

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

February 15, 2023

1:32 p.m.

MEMBERS PRESENT

Senator Jesse Bjorkman, Chair
Senator Click Bishop, Vice Chair
Senator Elvi Gray-Jackson
Senator Kelly Merrick
Senator Forrest Dunbar

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION(S): WORKFORCE CHALLENGES IN ALASKA FROM THE
PERSPECTIVE OF MASTERS, MATES, AND PILOTS

- HEARD

PRESENTATION(S): WORKFORCE CHALLENGES IN ALASKA FROM THE
PERSPECTIVE OF PUBLIC EMPLOYEES LOCAL 71

- HEARD

PRESENTATION(S): WORKFORCE CHALLENGES IN ALASKA FROM THE
PERSPECTIVE OF SOUTHCENTRAL ALASKA BUILDING TRADES

- HEARD

PRESENTATION(S): WORKFORCE CHALLENGES IN ALASKA FROM THE
PERSPECTIVE OF THE ALASKA AMERICAN FEDERATION OF LABOR AND
CONGRESS OF INDUSTRIAL ORGANIZATIONS

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

SHANNON ADAMSON, Vice-President
Masters, Mates and Pilots (MM&P)
Juneau, Alaska

POSITION STATEMENT: Gave invited testimony on workforce challenges facing Masters, Mates and Pilots.

JORDAN ADAMS, Business Manager
Public Employees Local 71
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony on workforce challenges facing Public Employees Local 71.

BRONSON FRYE, President
Southcentral Building Trades
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony on workforce challenges from the perspective of Southcentral Building Trades.

JOELLE HALL, President
Alaska American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
Peters Creek, Alaska

POSITION STATEMENT: Gave invited testimony on workforce challenges from the perspective of the Alaska AFL-CIO.

ACTION NARRATIVE

[1:32:08 PM](#)

CHAIR JESSE BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Gray-Jackson, Merrick, Dunbar, and Chair Bjorkman. Senator Bishop arrived shortly thereafter.

PRESENTATION(S): WORKFORCE CHALLENGES IN ALASKA FROM THE PERSPECTIVE OF MASTERS, MATES, AND PILOTS

[1:32:51 PM](#)

CHAIR BJORKMAN announced the committee would continue its exploration of workforce issues in Alaska from the perspective of labor unions. The committee will hear from the following labor unions today: Masters, Mates and Pilots, Public Employees Local 71, Southcentral Building Trades, and the Alaska American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). He invited Shannon Adamson, representing Masters, Mates and Pilots, to put herself on the record and begin her testimony.

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SHANNON ADAMSON, Vice-President, Masters, Mates and Pilots (MM&P), Juneau, Alaska, gave invited testimony on workforce challenges facing members of MM&P. She said MM&P represents licensed deck officers with the Alaska Marine Highway System (AMHS). She noted that she retired in August but is available to offer perspectives on these maritime groups:

- Masters, Mates and Pilots
- Marine Engineers' Beneficial Association (MEBA)
- Inland Boatmen's Union (IBU).

MS. ADAMSON emphasized the most important detail to know about these licensed maritime workers is how highly sought after they are for their skills. They can easily transfer to other, sometimes more desirable, positions. The Offshore Division, out of the MM&P Hall, earns approximately 40 to 60 percent more than members make at AMHS. The pilot group can earn up to 2.5 times more elsewhere. The Tier IV retirement system is not a hook; it does not incentivize workers to stay with AMHS. She said MM&P members are responsible for vessels when underway and during some maintenance periods. Members have a liability if something happens to a vessel. She noted that deferred maintenance had become a big issue and a deterrent to working on AMHS vessels; members do not want the added liability associated with deferred maintenance issues.

MS. ADAMSON offered the following solutions to the current workforce challenges:

- A huge recruitment and retention tool for marine workers is new ships. She said the average age of vessels is 35, and the oldest vessels are 60. Most companies start talking about replacing vessels when they are 20 years old.
- Better wages are another recruitment tool that will make a difference.
- A better working relationship with management which includes the Alaska Labor Relations Agency.

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SENATOR DUNBAR brought up MM&P's working relationship with management. He asked what pressure points caused relationship stress in the last few years.

MS. ADAMSON replied that there is a reoccurring issue between management and the Alaska Labor Relations Agency. Labor

Relations has more control than is ideal over the day-to-day operation of vessels. Labor Relations attempts to work within specific confines of the contract, which it misinterprets during negotiations. The maritime workers who know how to operate vessels [are denied the authority to make the decisions necessary for daily vessel operations.] The disconnect between management, ships, and Labor Relations has been ongoing for years. It is not new, but the problem has been exacerbated in the last five years.

[1:38:07 PM](#)

SENATOR BISHOP joined the meeting.

