are fewer students than a few years ago. She noted that UA saw significant reductions in the budget seven of the last eight years and is requesting a modest budget increase this year. UA lost one-third of its state funding or \$100 million in general fund. That combined with COVID has resulted in lower enrollment. UA reduced a lot of programs, but maintained those that are most connected to the high-demand jobs in the state. Some programs, such as health care, have capacity constraints, while others have the capacity to handle additional enrollment. A few areas will need investment, whereas others just need a link to students and

increased awareness that the jobs will be there and the skillset for those jobs will last beyond this boom. She highlighted that workers are not drawn to Alaska as they were in the past when wages were substantially higher than in the Lower 48.

PRESIDENT PITNEY said three factors point to the need to train Alaskans with the skillsets for Alaska jobs: 1) the working age population is declining; workers are not drawn to Alaska like they were in the past because the substantial wage differential no longer exists; and every state is getting money from the infrastructure bill so workers are less likely to relocate.

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SENATOR MICCICHE noted that he heard much of this information when President Pitney presented to the Education Committee this morning. He recounted that UA has experienced a 35 percent reduction in enrollment, which is more than 11,000 students. He expressed concern about the unprecedented loss and suggested members review the presentation from this morning.

VICE CHAIR REVAK asked if more Alaskans who have graduated high school are going out of state for post-secondary education as opposed to attending UA.

PRESIDENT PITNEY replied those numbers have not changed very much. The biggest challenge is that more students are choosing to not continue any type of education beyond high school. She acknowledged that uncertainty about financial aid certainly plays a part. The Alaska Performance Scholarship and the Alaska Education Grant were up in the air at the end of last session and that left a lot of people who had enrolled up in the air about whether they would receive funding. She emphasized that stability is essential to repair the damage that the last eight years of uncertainty has done. She noted that COVID compounded the problem but it was not as large a factor as anticipated.

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PRESIDENT PITNEY turned to slide 9 to discuss how the Technical and Vocational Education Program (TVEP) supports workforce development. She explained that the Alaska Workforce Investment Board provides funding to the University of Alaska and 14 other providers for 1-2 year career technical education (CTE) courses. She reported that in FY2020, UA trained 50 percent of CTE students statewide. High school students participating in the middle college program receive college credit for taking CTE courses. Because UA is the university system for higher education, it stretches from the community college and technical

college mission through PhD programs. The infrastructure bill will make a particular difference for these short term courses.

MS. COTHREN added that the university system uses TVEP to deliver career and technical education programs and to help maintain lab space and equipment, which is important to continue to meet current industry standards. TVEP funding is also strategically invested to meet emerging needs. For example, a program that is currently receiving funding is training electric vehicle technicians. Electric vehicle use is expanding in the state and UA is trying to get ahead of that curve to meet that workforce demand.

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SENATOR GRAY-JACKSON asked if high school students who are receiving college credits while in high school are continuing to post-secondary education.

PRESIDENT PITNEY replied a much higher percentage of middle college students are going on to college and quite a high percentage are staying in Alaska. She posited that taking middle college courses takes some of the fear out of transitioning to college.

She displayed pictures representing the nine UA workforce reports in administration and finance, aviation, construction, fisheries and marine science, health, information technology, mining, oil and gas, and teacher education. She urged the committee to look at the reports which are updated every other year.

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PRESIDENT PITNEY directed attention to the list of UA construction programs at the three universities listed on slide 11.

MS. COTHREN added that UA is partnering with school district construction programs to strengthen the path for secondary and post-secondary education. She cited the example in Juneau where the Southeast Career Education campus partners with the local housing authority and school district to train high school and post-secondary students to build houses locally. The funds from the sale of those houses are used to benefit the community and to reinvest in the program for continued sustainability. She noted that welding is an example of another popular dual enrollment technical education program.

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PRESIDENT PITNEY mentioned a few of the construction programs to demonstrate the breadth of offerings including: Refrigeration and Heating Technology, Structural Technology, and Occupational Safety and Health

PRESIDENT PITNEY reviewed the UA Workforce Report for Construction. She highlighted that 97 percent of working graduates of UA construction programs are Alaska residents; 85 percent obtain employment in the first year after graduation; and five years after completing the training the average wage is \$72,000.

