

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

January 29, 2025

1:30 p.m.

MEMBERS PRESENT

Senator Jesse Bjorkman, Chair
Senator Kelly Merrick, Vice Chair
Senator Elvi Gray-Jackson
Senator Forrest Dunbar
Senator Robert Yundt

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION: DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

- HEARD

PRESENTATION: ALASKA APPRENTICESHIP PROGRAM

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

CATHY MUNOZ, Commissioner
Department of Labor & Workforce Development (DOLWD)
Juneau, Alaska

POSITION STATEMENT: Co-presented a department overview:
Leveraging Resources Looking to the Future.

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

POSITION STATEMENT: Co-presented a department overview:
Leveraging Resources Looking to the Future.

DIRK CRAFT, Executive Director
Alaska Workforce Investment Board
Department of Labor & Workforce Development (DOLWD)
Anchorage, Alaska

POSITION STATEMENT: Presented an overview of Alaska Apprenticeship Programs: Addressing Workforce Needs.

PALOMA HARBOUR, Director
Division of Employment & Training Services
Department of Labor & Workforce Development (DOLWD)
Juneau, Alaska

POSITION STATEMENT: Presented the supporting roles of the Division of Employment and Training Services.

JEFF STEEPROW, Assistant Director
Workforce Investment Board
Department of Labor & Workforce Development (DOLWD)
Anchorage, Alaska

POSITION STATEMENT: Answered questions.

ACTION NARRATIVE

[1:30:55 PM](#)

CHAIR BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Merrick, Gray-Jackson, Dunbar, Yundt and Chair Bjorkman.

PRESENTATION: DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

[1:31:45 PM](#)

CHAIR BJORKMAN announced a presentation from the Department of Labor and Workforce Development: Leveraging Resources Looking to the Future.

[1:32:19 PM](#)

CATHY MUNOZ, Commissioner, Department of Labor & Workforce Development (DOLWD), Juneau, Alaska, co-presented an overview from the Department of Labor and Workforce Development: Leveraging Resources Looking to the Future. She stated she was invited to provide information on the level of staffing at DOLWD.

[1:33:30 PM](#)

MS. MUNOZ moved to slide 2, and spoke about the following points:

[Original punctuation provided.]

From Ketchikan to Utqiagvik

- 14 Job Centers (includes a satellite job center in Kotzebue)
- 9 Regional TVEP Recipients
- 30 STEP Grantees
- 8 Construction Academies
- AVTEC
- 7 Divisions: Alaska Investment Board, Workers Compensation Division, Workers Compensation Appeals Commission, Division of Employment and Training Services, The Alaska Labor Relations Agency, The Vocational Rehabilitation Division, and Division of Labor, Standards and Safety.

Slide 2 showed a map of Alaska that exhibits the location of department offices throughout Alaska.

[1:34:12 PM](#)

MS. MUNOZ moved to slide 3, and presented the vision statement for the Department of Labor Workforce Development:

[Original punctuation provided.]

DOLWD Vision Statement and the Future

Vision Statement: "Create a DOLWD workforce where people want to work, with whom other state departments want to partner, which industry champions, and the public appreciates"

[1:34:42 PM](#)

MS. MUNOZ moved to slide 4, and spoke about the following points:

[Original punctuation provided.]

Highlights of 2024

- Opened the Office of Citizenship Assistance
- Increased training support through the Job Center Network
- Collaboration with DEED on Career Guide expansion
- Teacher Apprenticeship project

- Implemented the Alaska Occupational Safety and Health (AKOSH) Diversionary program
- Became a DOD SkillBridge site
- Improvements to the Certificate of Fitness process

1:37:53 PM

MS. MUNOZ moved to slide 5, Office of Citizenship Assistance (OCA), and said the OCA recently opened an office in Anchorage. The OCA identifies what's preventing people from getting jobs, helping policymakers address those issues that support full employment. She stated that OCA helps people with a variety of issues they face as they try to gain employment, such as credential translation.

1:38:40 PM

MS. MUNOZ moved to slide 6, and spoke about the following points:

[Original punctuation provided.]

Labor market Information (Research and Analysis)

The Alaska Economic Trends is a monthly magazine that covers a range of economic topics and is searchable online as far back as 1978.

<http://labor.alaska.gov/trends/>

1:39:17 PM

MS. MUNOZ moved to slide 7, Statewide Jobs Forecast for 2025 (Research & Analysis). She stated that the graph shows steady job growth. This trend is important for the construction, oil, gas, and healthcare sectors.

