

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

February 22, 2023

1:31 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION(S): WORKFORCE CHALLENGES FROM THE PERSPECTIVE OF
THE RESOURCE DEVELOPMENT INDUSTRY

- HEARD

PRESENTATION(S): WORKFORCE CHALLENGES FROM THE PERSPECTIVE OF
THE OIL AND GAS INDUSTRY

- HEARD

PRESENTATION(S): WORKFORCE CHALLENGES FROM THE PERSPECTIVE OF
THE MINING INDUSTRY

- HEARD

PRESENTATION(S): WORKFORCE CHALLENGES FROM THE PERSPECTIVE OF
THE BUILDING INDUSTRY

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

LEILA KIMBRELL, Executive Director

Resource Development Council for Alaska
Anchorage, Alaska

POSITION STATEMENT: Gave a presentation on workforce challenges from the perspective of the resource development industry.

KARA MORIARTY, Executive Director
Alaska Oil and Gas Association (AOGA)
Anchorage, Alaska

POSITION STATEMENT: Gave a presentation on workforce challenges from the perspective of the oil and gas industry.

DEANTHA SKIBINSKI, Executive Director
Alaska Miners Association
Anchorage, Alaska

POSITION STATEMENT: Gave a presentation on workforce challenges from the perspective of the mining industry.

ALICIA AMBERG, Executive Director
Associated General Contractors of Alaska (AGC)
Anchorage, Alaska

POSITION STATEMENT: Gave a presentation on workforce challenges from the perspective of the building industry.

ACTION NARRATIVE

[1:31:23 PM](#)

CHAIR JESSE BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:31 p.m. Present at the call to order were Senators Gray-Jackson, Bishop, Merrick, Dunbar (via teleconference), and Chair Bjorkman.

PRESENTATION(S): WORKFORCE CHALLENGES FROM THE PERSPECTIVE OF THE RESOURCE DEVELOPMENT INDUSTRY

[1:32:17 PM](#)

CHAIR BJORKMAN announced that today the committee would explore workforce challenges from the perspective of resource development, oil and gas, mining, and construction industries. He invited Ms. Kimbrell from the resource development industry to sit at the witness table.

[1:32:58 PM](#)

LEILA KIMBRELL, Executive Director, Resource Development Council (RDC) for Alaska, Anchorage, Alaska, gave a presentation on workforce challenges from the perspective of the resource

development industry. She offered the following prepared draft of her testimony:

Good afternoon, members of the Senate Labor & Commerce Committee. My name is Leila Kimbrell, Executive Director of the Resource Development Council for Alaska, or "RDC". RDC is a trade association representing mostly private industry in the oil and gas, mining, fishing, timber, and tourism sectors of Alaska. RDC was established in 1975, and our mission is dedicated to "growing Alaska through responsible resource development" to ensure a strong, diversified private sector for a robust state economy. RDC's membership includes large and small companies, Alaska Native Corporations, labor unions, other associations, community associations and local governments, individuals, and industry support services. Collectively, RDC represents nearly 700 corporate and individual members who employ thousands of Alaskans statewide. As you can see, RDC is just as diverse as Alaska.

I'd like to thank the chair and members of the committee for inviting me and my colleagues to speak today about the workforce challenges our private industries face. If it pleases the chair, I will provide a broad overview of impacts and challenges, and then my other colleagues on this panel will provide more specific data to share.

As a general matter, all of our industries face the same challenges every employer in Alaska faces: record low unemployment numbers, changes in workforce demographics, housing costs, childcare costs, lack of highly skilled workers, and adjusting to a post-pandemic work environment where workers expect more flexibility, remote working, higher wages, and benefits, to remain competitive.

[1:35:12 PM](#)

MS KIMBRELL continued.

OIL & GAS:

In 2022, the monthly average of direct jobs for the oil & gas sector was 6,700, according to the most recent state Department of Labor and Workforce

Development analysis. That monthly forecast is expected to grow to 7,400 this year based on new project estimates. I will let Kara Moriarty from the Alaska Oil and Gas Association address specifics but note that if the Willow Project comes online, that project alone estimates 2,500 construction jobs will be created.

[1:36:05 PM](#)

MS KIMBRELL continued.