MS. COTHREN said another example related to construction is how UA is addressing the statewide need for drivers who possess a commercial driver's license (CDL). They are needed to drive school buses and in construction, mining, and oil and gas. This is a high demand area that will be accentuated with the additional transportation needs related to the Infrastructure Bill. She explained that the UAA Career and Technical College in Anchorage became a testing site so that students can obtain a CDL while they are in another program such as diesel technology. All they have to do is submit their paperwork to the Division of Motor Vehicles (DMV) to get their license instated without additional testing. Because students are sometimes reluctant to leave their rural area to visit an urban hub to obtain a CDL, UA is sending instructors to DMV approved sites and partnering with industries to use their trucks and their harbor area outside of seafood season where there is space to drive the truck. Up to 12 students can be trained locally and in a short period of time.

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PRESIDENT PITNEY reviewed the nine UA Workforce Reports:

Administration and Finance has 33 programs. While it varies depending on the degree attained, graduates earn on average \$63,000 per year. She highlighted that graduates of the Public Administration Program earn \$100,000 per year.

Aviation has 11 programs and graduates can expect to earn up to \$73,000 per year.

Fisheries and Marine Science has 21 programs that serve this industry. In the past 10 years, 975 students have graduated and 94 percent of the graduates working in this sector are Alaska residents. She noted that the fisheries technician program is a

short course that has been robust the last three years. The mariculture program is under construction.

The Health sector has 50 programs. On average, clinical graduates earn \$64,000 per year and behavioral health graduates earn \$52,000 per year. The first year after graduation 82 percent of clinical graduates and 57 percent of behavioral health graduates are working in health care and social assistance fields. The dental assistant and certified nurse aide programs are short courses while the nursing program takes longer. She noted the capacity constraints in this sector, particularly in nursing.

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SENATOR MICCICHE said the nursing program is excellent and it has had capacity issues for 40 years. He asked at what point will UA increase the capacity of the nursing program to meet the demand.

PRESIDENT PITNEY replied that in the 1998-2000 timeframe, UA set out to increase the number of nurses in the program from about 70 to about 230 per year. The health care area has over 750 graduates per year, from certified nurse assistants to administrators. Those programs grew consistently until 2014 when the successive and dramatic budget reductions began. That made it difficult to grow.

She related that the Department of Health and Social Services (DHSS) has contracted with UAA to help recruit and retain faculty in the nursing program. It is a one-time contract and the university is asking for that funding in this budget. This will provide stability for the program and the university could then start to focus on the capacity issue. She noted that a nursing degree is a four-year program so it will take that long to begin to move the dial in the right direction. She added that the loss in enrollment due to COVID amplified the effects of the budget reductions.

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SENATOR MICCICHE asked if UA had ever approached the legislature with targeted funding requests. For example, a specific request for \$1.8 to increase the nursing program to fill a specific gap. He wondered whether being more direct and targeted in making a request might result in more support from the legislature to lean on the administration.

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SENATOR STEVENS joined the committee.

PRESIDENT PITNEY said she can show specific requests through FY2017 that did exactly that for a number of programs. There were specific requests when the nursing program was expanded and when the process technology program was being built. When the budget reductions started, the university as a whole reallocated funding to things like education, health programs, and educators, but doing that meant other areas were cut further.

PRESIDENT PITNEY said the rest of the reports are excerpts. She offered to answer questions.

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VICE CHAIR REVAK said he was pleased to see the focus on the programs that Alaska needs most.

MS. COTHREN thanked the committee for its interest in the workforce initiatives.

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SENATOR MICCICHE commented that he supports the university system and has a vision for where the state can go and it is reliant on a trained workforce. He encouraged the presenters to keep their spirits up and help legislators to help the university.

VICE CHAIR REVAK commented that the last several years have been challenging for the university and he appreciates their efforts.

SENATOR STEVENS commented that higher education is in bad shape now and he wanted to encourage everyone to get the word out to young people in Alaska that a college education will improve their lives in almost every way.

SENATOR GRAY-JACKSON commented that she would like to see more incentives for young people to graduate high school and go to college. One barrier is cost and the legislature should do something about that.

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There being no further business to come before the committee, Vice Chair Revak adjourned the Senate Labor and Commerce Standing Committee meeting at 2:30 p.m.