1:39:41 PM

MS. MUNOZ moved to slide 8, a map representing the projected population change in Alaska for 2023-2050. She stated that the Matsu Borough is projected to grow by more than 20 percent over the next 20 years, while other areas, such as Southeast Alaska, are expected to see a population decline of 10 to 20 percent.

1:40:20 PM

MS. MUNOZ moved to slide 9, and spoke about the following points in the diagram representing the Alaska Workforce Investment Board:

[Original punctuation provided.]

Alaska Workforce Investment Board

Single State Board

- 9 regional TVEP recipients
- 30 State Training and Employment Program (STEP) grantees.
- 8 construction academies
- 8 Workforce Innovation and Opportunity Act (WIOA) youth grantees
- Other Federal grants (SAEF, SAEFI)

[1:41:12 PM](#)

MS. MUNOZ moved to slide 10, and showed a screenshot of the Employment and Training Services, Alaska Jobs website.

[1:41:26 PM](#)

MS. MUNOZ moved to slide 11, Employment and Training Services-Unemployment Insurance. She said the graph is a representation of Alaska's unemployment insurance trust fund. She said the trust fund has a balance of over \$700 million. She stated at the height of the Covid-19 pandemic the unemployment trust fund dropped to just \$400 million. She stated Alaska has kept a healthy trust fund balance after the pandemic.

[1:42:31 PM](#)

MS. MUNOZ moved to slide 12, and spoke about the Alaska Vocational Technical Center (AVTEC):

[Original punctuation provided.]

Alaska Vocational Technical Center (AVTEC)

AVTEC is a nationally accredited provider of workforce training with a mission to deliver flexible, accessible and affordable training for Alaskans from across the state in the areas of:

- Construction
- Culinary Arts
- Diesel/Heavy Equipment
- Industrial Electricity
- Industrial Welding

- Information Technology
- Plumbing and Heating
- Refrigeration
- Maritime

She stated AVTEC is Alaska's state vocation center located in Seward. She said AVTEC's motto is "a career in under a year."

[1:42:59 PM](#)

MS. MUNOZ moved to slide 13, and spoke about the following points:

[Original punctuation provided.]

Vocational Rehabilitation

Mission: Assist individuals with disabilities in obtaining and maintaining employment

Vocational Rehabilitation (VR) program: provides individualized services to enable Alaskans with disabilities to secure employment.

Mature Alaskans Seeking Skills Training (MASST) program: Assists Alaskans 55 and older, who are unemployed and low income, with job training and work experiences to help them become self-sufficient.

Disability Determination Services (DDS) program: Provides effective adjudication of claims for disability benefits under Title II (Social Security) and Title XVI (Supplemental Security Income) of the Social Security Act.

Business Enterprise Program (BEP): Provides employment opportunities to people who experience blindness and other severe disabilities by assisting them to establish and operate businesses such as coffee kiosks, snack bars, micro markets and vending machines on state and federal property.

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MS. MUNOZ moved to slide 14, and spoke about the following points:

[Original punctuation provided.]

Labor Standards and Safety

Mission: To ensure safe and legal working conditions for Alaskan workers.

Alaska Occupational Safety and Health (AKOSH): Protects Alaskan workers from industrial accidents and job-related injuries or illness through the enforcement of state and federal standards and provides consultation and enforcement for employers and employees to follow healthful work practices.

Mechanical Inspection: Provides protection through inspection and certification of boilers, pressure vessels, elevators, and inspection of electrical, and plumbing installations. This section also issues certificates of fitness for electric and plumbing work and enforces contractor registration.

Wage and Hour: Oversees Alaska labor laws to ensure that workers are justly compensated for their labors and safeguarded from unfair practices. This includes enforcement of minimum wages and overtime regulations, child labor laws, "right to return" transportation, public contract laws.

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MS. MUNOZ moved to slide 15, and spoke about the following points:

[Original punctuation provided.]

(AKOSH) Diversionary Program

The AKOSH initiative includes the implementation of a **Diversionary Program** inside the informal settlement procedure for inspections that result in initial citations. This initiative aims to encourage proactive abatement efforts and incentivize employers to prioritize workplace health and safety. Key elements of the proposal include:

- Elimination or Reduction of Penalties
- Structured Incentives for Enhanced Compliance
- Conditions for Participation
- Confidentiality and Protection for Participants

- Demonstrated Success of the Diversionary Program
- Consultation and Training Support

[1:45:28 PM](#)

MS. MUNOZ moved to slide 16, and spoke about the following points:

[Original punctuation provided.]