MINING & LOGGING:

In 2022, the monthly average of direct jobs for the mining and logging sectors was 10,900, according to the most recent state Department of Labor and Workforce Development analysis. That monthly forecast is expected to grow to 11,500 this year based on new project estimates. I will let Deantha Skibinski from the Alaska Miners Association address the specifics of the mining industry. For forestry and timber, an industry RDC supports, I'd like to note some challenges.

As the committee knows, the Alaska timber industry, particularly on federal lands, has been under fire for decades. The recent reimposition of the Roadless Rule for the Tongass National Forest presents the newest challenge. But another external challenge has been another decision from the U.S. Forest Service to stop the harvest of old growth timber. This is a huge hurdle to overcome, and there are concerns that there is insufficient time to ensure an economic transition from old to young growth without putting remaining operators out of business.

Opportunities at the state level are more encouraging: Alaska Mental Health Trust [Authority] lands and plans to grant them more state lands to harvest is a good signal. Also, the state's proposal to stand up a new forest products program to allow commercial graded Alaska lumber products to be produced and sold in Alaska will create new opportunities - it's hard to believe with all the forested lands in our state that you cannot go down to the lumber yard and buy Alaska lumber to construct your home. A program like this

could also have the potential of lowering home construction costs for Alaska.

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Some of the specific needs for this industry, however, include the needs for:

- Licensed heavy equipment operators and CDL holders.
- Aging of the industry: The average age in the timber industry is now in the late 60s. There are not enough younger Alaskans entering the trades at a pace equal to demand - challenges as the millions in federal infrastructure funds begin hitting our communities.
- Wages - this is a challenging issue but also a reality - federal funds will see an increase in Davis Bacon (federal) or mini-Bacon (state) construction jobs, and operators in the timber industry often cannot pay or compete with these wages and benefits, and we routinely see those workers move from the timber industry to other jobs when they come into the community or region.
- We also generally just do not have individuals going into the forestry profession, and this also will become more challenging in the coming years - foresters are needed for road development projects, mapping, infrastructure evaluation, along with forest management.
- So, a big question: What is the job pipeline we are creating for our young children? How are we ensuring we have as robust a trades program as we do for the [Alaska Native Science and Engineering Program] ANSEP or other professional university-based programs and training?
- These are ongoing challenges and a reminder that we need to continue to engage with the state and pursue new ideas and opportunities if we are going to maintain a strong Alaska timber industry.

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SENATOR MERRICK referred to the logging presentation, asking why the U.S. Forest Service decided to stop old growth harvest.

MS. KIMBRELL replied she did not have the specifics, but it was a federal-level decision made a couple of years ago in conjunction with another program called the Southeast Alaska Sustainability Strategy. This strategy was partly to pay for the offset of removing opportunities in the timber industry.

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MS KIMBRELL continued.

FISHING:

Moving on to fishing, as we know, Alaska's seafood industry is second to none. Like our other industries, this industry faces the same challenges of workforce shortages and demand. The state Department of Labor & Workforce Development does not report commercial fishing sector jobs in private, nonfarm employment reports; however, according to a recent study conducted by McKinley Research Group:

- The seafood industry directly employed 62,200 people in 2019 (latest McKinley statistics) - and created an additional 10,500 secondary jobs.
- The seafood industry in Alaska is also the largest manufacturing industry in the state because of its processing sector.
- Alaska fish processing companies need a lot of seasonal workers (about 27,000 people employed in processing in Alaska, 2019) to process the 5 to 6 billion pounds of fish harvested by fishermen off Alaska coasts every year.
- The seasonality of this work creates challenges in filling work demands. Some seasons are 3 months, some are 3 weeks, and in places with consistent nearly, year-round fisheries, the jobs are year-round as well.
- In commercial salmon fisheries, for instance, you need thousands of people for short seasons in remote areas, more off the road system than on. And the

fish don't wait, so you must have a sufficient workforce at the right time.

1:42:57 PM

- Workforce shortages directly affect not just how much fish Alaska can process but the type of seafood products made, because higher value products take more labor.
- And the need extends to the many highly skilled positions in this industry. The seafood sector engages in several workforce development initiatives with the University of Alaska and the Department of Labor and Workforce Development.
- Alaska Sea Grant provides in-state training and education opportunities.
- Last year, the Alaska Research Consortium finalized a report on Alaska's Seafood Future - which highlighted the skilled positions that seafood processors have the most difficulty filling and cannot operate without - such as refrigeration engineer, plant engineer, and machinists, to name a few.