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SENATOR DUNBAR asked if there were examples from other parts of the country that modeled more positive relationships.

MS. ADAMSON replied that a shining example is the Washington State Ferries (WSF). The Washington State Ferries had ongoing issues with its labor relations division and miscommunication between labor relations, vessels, and management. WSF replaced a segment of management positions and realigned its communications process about ten years ago; since then, the communication between vessels, management, and the Washington State Department of Transportation has been more streamlined, the grievance process has decreased, and the number of "notice of pay problems" has decreased significantly. She said the Alaska Department of Transportation and Public Facilities (DOTPF) is working in that direction and gave them credit for its efforts. However, she is pessimistic. She said financial issues had driven AMHS into the ground so hard in the last 5-10 years that the department has an uphill battle.

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SENATOR GRAY-JACKSON commented those issues could cause employee stress. She said mental health is important and asked whether there are any workplace provisions to support employees' mental health.

MS. ADAMSON replied no, not really. She said DOTPF management is trying to establish better communication between vessels and shoreside; it is a great plan. She expressed hope it will have positive results, but that is the closest management action that involves improving a member's mental health concerning stress.

SENATOR GRAY-JACKSON commented that she was appointed to the Council of State Government (CSG) Mental Health National Task

Force and has a seat on the Mental Health in the Workplace Committee. She said she asks this same question to a lot of people because it is so important.

[1:41:38 PM](#)

CHAIR BJORKMAN brought up her concern about significant challenges and cuts. He asked what else was happening that hampers AMHS from funding itself better.

MS. ADAMSON replied the example that immediately comes to mind is the dynamic pricing system DOTPF management implemented about five years ago. She expressed her belief that the dynamic pricing system harmed the system in the long run. She sat on the Marine Transportation Advisory Board for five years before it was terminated. The version of dynamic pricing that the Marine Transportation Advisory Board recommended decreased prices until the vessels were approximately 75 percent full; after that, it increased prices. The DOTPF model never decreases the base price; it only increases the price in the long run. She expressed her belief that the DOTPF model has reduced ridership, and in turn, decreased revenue. Another downside to the DOTPF model is that it is difficult for passengers to predict the price of a ticket. These decisions show a lack of understanding of what passengers want or need and work against raising revenue. Vessels will run whether or not they are full, so she believes it is better to run full. She explained that AMHS should continuously work towards increasing ridership, even if that means selling lower-priced tickets initially to recreate the connection AMHS once had with communities. She said this would increase ridership further in the long run.

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SENATOR DUNBAR brought up her testimony about the Tier IV retirement plan and employee turnover. He asked how high turnover rates, less experienced pilots, and less experienced maritime employees have affected the ability of AMHS to deliver services.

MS. ADAMSON answered that AMHS hired many second and third mates recently. She said the recruitment has been amazing and gave the state credit for it. She added there had been a whole lot of firings lately. She said the catch is that due to USCG regulations and the way the state runs, it takes approximately ten years to go from a third mate to a master. It takes another three or four years to become a very useful, experienced master with the expertise to run a 412-foot vessel through the Wrangell Narrows. The fact that AMHS is seriously short-handed in the

higher ranks makes it difficult for the system to operate relatively efficiently. It does not help that the higher-level positions, like chiefs, mates, and masters, are in high demand industry-wide. Higher ranks are choosing to work elsewhere, and she expressed her belief that this will be extremely detrimental to AMHS in the next two or three years. Previously, a master had to work 20 to 25 years in the system to become a permanent full-time master. This has changed. The time has decreased, taking only 15 years to become a permanent, full-time master. She stated that the reduced level of experience will be noticed.

SENATOR DUNBAR asked whether the lack of a pension is an underlying reason that AMHS cannot keep workers long-term.

MS. ADAMSON replied yes. Members stick around five years, then choose to upgrade their license and move to positions elsewhere, taking their defined contribution (DC) funds with them.

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SENATOR BISHOP commented that the legislature budgeted AMHS to produce a two-year schedule last year, so riders had continuity in scheduling. He said he had met visitors who indicated their AMHS experience was the highlight of their Southeast Alaska vacation. He said only time would tell, but that should have helped increase bookings and get vessels operating at fuller capacity. He said that was an outcome of the [32nd Legislature's Fiscal Policy] Working Group.

[1:48:03 PM](#)

At ease.

**PRESENTATION(S) : WORKFORCE CHALLENGES IN ALASKA FROM THE
PERSPECTIVE OF PUBLIC EMPLOYEES LOCAL 71**

[1:48:35 PM](#)

CHAIR BJORKMAN reconvened the meeting and invited Jordan Adams to put himself on the record and offer his testimony.