Mechanical Inspection

- Reciprocity - Electrical & Plumbing
- Provisional Licensing - Electrical & Plumbing
- Federal/Military Credits
- 3rd Party Testing

[1:47:21 PM](#)

CHAIR BJORKMAN said there's a real need to get more people into trades like plumbing and electrical work, he noted that local businesses in his district are struggling to keep their apprenticeship programs going. He asked if Ms. Munoz could explain how electrician and plumber apprenticeship programs work and ideas how improve them.

[1:47:53 PM](#)

MS. MUNOZ stated her belief that in 2018 or 2019 the legislature passed a law requiring apprentices use apprenticeship programs federally registered with the U.S. Office of Apprenticeship located in Anchorage. AFTEC offers training electrical and plumbing programs, and many union apprenticeship programs accept that time equivalent to one year toward the 8,000-hour requirement. She said the way to improve the system is by Alaska becoming a State Apprenticeship Agency. She said becoming a State Apprenticeship Agency would provide more local control and flexibility. She said it would also develop and strengthen pre-apprenticeship pathways by working closely with the Department of Education.

[1:49:33 PM](#)

SENATOR GRAY-JACKSON asked whether DOLWD was working with any apprenticeship programs.

[1:49:53 PM](#)

MS. MUNOZ responded yes, the Department has a strong partnership with the training programs around Alaska.

[1:50:15 PM](#)

MS. MUNOZ moved to slide 17, and spoke about the following points:

[Original punctuation provided.]

Alaska Labor Relations Agency

Statewide jurisdiction over 65,500 employees from:

- Over 500 schools
- University of Alaska
- Alaska Railroad
- Political Subdivisions
- State of Alaska

[1:50:43 PM](#)

MS. MUNOZ moved to slide 18, and spoke about the following points:

[Original punctuation provided.]

Workers' Compensation

Administration:

- Log almost 20,000 reports of injury annually
- Track \$250 million in benefits and services
- Compile and store data from over 60 years of claims

Adjudication:

- Publish decisions of formal hearings
- Mediate agreements between parties
- Hold thousands of informal meetings for expediency of claims

Reemployment:

- Orders eligibility evaluations
- Approves reemployment plans
- Monitors rehabilitation specialists
- Coordinate stay-at-work/return-to-work benefits

Investigation:

- Investigate and educate employers
- Follow up on fraud claims

- Collaborate with other investigative units to keep Alaska workers safe.

Workers' Compensation Benefits Guaranty:

- Provide for medical and indemnity benefits for injured uninsured workers
- Process payments on judgments from uninsured employers
- Actively manage the Benefits Guaranty Fund

Fisherman's Fund

- Manage and reimburse commercial fisherman's injury claims
- Actively manage the "Fisherman's Fund"
- Manage the claims database

Self-Insurance Program

- Ensure the self-insured entity meets statutory financial criteria
- Perform annual audits on each organization
- Collects proper collateral as prescribed by statute

MS. MUNOZ stated fishermen aren't required to carry workers' compensation insurance but contribute towards the Fisherman's Fund from fees they pay on their fisherman's permit.

[1:52:04 PM](#)

SENATOR GRAY-JACKSON asked if the fisherman's fund bill from last year had passed.

SENATOR GRAY-JACKSON stated that Director Collins indicated yes.

[1:52:29 PM](#)

DAN DEBARTOLO, Director, Division of Administrative Services, Department of Labor and Workforce Development (DOLWD), Juneau, Alaska, co-presented an overview from the Department of Labor and Workforce Development: Leveraging Resources Looking to the Future. He moved to slide 19 and spoke to the bar graph representing department staffing and position count change over time.

[1:54:08 PM](#)

SENATOR YUNDT asked whether a strong private sector is playing into low staffing.

[1:54:14 PM](#)

MR. DEBARTOLO answered that the private sector is also facing challenges in staffing. He stated that the DOLWD Research and Analysis team is best equipped to identify where the biggest gaps are, but broadly speaking, people are pursuing private sector opportunities, retiring, or telework.

[1:55:04 PM](#)

CHAIR BJORKMAN asked for the percent of positions vacant in FY 24 and FY 19.