1:44:11 PM

- The University of Alaska now uses this report as a basis for its work to help provide a skilled workforce for seafood harvesters and processors across the state. This includes growing awareness for the types of skilled positions needed, trying to improve awareness at the middle and high school level, to improve in-state training availability and general workforce readiness.
- Individual companies are also now investing in developing their own training in partnership with places like the [Alaska Vocational Technical Center] AVTEC and company apprenticeship programs for those people so they have jobs when they complete the training.

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MS KIMBRELL continued.

TOURISM:

And finally, tourism: In 2022, the monthly average of statewide direct jobs for the leisure and hospitality sectors was 30,400, according to the most recent state Department of Labor and Workforce Development analysis, and that monthly forecast is expected to grow to 35,700 this year based on new project estimates. Alaska is on everyone's bucket list, and the cruise ship industry alone estimates a 2023 season of 1.4 million passengers.

The tourism industry is facing a situation where we have many jobs to fill due to increased demand for post-pandemic travel. In addition to federal infrastructure-funded projects happening in the state, this will put even more pressure on our already tight statewide labor pool. Lack of childcare and affordable housing are compounding employment issues for parts of the state.

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To address these challenges, the tourism industry is trying all manner of ways to attract workers to job openings: higher pay, season-completing bonuses, referral bonuses, travel allowances, and increased schedule flexibility. However, without a larger labor pool, we will end up competing with other industries for the same workers or recruiting them from out of state.

When it comes to awareness of opportunities in the tourism industry, there also needs to be support for working with middle and high schools, along with universities and vocational training programs.

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MS KIMBRELL continued.

CONCLUSION:

For the short term, we all run the risk of having many job openings which will be filled by out-of-state jobseekers, potentially giving our industries some blowback from in-state residents who don't understand the situation. However, this is why these hearings you are having are important. Thank you for the

opportunity to speak to you today. I hope I also conveyed opportunities to give you ideas on how the legislature can support our workforce development and retention needs. We look forward to being a resource for you going forward.

[1:47:30 PM](#)

SENATOR BISHOP complimented Ms. Kimbrell on the notes and editorial she provided the committee. He drew attention to milled Alaskan lumber in the last paragraph of page 3. He announced the Interior has several mills providing a local dimensional lumber source. He spoke to the seafood industry, stating there are 62,000 direct jobs and a workforce of about 250,000. He harkened back to his tenure at the DOLWD; the department tried hard to crack that nut and concentrated its efforts on the year-round, legacy jobs in the seafood industry. He mentioned that he was glad that is still the case.

MS. KIMBRELL recommended the committee read the Statewide Comprehensive Economic Development Strategy [2022 - 2027]. It was recently produced and is a great document. It identifies priorities for the next five years and is beneficial in addressing areas that a regional economic development organization does not currently cover. It identifies some priorities key to RDC industries.

PRESENTATION(S) : WORKFORCE CHALLENGES FROM THE PERSPECTIVE OF THE OIL AND GAS INDUSTRY

[1:49:41 PM](#)

CHAIR BJORKMAN announced Ms. Moriarty of the Alaska Oil and Gas Association (AOGA).

[1:50:06 PM](#)

KARA MORIARTY, President and Chief Executive Officer, Alaska Oil and Gas Association, Anchorage, Alaska, gave a presentation on workforce challenges from the perspective of the oil and gas industry.

[1:50:19 PM](#)

MS. MORIARTY advanced to slide 2, stating that AOGA's 14 member companies represent the majority of companies exploring, developing, producing, marketing, transporting, and refining in Alaska. AOGA's mission is to advocate for the long-term viability of the oil and gas industry for the benefit of all Alaskans. Slide 2 lists these companies:

Alyeska Pipeline Service Company
Blue Crest Energy
Chevron
ConocoPhillips Alaska
eni
ExxonMobil
Furie Operating Alaska, LLC
Glacier Oil & Gas
Hilcorp
Marathon
Santos
Petro Star, Inc.
Repsol
Shell

MS. MORIARTY said the industry started 2022 with 100,000 fewer jobs than before the COVID-19 pandemic at the national level. While there were fewer jobs during the pandemic, finding and keeping qualified workers was identified as the industry's most significant challenge nationwide in a survey conducted by the American Petroleum Institute at the end of 2022. This is further evidence that the workforce development issue is not just an Alaskan issue but a national one.