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JORDAN ADAMS, Business Manager, Public Employees Local 71, Anchorage, Alaska, gave invited testimony on workforce challenges facing Public Employees Local 71. He said the union represents blue-collar essential workers, heavy equipment operators, light and heavy-duty mechanics, carpenters, electricians, building maintenance, custodians, and everything in between. This union represents workers that plow almost 20,000 road miles, maintain three international and many rural

airports, and maintain over 5,000 pieces of heavy equipment and critical infrastructure.

MR. ADAMS said that for many years, the state wage has slipped further from the wages of comparable jobs in the public and private sectors. The union has pushed to narrow the gap. State efforts to negotiate wage increases have been met with restrictive budgets that cannot keep up with private and other public industries. Simply put, the State of Alaska has many classifications that are now far from competitive in the blue-collar market. Local 71 believes the state needs to show more interest in narrowing the wage gap. He spoke to the compensation concerns of the Department of Administration (DOA) that reduced the wage target from the 65th percentile to the 50th percentile in the past year. He said, like other state contracts built on a graduated pay structure, the longer employees are in the system, the higher their earnings potential. However, depending on the employee's age group, this is a limiting factor. An employee must be in the system long enough to earn a higher wage; working 20 years to obtain compensation, where some start today, is fairly ridiculous. Reviewing other bargaining unit and state profiles, the decline in longevity is evident among state employees. Pay is paramount; it is number one; it has to be. The skills required for many of these positions are advanced, and Alaska's market is extremely competitive.

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MR. ADAMS said retirement Tiers I, II, and III worked well. Making changes to the current Tier IV retirement system to regain power in recruitment and retention is often brought up in the Local 71 Hall. It has been 16 years under Tier IV, and this retirement tier influences an individual's decision to take a state job. He said that he still has individuals walk into his office expecting the retirement of a father or uncle; those retirement plans no longer exist.

MR. ADAMS brought up staffing shortages. Staffing shortages are hurting every department. Jobs get tougher when fewer employees are doing them. Snow events and emergencies are now more difficult than ever to handle. While it is all hands on deck, employees are getting the job done with fewer workers, they are getting burned out, and production and safety suffer. Under DOA guidelines, employees are not compensated more when there is a moderate change like fewer employees. When there are fewer employees, all hands come in, and employees do more with less without the bigger payday kicker.

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MR. ADAMS discussed hiring delays, stating it often takes six weeks or more to hire someone from the initial contact for an interview to the first day on the payroll. Job seekers are applying for multiple jobs during this timeframe. Job interviewers can lose an applicant to another job quickly.

MR. ADAMS spoke to several maintenance stations near mining projects that have closed due to budget shortfalls. He said the closures are detrimental to the health, life, and safety of the traveling public.

MR. ADAMS discussed job security. Local 71 received three pink slips in the past seven years, but it was not fun sending out 15,000 pink slips to employees in July. Employee trust in the state is heavily diminished.

MR. ADAMS said geographical pay differentials are an item that the state has ignored. Many rural communities have a substantially higher cost of living that eclipse those of larger cities, and the state did the last geographic differential study in 2008. Under state guidelines, the state is supposed to conduct a geographic differential study every five years. Areas that cannot hire within their community have resorted to flying-in workers from other locations. The state pays exorbitant fees for flights, accommodations, bed and breakfast, and transportation rather than paying workers in the community a higher wage to do the job. When fly-in workers are out of town, you cannot call them in for overtime to do some snow removal. He suggested incentive pay and mission-critical incentive pay (MCIP) to combat this problem. He said these come in two different sizes. One is a dollar amount on a paycheck, and the other is a percentage added to base wages. He said the union has seen better results with a percentage added to base wages because it encourages overtime, leave time, and everything else.

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MR. ADAMS said the workers have moved into alternating work weeks. The standard 5-day work week only exists for a few Local 71 workers. He noted that four-day work weeks, week-on-week-off, and two-weeks on two-weeks off scheduling works well for production and has built-in overtime schedules that pay employees more money. This tool is used to promote recruitment and retention.

MR. ADAMS said that Local 71 started a 30 percent incentive at the Anchorage International Airport beginning last Halloween. As

of this Monday, the airport went from a 35 percent vacancy rate to almost none. This did not happen all at once. He said some camps are concerned that offering incentives at one location steals state resources from other camps, but that did not happen. A lot of new employees were hired; the state was looking for this result.

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MR. ADAMS said the State of Alaska pay gap has limited the ability to recruit qualified workers to meet the needs of incoming infrastructure funds and projects. This will lead to an increase in demand for qualified blue-collar workers from every industry. If the state does not fix these issues, Alaska may end up in a fix. He explained why Alaska needs the Department of Public Safety (DPS) workforce staffing airports and that commerce will be hampered without them. He asked the legislature to communicate with the administration about this problem before it is too late.