[1:55:15 PM](#)

MR. DEBARTOLO answered that the percent vacant in FY 19 was at about 17 percent; the end of last year was about 22 percent.

[1:55:45 PM](#)

MR. DEBARTOLO moved to slide 20, and explained that the bar graph represents department staffing and the average age of employees.

[1:56:51 PM](#)

MR. DEBARTOLO moved to slide 21, and discussed the bar graph representing department staffing and the percent eligible for retirement by division.

[1:59:20 PM](#)

MR. DEBARTOLO moved to slide 22, and spoke to the graph representing jobs and applications from 2019 to the end of 2024:

[Original punctuation provided.]

Current DOLWD vacancy rate-22.2 percent as of December 31st,2024

Total permanent positions:723
-Filled 562
-Vacant 161

Vacancy rate at the start of 2020- 17 percent

[2:00:52 PM](#)

SENATOR DUNBAR asked what the practical impact of vacancies is on the department's ability to provide services.

[2:01:13 PM](#)

MR. DEBARTOLO responded that the department always prioritize urgent or high-need services. The Division of Labor Standards

and Safety, focuses on inspections and safety issues to ensure those areas stay on track. He stated the biggest vacancies are in the Division of Employment and Training Services, which includes unemployment insurance and job centers. That's where the department sees the most delays.

[2:02:38 PM](#)

CHAIR BJORKMAN referred to slide 17. He asked the department to provide a quick overview of the unfair labor practices ALRA typically hears that are outside of union negotiations. He asked how active ALRA is in engaging in work not connected to bargaining.

MS. MUNOZ replied that ALRA facilitates the organization of labor groups and certifies elections; and then determines whether a group can be officially recognized as a labor organization.

CHAIR BJORKMAN asked what are some common complaints ALRA receives and how does it handle unfair labor practices.

MS MUNOZ responded she will reach out to ALRA and get back to the committee.

[2:04:46 PM](#)

At ease.

PRESENTATION: ALASKA APPRENTICESHIP PROGRAM

[2:06:01 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the presentation: Alaska Apprenticeship Program by Dirk Craft and Jeff Steeprow.

[2:06:20 PM](#)

DIRK CRAFT, Director, Alaska Workforce Investment Board, Department of Labor & Workforce Development, Anchorage, Alaska, presented an overview of Alaska Apprenticeship Programs: Addressing Workforce Needs. He explained that the Alaska Workforce Investment Board is the lead planning and coordinating entity for Alaska's public workforce and development system. It also provides policy oversight and administration of Alaska's state and federal grants.

[2:07:04 PM](#)

MR. CRAFT moved to slide 2, State of Apprenticeships in Alaska:

[Original punctuation provided.]

STATE OF APPRENTICESHIPS IN ALASKA

- Overview of current apprenticeship programs and their impact in Alaska
- Importance of addressing workforce demands through skilled training
- Collaboration with employers and educational institutions is crucial

[2:07:47 PM](#)

MR. CRAFT moved to slide 3, and spoke about the following 7 elements of apprenticeship:

[Original punctuation provided.]

WHAT IS REGISTERED APPRENTICESHIP?

- Always a Paid Position: Includes on-the-job training and related instruction
- Led by Experts: Guided by industry professionals and offers nationally recognized credentials
- Mentored Training: Personalized guidance and support
- Debt-Free Training: No financial burden for participants
- Career Advancement: Clear paths for wage progression
- Industry-Recognized Curriculum: Meets established standards for apprenticeship programs

Industry Led
Paid Job
On-the-Job Learning and Mentorship
Supplemental Education
Diversity
Quality and Safety
Credentials

[2:08:40 PM](#)

MR. CRAFT moved to slide 4, and addressed workforce demands and economic impacts:

[Original punctuation provided.]

Meeting Workforce Needs:

- Closing Skill Gaps
 - Hands-on training and classroom instruction tailored to employer needs
- Industry-Specific Skills
 - Focus on high-demand sectors: Construction, Healthcare, Energy, and Education
- Economic Growth
 - Increases productivity, reduces turnover, and lowers recruitment costs

Supporting Underserved Populations:

- Accessible training opportunities for Alaska Native populations, rural residents, women, and disadvantaged youth

[2:09:07 PM](#)

MR. CRAFT moved to slide 5, and spoke about apprenticeship benefits employers:

[Original punctuation provided.]