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MS. MORIARTY reviewed the facts on slide 3. She said the McKinley Research Group summarized the oil and gas industry's role in the economy as follows:

"Alaska's oil and gas remains the single most important economic engine in the state."

MS. MORIARTY described how the McKinley Research Group determined the oil and gas industry was the state's single most important economic engine. The oil and gas industry creates direct, indirect, and induced jobs that account for roughly 25 percent of all jobs and wages in Alaska. The oil and gas industry provides the largest private sector funds to the state treasury and several local government jurisdictions.

24 percent of all jobs

\$4.4 billion with 1000+ local businesses

\$4 generated for every \$1 earned in primary companies

15 jobs for every 1 primary company job through indirect spending and tax payments

[1:53:03 PM](#)

MS. MORIARTY said she intends to focus on the industry's private sector employment challenges. She did an informal survey of AOGA's member companies in preparation for this hearing. She asked about their current workforce, the average age of employees, the types of positions that are hard to fill, projections of jobs needed in the coming year and into the future, the biggest impediments to getting the type of workers they need, and what needs to be done. Over half of AOGA industries responded to the survey; most significantly, the largest employers responded. This presentation contains a summary of their responses. She noted the average age in the oil and gas industry is in the mid-40s, with several companies facing a significant number of employees eligible for retirement. The jobs that are especially hard to fill require college degrees and technicians.

[1:54:20 PM](#)

She advanced to slide 4 to review the first category of jobs that are especially hard to fill:

Jobs Needed Most by AOGA Members Today

Engineering:

All types of engineers are needed, petroleum, mechanical, electrical, chemical, and specialty engineering (fire systems, corrosion, automation, risk/process).

Crafts/Technicians:

Machinists were identified by almost every company as well as needs for instrumentation specialists, electricians and cyber security.

And believe it or not, there is a need for more **attorneys**.

MS. MORIARTY said 13 percent of one member company's current workforce is retirement eligible. Santos and Repsol have immediate worker needs because the first phase of the Pikka project was approved. They are ramping up significantly, likely doubling the number of direct employees by the end of this year. ConocoPhillips may also be looking at this type of growth if the

Willow Project obtains a favorable record of decision by the U.S. Department of the Interior.

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MS. MORIARTY reviewed slide 5, "Biggest Impediments to Attracting Workers for AOGA Members Today:"

- Qualified people who want to live and work in Alaska, especially in remote locations
- Competition within the oil and gas industry and other similar industries
- Less interest in working for the oil and gas industry
- Need more high quality training and engineering programs
- Lack of recruitment and marketing

[1:59:27 PM](#)

MS. MORIARTY reviewed slide 6, "Alaska Pipeline Job Info." This slide has a snapshot of a social media website showing job seekers where to find jobs on the North Slope.

MS. MORIARTY advanced to slide 7, which showed survey results on workforce needs from the Alaska Support Industry Alliance, which they conducted a few months ago. One hundred forty companies directly supporting the oil and gas industry responded. Eighty percent of those companies said they need to hire more than two workers in the next six months. The total number of positions these companies need to fill ranges from 144 to 400. She reviewed the results of the survey on slide 7:

Survey Results of Alaska Support Industry Alliance Members
Oct 2022

Top Positions Needed Statewide:

- Equipment Operator/Truck Driver
- Diesel Mechanics
- Engineers
- Office Manager/Customer Service

-Project Managers

MS. MORIARTY said the biggest barriers for Alliance membership were:

- a lack of qualified candidates,
- other jurisdiction wages and housing were more competitive than Alaska, and
- workers failed to pass drug testing.

[2:01:25 PM](#)

MS. MORIARTY reviewed the graph on slide 8, "Going Down." She shared data about petroleum engineers who the industry needs. She said this year, the expected number of petroleum engineer graduates in the United States would total about 400, an 83 percent decline from 2017. The number of petroleum engineer graduates peaked at 2,300 in 2017. Professor Lloyd Heinze of Texas Tech University conducted this research. He tracks the annual enrollments at more than three dozen petroleum schools worldwide. Texas A&M University, one of the top engineering schools in the country, elected to dissolve its College of Geosciences; it is now the Department of Geosciences.