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SENATOR GRAY-JACKSON asked him if he had any solutions or suggestions besides a defined benefit.

MR. ADAMS replied that it comes down to pay in a lot of cases. The state's starting wages are 30 percent or more below the industry standard. For electricians, it might be 40 percent below. Pay is one part, and another part is benefits.

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SENATOR DUNBAR inquired about snowplow drivers and heavy machine operators, asking where most union members are trained. He wondered if the state could help invest in training.

MR. ADAMS replied that there are limited training programs in the state. There is on-the-job training in remote locations, but the state expects employees to show up on the first day with all the skills necessary to perform the job. Workers with a commercial driver's license (CDL) should just drive trucks. In a lot of cases, employees are expected to be a jack of all trades; the employee loads their vehicle, plows with it, sands with it, and at times the employee has to repair it.

SENATOR DUNBAR asked how an East High School graduate from Mountain View, whose family has no experience with this type of work, gets plugged into this profession. He asked how young people would go about learning the skills that the State of Alaska expects them to have when they show up on the job.

MR. ADAMS replied that a graduate without training or experience could be a lower-level flagger, get fostered in with on-the-job training, and work towards an equipment operating position. The State of Alaska does not run a training-apprenticeship program. The state has training programs that are different from other unions.

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SENATOR MERRICK asked what the pay and benefits difference is between a carpenter in the union and a carpenter in Local 71.

MR. ADAMS replied that Public Employees Local 71 is 25 to 30 percent below other industries. He said the benefits are decent, but there is still a wage gap. He said he could provide a more detailed explanation for all the trades in Local 71. Local 71 compares apples to apples, and in like communities, examples are not cherry-picked to compare the best with the worst. He said it is easy to see 20 and 30 percent differences even in rural communities.

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SENATOR GRAY-JACKSON asked how many Local 71 members are collectively in Tiers I, II, and III and how many are in Tier IV.

MR. ADAMS replied that 30 to 40 percent are probably in Tiers I, II, and III. It has been 16 years [since the implementation of the defined contribution retirement plan]; the average tenure for an employee is eight years. Employee numbers are dwindling fast.

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SENATOR BISHOP asked whether he conducts exit interviews.

MR. ADAMS replied that, generally, no. They quit pretty quickly to get out.

SENATOR BISHOP sought confirmation that other than anecdotal, there is no hard data on why employees leave.

MR. ADAMS expressed his belief that the state does an exit evaluation when it can and would be the best place to look for that information.

SENATOR BISHOP pointed to an earlier comment about the closure of maintenance stations. He said five of those were in his

district, and since they closed, he managed to reopen three. The three reopened maintenance stations are Central, Birch Lake, and Chitina. Senator Micciche negotiated the reopening of the Silvertip maintenance station. He said the Public Employees Local 71 Northern Region had a 70-person gap last year. This year the gap only decreased by five positions. He agreed that the pay differential is one of the main drivers contributing to the worker shortfall, notwithstanding the pension. He spoke about a training trust and working with the administration to establish a registered apprenticeship program. He said that he would be fully supportive of a wage contract. He asked about the number of Letters of Agreement (LOAs).

MR. ADAMS replied that he had them all in his possession. He expressed his belief that there are over one dozen.

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At ease.

**PRESENTATION(S): WORKFORCE CHALLENGES IN ALASKA FROM THE
PERSPECTIVE OF SOUTHCENTRAL ALASKA BUILDING TRADES**

[2:06:38 PM](#)

CHAIR BJORKMAN reconvened the meeting and invited Bronson Frye to put himself on the record and begin his testimony.

[2:06:45 PM](#)

BRONSON FRYE, President, Southcentral Alaska Building Trades Council, Anchorage, Alaska, gave invited testimony on workforce challenges from the perspective of Southcentral Building Trades. He said the council represents a group of all the construction unions in the state. He said it is the position of the building and construction trade unions in the state that Alaska needs to develop its construction workforce. He quoted the January 20, 2023, Alaska Economic Trends magazine, "As Alaska's economy continues to recover, the worker shortage will make filling positions, including those created by infrastructure spending, difficult to fill. An aging population and migration losses, especially of working aged people, will exacerbate that shortage." The federal Infrastructure Investment and Jobs Act (IIJA) and other projects anticipated in oil, gas, and mining development, state and locally funded capital projects, and private commercial projects are expected to create employment growth in all Alaska industries over the next decade and more. The state is looking at a generational construction boom, which is a good thing.

MR. FRYE outlined where the state should allocate IIJA funds to facilitate the impending construction boom. Alaska needs a trained resident workforce which will require a renewed focus on the following five priorities:

1. The childcare crisis; it is one of Alaska's biggest issues. It is a major contributor to labor shortages across all industries. Childcare wages are too low. Southcentral Alaska Building Trades Council supports sectoral bargaining for childcare workers.