MS. MORIARTY said Brunel International conducted an energy outlook report on the oil and gas industry's key hiring and employment trends this past year. It surveyed nearly 17,000 global energy industry companies, recruiters, and workers. It found that 43 percent of employees want to leave the energy industry altogether within the next five years. She expressed her belief that there is not one single answer that addresses all of these challenges. However, the industry is ready to strengthen its partnerships with the university, trade schools, unions, and other training programs to ensure a qualified Alaskan workforce continues the long-term viability of the oil and gas industry.

[2:03:31 PM](#)

CHAIR BJORKMAN commented on the system of developing the oil and gas workforce, starting with school-age children on up to adults who want to be reskilled to work in the oil and gas industry. He asked how K-12 and postsecondary education can work closer with the industry to increase the number of interested, skilled, and motivated workers to serve in the oil and gas space.

MS. MORIARTY said that she is not an expert though she started her career as an educator long ago. She expressed her belief

that it could be done in many different ways. She talked about vocational education, clubs, and programs. She said that she gets the idea that shop classes and vocational education programs are less prevalent than they once were in Alaska. Speaking as a former Alaska Resource Education (ARE) board member, she said the board directly partnered with DEED 15 years ago. The state offered a grant, and ARE married its curriculum with the state standards in training teachers about the industry. The industry could do more, like providing more opportunities for internships. There is an interest in doing tours for school counselors and teachers now that the pandemic is in the past. It is a matter of identifying opportunities so students can experience them through job and career fairs. She added that the industry should reach out to students as early as the 4th and 5th grades.

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CHAIR BJORKMAN asked whether she thought the number of skilled workers graduating high school would increase if schools provided guidance and career counseling that painted a vision for kids as they advanced through the grade levels and if students received career, technical, and vocational education as a part of their high school curriculum.

MS. MORIARTY answered that she could not see how it would not. She shared an anecdotal story. The Alaska Resource Education board visited the Fairbanks Pipeline Training Facility about a year ago last March. She said that she was unaware of the number of welders needed and that there was difficulty finding enough people to apply for the program. Fast forward three or four months. Her son is on a baseball team, and a graduating senior teammate shared that he did not want to go to college. He wanted to be a welder. She told him about the opportunity for welding at the Fairbanks Pipeline Training Facility. He was a senior at a public high school in Anchorage and had never heard of that opportunity or where he could get trained elsewhere in the state. She said that this encounter informed her something was missing. Students need to be made aware of vocational education opportunities. It would not hurt to have guidance and career counselors painting a vision of available options.

CHAIR BJORKMAN commented that he agreed and identified with her anecdotal story. There needs to be more information and purveyance of information for people who want to be reskilled or get trained; they need to be made aware of opportunities.

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SENATOR BISHOP said he champions high school counselors, but there are not enough. He said that one of the things he used to do with the JATC [Joint Apprenticeship and Training Committee] was boot camp for educators. They would visit the Palmer training facility and receive a three-day boot camp, getting an awareness of what the Alaska Operating Engineers do. He said he tried to put a counselor in each classroom theoretically. He challenged each employer in the room to be their own counselor. He said he stops and talks to people during his daily routine, always headhunting and looking for talent. It is all-hands-on-deck for recruiting. He said he is interested to know whether the number of applicants increased or decreased since legalized marijuana. He said to work on the North Slope, under a covered position, under Title 49 of the Code of Federal Regulations, workers have to be able to pass a drug test. He said a test has not been developed yet for marijuana, like blowing in a tube for alcohol. He remarked that some JATC enrollment numbers have dropped since legalized marijuana in the state.

MS. MORIARTY answered that she does not have hard data, but the operators union [International Union of Operating Engineers] told her there were 20 openings and 100 applicants. Only ten applicants were eligible, partly due to that issue.

[2:12:15 PM](#)

CHAIR BJORKMAN commented that the education tax credit has changed over time, shrinking in the past seven years or so. He asked whether it would be valuable to the oil and gas industry if the education tax credit were to expand, infusing dollars more directly into workforce development, education, and training opportunities.

MS. MORIARTY replied that type of incentive could work depending on the company. She knows some companies took advantage of education tax credits. She said the state could offer other incentives besides education tax credits. Education tax credits have not always been as stable as other options, but when offered, companies have taken advantage of them.

CHAIR BJORKMAN sought confirmation that education tax credits allow the oil and gas industry to apply a portion of their tax dollars to educational opportunities, which forges lasting connections between the industry and the organizations that train industry workers.

MS. MORIARTY responded yes.

[2:14:16 PM](#)

At ease.

**PRESENTATION(S) : WORKFORCE CHALLENGES FROM THE PERSPECTIVE OF
THE MINING INDUSTRY**

[2:15:06 PM](#)

CHAIR BJORKMAN reconvened the meeting and recognized Ms. Skibinski of the Alaska Miners Association.

[2:15:17 PM](#)

DEANTHA SKIBINSKI, Executive Director, Alaska Miners Association (AMA), Anchorage, Alaska, gave a presentation on workforce challenges from the perspective of the mining industry.

MS. SKIBINSKI advanced to slide 2, "Promoting Responsible Mineral Development in Alaska." She reviewed the following facts about AMA on slide 2:

- Established in 1939
- Over 1,400 members
- Eight statewide branches Nome to Ketchikan/Prince of Wales Island
- Placer mines: small; family-owned
- Exploration and development projects
- Large-scale mines and projects
- Sand, gravel, industrial mining
- Support contractors and businesses

MS. SKIBINSKI advanced to slide 3, "Alaska Mining Workforce." She said the data presented today is from 2021. She intends to submit updated information to the committee as soon as she receives it from the Department of Labor and Workforce Development (DOLWD). She reviewed slide 3:

- 5,400 direct and 10,800 direct and indirect jobs attributed to Alaska's mining industry
- Average wage of \$130,000; twice the state average for all sectors
- \$985 million in total payroll
- Year-round jobs for over 95 Alaska communities

[2:17:52 PM](#)

MS. SKIBINSKI advanced to the map on slide 4, which illustrates the distribution of mines and projects around the state. She

said the little circles on the map are the communities around Alaska where mining industry employees live. The map shows a geographically diverse distribution of mines, projects, and exploration, many in rural areas where there are few other high-paying economic opportunities. She said that AMA is very proud there is mining industry employment and opportunity in these communities.

[2:18:50 PM](#)

MS. SKIBINSKI reviewed the pie chart on slide 5, "Mining Employment by Activity." The pieces of pie show the percentage of mining activity involved in:

- Exploration	10 percent	303 employees
- Development	15 percent	494 employees
- Production	75 percent	2,428 employees

[2:19:26 PM](#)

MS. SKIBINSKI reviewed slide 6, "Alaska Mining Industry Jobs," which listed mining occupations in descending order by the total number of workers within each classification:

Top 10 Occupations in Alaska's Metal Mining Industry, 2020

Occupation	Total Workers
1. Underground mining machine operators, all other	758
2. Extraction workers, all other	264
3. Mobile heavy equipment mechanics, except engines	260
4. Earth drillers, except oil and gas	162
5. Mining and geological engineers, including mining safety engineers	147
6. Millwrights	105
7. Plant and system operators, all other	92
8. Electricians	90
9. Geoscientists, except hydrologists and geographers	85
10. Miners, except drillers and machine operators	82

MS. SKIBINSKI said the mining industry has challenges across the board, and she listed them:

- recruitment and retention that started with the pandemic,
- supply chain,
- workers that are unable to show up for their shift on time due to airline worker and flight shortages, and
- various factors in addition to having a shortage of available people.

MS. SKIBINSKI said on average, it takes over 100 days to fill skilled trade positions and about 50 days to fill other positions. The average turnover rate is 24 percent, and she explained that the industry is stealing workers and competing with each other for employees. She said the occupations list shows the trades that have the greatest number of total workers, but the most problematic to fill are engineers, geologists, diesel technicians and mechanics, mine and other types of electricians, and Class A CDL drivers.

[2:22:04 PM](#)

MS. SKIBINSKI advanced to slide 7, "Training Investments." The industry has enjoyed a longtime partnership with the University of Alaska (UA). She said UA has everything from graduate programs to vocational training to place students in mining positions. She plugged "UA Giving Day," which runs today and tomorrow. It is a major campaign rollout and a number of major mines agreed to do a match, so today is a good day to remember the university. She expressed appreciation to Senator Bjorkman for bringing up the education tax credit. The mining industry makes contributions to the programs that are important to the industry and makes deductions from their State of Alaska taxes accordingly. She expressed that the mining industry is hopeful education tax credits remain an option with the university for a long time. She described various mine training options available in Alaska. Slide 7 reads:

- \$1.1+ million to UA and vocational schools in 2021
- AVTEC, MAPTS, underground mine training center
- On-the-job training
- Scholarships: UA, ANSEP
- We need to look further!