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SENATOR BISHOP recognized that the trades have male and female single parents needing childcare services.

MR. FRYE agreed.

SENATOR BISHOP posited that the contractor or employer that cracks the code on the childcare issue would be the one that gets the workforce.

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MR. FRYE continued speaking to priorities for a trained resident workforce:

2. Adequately fund Alaska's public education system. Funding has been flat since 2017. Southcentral Alaska Building Trades Council encourages a per-pupil increase of at least \$1,000 per student. It is not a mystery that education is vital to every community and is a smart investment in our future.

3. Prioritize career and technical education (CTE) programs. Secondary and post-secondary need quality CTE programs taught by qualified instructors, so students can explore careers, gain knowledge and skills, and build Alaska. CTE prepares students for Alaska jobs, infrastructure, resource development, and business expansion. He noted that CTE classes are electives and are often eliminated first when budget cuts occur. The problem builds on itself. Funding shortages affect the classes and programs that help get students into the trades; these classes are the first eliminated.

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SENATOR DUNBAR asked how the Southcentral Alaska Building Trades Council has worked with the Anchorage School District and about the council's outreach efforts to direct students to career pathway programs.

MR. FRYE opined that King Tech High School is one of the finest educational institutions in the state. He brought up a previous question about how students from the Mountain View neighborhood would find out about driving trucks or working in construction. He said students are often unaware of available opportunities, and opportunities are key. One way to find out about opportunities is through traditional job fairs. Some unions are exploring "targeted" high school recruitment. He explained that he is a football coach at West High School. He said it is key that he informs the young men on his team about opportunities in the trades. He discovered that many of these young men want to help care for their families; it is a driving force behind their participation in school sports. He said he explains to the young men on the team that construction would provide a way for them to help care for their families, learn a trade and work. There will be leadership opportunities, foreman opportunities, and superintendent opportunities. Collectively, the building trades know they need to get into schools and ratchet up their efforts because there is a need for workers. Once youth realize the available opportunities, there will be an increase in applications. He expressed his belief that other unions and schools are doing similar types of outreach. He said the council is looking for ways to appeal to the upcoming potential workforce.

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SENATOR MERRICK asked whether apprenticeship programs can apply the experience gained by King Tech High School students towards completion hours.

MR. FRYE answered that each federally registered apprenticeship program has its own set of standards, so depending on the trade, it could be done.

[2:17:57 PM](#)

SENATOR BISHOP commented that labor and the Joint Apprenticeship Training Committee (JATC) are not wholly responsible for the workforce shortage. He recalled conversing with contractors about their [collective bargaining agreements] (CBAs) and the ratio of apprentices to journeypersons on their projects. Contractors and employers need to adhere to the ratio as much as possible.

SENATOR BISHOP brought up a previous conversation about base student allocation (BSA) shortfalls affecting vocational education. He said 75 percent of high school graduates need to

learn a trade, and 25 percent need a 4-year degree or higher; he noted this data is dated. This metric shows where to put funding.

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MR. FRYE responded that there are two ways to look at an apprentice ratio. One is the number of journeypersons to apprentices. He said that only one apprentice was permitted for every three journey-level workers when he started there. The federal government allowed a maximum ratio of 1:1; for obvious reasons, there are no more apprentices than journey-level workers. An ongoing challenge in the past has been getting employers to utilize apprentices. Some employers had been hesitant to do so for a variety of reasons. He said that, in his experience, this has shifted. He noted that a management proposal included a clause requiring apprentices at his last contract negotiation. He emphasized it is up to the employer to call for apprentices and recognize the need to train the workforce of the future. He said that he recently read 78 percent of high school graduates have not heard of apprenticeship programs or about opportunities in the building trades. This indicates there is work to be done in educating youth about the options available to them and supports his contention that graduates are not just a bunch of lazy kids that do not want to work. The numbers indicate that almost 80 percent have never heard about the opportunities.

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SENATOR BISHOP said high schools do not have enough career counselors. The state cannot expect two counselors to get the message out to twelve hundred students. He said he did boot camps for teachers while in the JATC movement. He sent a letter to every school district in his region, inviting them to JATC for an intensive boot camp; any teacher was welcome to attend. Teachers are with the students daily; the idea was for them to deliver the message. He dovetailed on Senator Merrick's question, stating each JATC has its individual terms and conditions for entry. He said he and former administrator, Curtis Hall, started the first school-to-apprenticeship program where junior and senior classroom hours at King Career Center would contribute to the 6,000-hour JATC timeframe. There is nothing new under the sun; sometimes, we need a little refresher to pick up good ideas.