MS. SKIBINSKI said AMA is looking at creative ways to attract and keep workers through salaries, travel stipends, relocation expenses, and signing bonuses. More needs to be done, like making communities more desirable places to live. There needs to be a focus on childcare issues, housing shortages, and energy costs. She said it is not unusual to hire Alaskans who begin a shift schedule, then find it a lot easier to live somewhere else. They end up flying back and forth for their shift. It is a statewide discussion on how to get people to live here because people want to work here. She said the industry and state need to better market to younger generations and demographics unfamiliar with mining jobs. She said the mining industry

battles to combat the negative perceptions about the industry. It is not just that it is not sexy; there is a negative association with the mining industry. AMA needs to do more education to show that the industry is environmentally responsible, a safe place to work, with great jobs and community partnerships.

[2:27:44 PM](#)

CHAIR BJORKMAN asked what techniques the industry employs to hook or encourage kids to become miners.

MS. SKIBINSKI replied that the one thing that comes to mind is Alaska Resource Education. Its primary focus is educating children on the need for energy and minerals and why the world depends on these resources. ARE then jumps to the careers and opportunities available in these industries. ARE does a great job corralling interested students and showing them the pathway to a lucrative position. She said this is a place to concentrate and a good conduit to reach young people.

CHAIR BJORKMAN agreed. He said the ARE curriculum and materials are engaging and interesting. He said that he supports the relationship between schools and industry. The connection could be tightened to improve information flow so more kids could access it.

[2:29:54 PM](#)

At ease.

**PRESENTATION(S): WORKFORCE CHALLENGES FROM THE PERSPECTIVE OF
THE BUILDING INDUSTRY**

[2:31:59 PM](#)

CHAIR BJORKMAN reconvened the meeting and recognized Alicia Amber of The Associated General Contractors of Alaska.

[2:32:16 PM](#)

ALICIA AMBERG, Executive Director, Associated General Contractors of Alaska (AGC), Anchorage, Alaska, gave a presentation on workforce challenges from the perspective of the building industry. She reviewed slide 2:

AGC of Alaska, Who We Are

- Since 1949, AGC has served as the voice of Alaska's commercial construction industry.

- As the state's leading construction trade association, we provide our members products and services designed to improve and grow their business and enhance the professionalism of Alaska's construction industry.
- We proudly provide support to Disadvantaged Business Enterprises, or DBEs.

MS. AMBERG said that AGC does not represent a specific resource industry; instead, it advocates for a healthy economy, responsible environmental and development partnerships, and workforce efforts that support its cost industry careers that are represented on today's panel.

[2:33:51 PM](#)

MS. AMBERG advanced to slide 3 and gave a brief overview of AGC's economic impact in Alaska. The McKinley Research Group compiled some construction industry employment facts, which she reviewed on slide 3:

In 2021, Alaska's Construction Industry...

Employed Alaskans

- Employed 23,700 workers, including wage & salary (69%) and self-employed (31 percent) workers
- 82 percent Alaska Residents making 87 percent of Alaska wages

Paid Alaskans

- Paid \$2.3 billion in labor income, or 5 percent of all Alaska earnings

Generated Multiplier Effects

- Total impacts of 39,400 jobs and \$3.3 billion in wages
 - 9% of total employment in Alaska
 - 10% of total labor income in Alaska

[2:35:00 PM](#)

MS. AMBERG advanced to slide 4, stating economic recovery in the construction industry is underway. DOLWD predicts the construction industry has achieved full recovery. The state is excited about Infrastructure Investment and Jobs Act (IJAA) funded projects that are on the horizon. She reviewed slide 4, stating AGC is forecasting some pretty significant private and public construction spending for 2023:

Overall 2023 Spending Forecast

2023 Alaska Construction Spending Forecast Summary
(\$Million)

Category	Total Spending	Percent of Total Spending
Private Construction Spending	\$2,830	51
Oil and Gas	\$730	13
Utilities	\$600	11
Residential	\$450	8
Hospitals/Health Care	\$290	5
Mining	\$225	4
Other Basic Industry	\$145	3
Other Commercial	\$390	7
Public Construction Spending	\$2,720	49
Highways and Road	\$700	13
National Defense	\$600	11
Airports, Ports, and Harbors	\$510	9
Education	\$315	6
Other State and Local Govt	\$370	6
Other Federal Government	\$225	4
TOTAL	\$5,550	100

Private Sector \$2.8 Billion 51 Percent
 Public Sector \$2.7 Billion 49 Percent
TOTAL SPENDING \$5.6 BILLION

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MS. AMBERG reviewed the bar graph on slide 5, "Construction Sector Employment, Including Self-Employed Workers (2012-2021)." This chart shows the year-over-year amount of construction sector employment. The bar graph shows a big spike in 2015. The industry anticipates these numbers to grow over the next few years. The construction industry touches every city and borough in the state, a fact of which the industry is proud.