[2:24:51 PM](#)

MR. FRYE spoke to another priority for a trained resident workforce:

4. An increased investment in state job training programs.

- State Training and Employment Program (STEP). Increase job training, expand apprenticeship, and strengthen resident hire in all regions of the state. STEP grants are budget neutral. The funds come from taxes withheld from unemployment insurance. He encouraged legislators to prioritize increasing the STEP grant.

- Alaska Construction Academies. Increase funding to provide more Alaskans with basic skills and pre-apprenticeship training for multiple industries, including construction, oil and gas, mining, and maritime and surface transportation. These construction academies are another excellent vehicle to learn the basic skills of a particular craft or trade. Various academies are run by different organizations statewide in Juneau, Ketchikan, Anchorage, Fairbanks, and Mat-Su. They teach everything from drywall finishing to electrical, plumbing, carpentry, and more.

[2:26:44 PM](#)

SENATOR BISHOP said King Career High School is a fabulous facility. He said there is only one thing wrong: it is too small. Another one is needed in South Anchorage.

MR. FRYE added that another one outside Anchorage and elsewhere in the state might be appropriate.

[2:27:30 PM](#)

MR. FRYE identified the last priority for a trained resident workforce:

5. Rural apprenticeship outreach and career awareness. U.S. Senator Murkowski has a website indicating the location of all the upcoming IIJA jobs. A key component is rural outreach and awareness because most construction will be outside the two major urban areas, Anchorage and Fairbanks. He expressed his belief that the registered apprenticeship model is the best way to train a safe, skilled, and efficient construction workforce. This is a particularly unique need in rural Alaska. The registered apprenticeship model can train needed workers to build infrastructure and maintain it. Nome will have a massive deep-water port, a nice, big construction project. He said a lot of people would stay there after completion to maintain and run it. This is one of many statewide project examples. Alaska's Works Partnership is a vehicle that can help accomplish this task. They have an excellent track record of outreach, training,

and putting Alaskans to work in rural Alaska and everywhere else.

[2:30:08 PM](#)

At ease.

**PRESENTATION(S): WORKFORCE CHALLENGES IN ALASKA FROM THE
PERSPECTIVE OF THE ALASKA AMERICAN FEDERATION OF LABOR AND
CONGRESS OF INDUSTRIAL ORGANIZATIONS**

[2:32:49 PM](#)

CHAIR BJORKMAN reconvened the meeting and invited Joelle Hall to put herself on the record and begin her testimony.

[2:33:07 PM](#)

JOELLE HALL, President, Alaska American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), Peters Creek, Alaska, gave invited testimony on workforce challenges from the perspective of Alaska AFL-CIO. The Alaska AFL-CIO is a federation of over 50 unions working in private and public sectors in jobs like ramp agents at the airport, construction workers, fish and game biologists, bus drivers, educators, and grocery store workers. These unions represent nearly 20 percent of Alaska's workforce. Public and private sectors face workforce challenges. She said Alaska has seen the out-migration of working union adults over the past seven or eight years. This is the first layer of the problem; Alaska needs to keep its workers and figure out how to attract more.

MS. HALL emphasized that government can play a big role in supporting industry. She said providing information one to four decades before construction projects is essential. The industry needs a line of sight to plan for the future, knowing which jobs are on the horizon, preparing bids, and establishing a plan, including developing and building apprenticeship models to train workers. As the state rolls out the capital budget and the industry looks for matching IIJA dollars, it would be great if the congressional delegation worked with the industry on what is in the future tranches.

[2:35:22 PM](#)

MS. HALL mentioned money put toward workforce development. The University of Alaska (UA) investment constrained some UA workforce development dollars; she said she would expound on this later. Benefits, pay, and working conditions are critical to retaining state employees. The state needs policies that incentivize workers to stay. The state's pension plan creates a

disincentive to remain in Alaska. She said there is a piece of public policy that the legislature could pass: apprenticeship utilization standards on state construction. She said the Municipality of Anchorage utilizes it at the school district level. Adopting an apprenticeship utilization policy would be a great decision, benefiting union and nonunion organizations and giving employers a great opportunity to train people.

MS. HALL said there is a lot of money coming this way. The IIJA dollars and the state match, the capital budget, broadband, the prospective natural gas pipeline, the Port of Nome, and the Port of Alaska are great opportunities to build Alaska, lasting an estimated ten years and creating a generational change. That is enough time to train many years of apprentices if the industry can get a line of sight on the rollout. She emphasized the industry needs appropriated matching state funds to ensure jobs come to Alaska, explaining IIJA dollars require a state or local match. She thanked those that ensured matching dollars came through last year. This is a critical piece. She said that some IIJA dollars were distributed without a match in rare instances. She stressed that the state appropriate a match for every dollar the congressional delegation brings home.