[2:36:18 PM](#)

MS. AMBERG reviewed slide 6, explaining this slide is specific to occupational growth. It encompasses predicted growth by craft rather than by industry sector. She clarified that not all construction-related occupations work exclusively in the construction industry. For example, laborers, equipment

operators, carpenters, and electricians work on building and road construction projects as well as in oil and gas, mining, and other industries. These numbers are for the specific jobs in each of the construction trades amongst all of the industries:

Expected Occupational Growth

- Accounting for COVID-19 impacts, between 2020 and 2030, construction trades occupational employment **up 9.8%**
- Including new jobs and openings from employees leaving the trades, an expected **1,523** annual openings Highest expected openings:
 - Construction laborers (**396** annual openings)
 - Operating engineers and other construction equipment operators (**323**)
 - Carpenters (**228**)
 - Electricians (**202**)

Growth in construction activity (**new jobs**)

+

Openings due to workers leaving the occupation or leaving the workforce entirely (**separations**)

Total Openings

[2:38:26 PM](#)

MS. AMBERG advanced to slide 7 and spoke about the effects of an aging population and retirement on the construction industry:

Impact of Aging Workforce - Top 10 Construction Occupations in Alaska (2021)

	Percentage of Resident Workers	
	Age 45+	Age 50+
Operating Engineers and Other Construction Equipment Operators	47	37
Construction Laborers	25	18
Carpenters	35	25
Electricians	34	24
Plumbers, Pipefitters, and Steamfitters	35	26
Painters, Construction, and Maintenance	32	24
Sheet Metal Workers	32	23
Hazardous Materials Removal Workers	33	24
Construction and Building Inspectors	58	47
Roofers	19	13

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MS. AMBERG advanced to slide 8 and explained the industry's predicament. She said Alaska would soon be awash in federal IJAA funding, which will put more demands on the industry. She described the challenges this creates on slide 8:

Our Goal: Put Alaskans to Work

- Competition for labor is fierce
- Cannot rely on Outside labor
- Must retain and attract local workers
- Hiring and training take time
- We prefer to hire Alaskans

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MS. AMBERG advanced to slide 9 to address what AGC is doing about these challenges:

Alaska Proud
Real Work. Real Jobs. Real Paychecks

Careers

Competitive wages, excellent benefits and opportunities to work outside or in an office - The construction industry offers a variety of opportunity & great pay - with or without a college degree!

Training

There are many paths into and within the construction industry, take a look at the many different paths you can follow in your career and discover the one that's right for you!

Find a Job

After all of the training and on-site experience has taken place, you are ready to join the industry! You've got the skills and the experience - Check out who's hiring in Alaska.

MS. AMBERG said The Associated General Contractors of Alaska workforce development website address is <https://webuildalaska.com/>. The website was designed as a one-stop shop for Alaskans considering a career in construction, including facts and figures about various career paths, different ways to get started, resources for training and education, and some job openings.

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CHAIR BJORKMAN brought up job seekers who want to reskill, change careers, or start a career in construction. He asked what some of the skills and abilities a job seeker needs to succeed.

MS. AMBERG replied many of them are soft skills, like showing up on time, a good attitude, a willingness to learn, and the ability to pass a drug test. The hard skills come later.

CHAIR BJORKMAN asked if there are locations around the state where individuals can find job training opportunities.

MS. AMBERG replied absolutely. The webuildalaska.com website lists all of those resources. It is a great way to find training resources, and there is a special section for educators and career resource counselors.

[2:44:04 PM](#)

CHAIR BJORKMAN thanked all the presenters for providing a wealth of information and the industry point of view from around the state. It is valuable information for generating ways to tighten communication between job seekers and those with job opportunities. Those pathways are essential as the state seeks to find ways to connect job opportunities with job seekers.

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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 2:45 p.m.