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MS. HALL said it is a little bit of a guessing game to figure out how many apprentices the industry will need. The industry wants trained apprentices to work, not sit on the books. The more information the industry has about upcoming projects, the faster and easier it is to train workers. She said the Department of Labor and Workforce Development (DOLWD) needs to supply a solid, up-to-date workforce plan. It will be helpful to see the long-term projections for workforce needs in Alaska, including everything from construction to broadband installation. The workforce development pipeline needs more money. The Alaska Works Partnership is a unique tool allowing individuals from communities statewide to get a pre-apprenticeship through the rural, regional training centers. Alaska Works Partnership is the perfect tool to connect young people with careers. She added that the Alaska Works Partnership also runs the "Helmets to Hardhats" program and is involved with prisoner retraining. She spoke to the cut or vetoed funds associated with the federal Build Back Better Bill, eliminating the much-needed workforce dollars that should have followed the epic level of IIJA investments. Alaska received \$2 billion for projects without corresponding workforce dollars; she said that this created an untenable situation. She urged the state to

reach out to the congressional delegation about this issue and suggested creative ways to get workforce dollars into Alaska.

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MS. HALL expressed her opinion that apprenticeships are an underutilized method for training workers, and this should change. Union apprenticeships are a partnership between workers through their union and the employer. This private sector training model responds to supply and demand, and it takes the commitment of employers for it to work. She said more employers outside the construction industry should assume a proactive role in training their own workforce. She said sitting around waiting for employees to go through expensive training systems without a direct connection to a job afterward only sometimes works. University training requires state funding and is essential to produce workers like teachers, engineers, nurses, and architects. She said these workers and their employers are at the mercy of the legislature's budgetary swings; the budget affects these training systems' ability to respond to workplace needs. A reduced state budget and fewer contributions to UA result in fewer trainees to fill Alaska's jobs. Alaska should increase scholarships and offer more classes and opportunities in critical industries. Workforce shortages have been projected for years. She said that there is a disconnect between employers and the training system. The path leading to many hospital jobs involves university-level training, but more people must graduate to meet the demand. She said there is a shortage of hospital workers because the state needs to invest more in the university to meet the demands of the employment market. Money gets tight, budgets are reduced, and the employers on the other end are stuck. She suggested the situation could improve if employers had more control over the supply of workers.

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MS. HALL said joint apprenticeship training programs are a standard in the construction industry. She said other employers could alleviate their problem by adopting the joint apprenticeship training program model. It is tempting to try almost anything to solve the worker shortage problem. She cautioned the committee that some solutions could have unintended consequences. She said that 20 years ago, the state faced a challenge when it discovered actuarial malfeasance in the pension system. She said the Alaska AFL-CIO urged the legislature to refrain from dismantling the defined benefit retirement system in response to that problem. In 2005, the Alaska AFL-CIO warned the legislature that people would leave the state if these benefits were eliminated, and the constant

churn of workers would cost the state money each year. She added that the choice to respond to a temporary problem with a permanent, negative solution would return to haunt Alaska and its workers. It is 2023, and the state finally acknowledges that is exactly what happened.

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MS. HALL said that adopting the nurse licensure compact would be a similar overreaction to a real but manageable problem. There are healthcare shortages everywhere; no giant pool of nurses is waiting to come here. The healthcare industry can only address the worker shortage through innovative thinking about training systems for hospitals, and employers can only accomplish this by working together to build apprenticeship systems. These are long-term investments that will provide systematic improvements. The short-term solution is pursuing the timely processing of licenses. She listed three ideas to help speed up processing:

1. Implement a three-year cycle on renewals versus a two-year cycle. Stagger them based on birthdates rather than a simultaneous expiration month. Nurses submit renewal paperwork every November because every nurse's license expires in December every other year in Alaska. That is an irrational way to manage a workload.
2. Hire more licensing staff and provide a competitive wage. The [Alaska Division of Corporations, Business, and Professional Licensing (CBPL)] revenues have grown 65 percent over six years, while the personal services line for the same period has increased seven percent.
3. Pursue and use more three- and six-month temporary licensures. Nurses from other states with licenses in good standing could start the licensing process in Alaska and begin work sooner while waiting to obtain their Alaska nursing license.

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MS. HALL stated the Tier IV retirement plan has been in place for nearly 20 years, and Alaska has become the training ground for other communities and states. Nurse licensing will have the same result. The state's investment in nursing programs will result in skilled nurses leaving with the training the state helped provide if Alaska fails to protect its workforce. She said this is exactly the opposite of what the state should do. The healthcare industry should look at the apprenticeship model, take control of their labor pipeline, and the state should

invest in larger classes, scholarships, and childcare for students in nursing school, all in return for a commitment to stay in Alaska. She harkened back to when the state took these types of actions to incentivize people to stay.

MS. HALL expressed that the state needs to find ways to dissuade people from leaving Alaska. The state should refrain from passing public policy that aims to make it easier for investments to get up and go. Alaskans have already seen this play out with retirement. She recapped, stating:

- Alaska needs more investment and proven models like Alaska Works Partnership, STEP, and the Alaska Technical Vocational Education Program (TVEP).

- Alaska needs to protect school counselors. School counselors are an important component of the workforce pipeline; they inform students about how to get available jobs.

- Alaska needs a thoughtful workforce plan from DOLWD.

- Alaska needs to focus on creating apprenticeship programs to work around the log jams and challenges.

- Alaska needs apprenticeship utilization requirements to help build the state's future workforce.

- Alaska needs short-term solutions to address CBPL's licensing problems versus adopting a one-size-fits-all solution, which could create unintended consequences.

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SENATOR GRAY-JACKSON asked for more information about the Alaska Works Partnership.

MS. HALL answered it is a nonprofit in Mountain View. It runs various programs, including the Alaska Construction Academy, Helmets to Hardhats, Prisoner Re-entry, and others. One of the programs it is most famous for is running the construction academies and working with pre-apprenticeships. The pre-apprenticeship program tutors students to improve their subject skills, like math, sufficiently to qualify for an apprenticeship interview. Pre-apprenticeships are in construction academies and schools, and the program has relationships with regional training centers, like Northwestern Alaska Career and Technical Center (NACTEC), Yuut Elitnaurviat People's Learning Center, and Ilisagvik College. The regional training centers already have a

relationship with the industry, so that they can take training and pre-apprenticeships.

MS. HALL said AFL-CIO, UA, and the Denali Commission hosted a wonderful workforce development conference for the deep-water port in Nome. The demands of this project present an enormous workforce challenge. She said the opportunities in Nome are massive to get many young people into the construction trades from all over Northwest Arctic Borough. AFL-CIO will partner with Alaska Works Partnership on this.

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SENATOR DUNBAR asked about apprenticeships in other industries, particularly the medical field, stating he has wondered for a long time why training apprenticeship models are not used for nurses and certified nursing assistants. He asked if apprenticeship training models are used in other parts of the nation. He asked a second question, referring back to her comments on all the money flowing into the state through IIJA and other federal sources. He commented that Alaska usually tries to get as much money as possible as fast as possible to get boots on the ground. He asked for her thoughts on ways to delay implementation while keeping the funds secure, so the state has time to build a workforce or finish one project before starting another.

MS. HALL replied to the second question. She said she did not know whether it would be an action that slows the process or a reaction due to the inability to mobilize fast enough. She surmised that the industry would have difficulty complying with contract deadlines nationwide and that some of these contracts would open up and extend deadlines. Projects will take longer than envisioned in the original Act. The idea of rolling projects out slower would be a great conversation to have with the congressional delegation because it would be better to have the money roll out in manageable amounts. She said that rolling out the money in regionally rational ways is ideal. She added that it is nobody's job to stack these projects up logistically and figure out how to make sense of running them in order, but it seems like it would be a smart thing to do. It would be a clever thing for somebody to think about doing.

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MS. HALL asked him to repeat the first question.

SENATOR DUNBAR said the question was about the medical industry using more of an apprenticeship model for training workers.

MS. HALL replied that Alaska AFL-CIO recently signed a letter with Primary Care Associates to do a registered apprenticeship with surgery, medical, and lab technicians involving many permissible skills with sub-baccalaureate, credentialed level groups. She said this apprenticeship system was made possible, in large part, with a federal grant. The apprenticeship systems in construction are employee and employer-funded. If state investments constrain an organization's workflow or workplace, employers might need to band together to solve their own workforce problems. They are in competition with one another for healthcare workers. This is true of every electrical contractor, and yet they band together to share the resources they know they need. They need a predictable source of skilled workers and want them trained to a standard. Alaska AFL-CIO can do an apprenticeship for sub-baccalaureate level activity and believes it is about writing a standard, setting it out, finding the money, and finding a group of employers to invest. Employers need to invest in their own training. This is the way it was done in the past. She said this concept has become askew. She brought up a previous conversation about the State of Alaska not having a way to train people. This never would have happened 30 or 40 years ago. She said this issue hinges on training people while working and completing some classroom time. Organizations need to become innovative. The way the state is doing it now, the constraints of the general fund constrain the workforce, is beyond being on the horns of a dilemma. The state has an existential problem that requires a creative solution.

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SENATOR MERRICK sought confirmation that the apprenticeship utilization requirements would benefit both union and nonunion contractors, and if so, how.

MS. HALL replied that an apprenticeship is not 100 percent under the purview of union contractors; it is done as a matter of course. It is how workers are trained. Some nonunion contractors utilize apprentices too.

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There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:59 p.m.