- Highly skilled workers tailored to employers' needs
- Higher productivity and knowledge transfer
- Payroll and training cost savings
- A pipeline of skilled workers
- A systematic approach to training
- Increased employee retention
- Lower recruitment costs
- Support from DOLWD and their partners

[2:10:56 PM](#)

MR. CRAFT moved to slide 6, and spoke to strategic alignment with labor market needs:

[Original punctuation provided.]

- Strategic Alignment of Apprenticeship Programs
 - Addressing current and future workforce challenges
 - Ensuring programs meet regional demands

- Partnerships for Effective Programs
 - Collaborating with industry leaders
 - Involving educational institutions
 - Engaging government agencies
- Supporting Key Industries
 - Targeting apprenticeship programs to support key sectors
- Driving Workforce Development
 - Fostering long-term workforce growth □ Promoting economic development

[2:11:19 PM](#)

MR. CRAFT moved to slide 7, and spoke about the key statistics from FY 2025:

[Original punctuation provided.]

- Total Number of Apprentices
 - 2292 (44th total apprentices in the US)

He stated that Alaska ranks 7th in active apprentices, making up 0.6 percent of the labor force. Nationally it averages 0.41 percent. He said 97 percent of apprentices who complete their apprenticeship stay in Alaska to work.

- Employer Participation
 - 418 (Per April 2024 R&A Report)
- Average Wage
 - \$23.36 (4th in the US)
- Top Three Industry Breakdown
 - Construction: 1,571
 - Education Services: 325
 - Health Care and Social Assistance: 141
- Top Three Occupation Breakdown
 - Electricians: 720
 - Plumbers: 256
 - Carpenters: 141

[2:12:08 PM](#)

MR. CRAFT moved to slide 8, and spoke about the key completer statistics from FY 2024:

[Original punctuation provided.]

- Apprentice Completer Data
 - Total apprentices: 361
 - Increase of 9.06 percent compared to FY 2023
- Average Wage
 - \$36.83
- Industry Breakdown
 - Construction: 204
 - Education Services: 64
 - Health Care and Social Assistance: 64
- Occupation Breakdown
 - Electrician: 97
 - Plumber: 38
 - Carpenter: 28

[2:12:38 PM](#)

MR. CRAFT moved to slide 9, and spoke about the federal and state apprenticeship grants that were awarded:

[Original punctuation provided.]

- Federal State Apprenticeship Expansion Equity and Inclusion (SAEEI)
 - Grant Period: FY 2022 to FY 2025
 - Grant Award Amount: \$3,991,501
 - Focus: Expand RAPs in all industries
- Federal State Apprenticeship Expansion Formula Grant (SAEF) Two - Base
 - Grant Period: FY 2025 funding award
 - Grant Award Amount: \$427,539 - Awarded yearly
 - Focus: Career pathways for secondary school apprenticeship
- Federal State Apprenticeship Expansion Formula Grant (SAEF) Two - Competitive
 - Grant Period: FY 2025 to FY 2028
 - Grant Award Amount: \$5,285,678
 - Focus: First year on K-12 Teacher Apprenticeship, subsequent years to expand all RAPs

-AWIB is partnering with DEED to expand K-12
Teacher Apprenticeships in the State

- State Training and Employment

MR. CRAFT stated that the Bristol Bay Regional Career and Technical Education (BBRCTE) Program currently has 13 participants and is the first to implement the teacher apprenticeship program. BBRCTE's model promotes paraeducators with the support of a mentor into teacher apprenticeships. DEED plans to launch its pilot program in spring 2025, with a statewide expansion set for this fall.

[2:14:54 PM](#)

PALOMA HARBOUR, Director, Division of Employment & Training Services, Department of Labor & Workforce Development, Juneau, Alaska presented the supporting roles of the Division of Employment and Training Services. She stated that the Division of Employment and Training Services operates 14 job centers and offers statewide support, even in areas without a physical location. A four-person apprenticeship unit in Anchorage helps employers and apprentices, providing financial aid for training, tools, transportation, and childcare. She said last fiscal year the division supported 283 apprentices with over \$600,000 in federal funds and another 360 individuals through \$1.9 million from the STEP program. She said efforts are underway to better track apprentice participation in their system.

[2:16:58 PM](#)

MR. CRAFT testified of the many opportunities and resources the Department of Labor has to offer.

[2:18:00 PM](#)

CHAIR BJORKMAN asked whether the job centers currently have enough staff to effectively welcome and guide people through the job search process.

[2:18:42 PM](#)

MS. HARBOUR responded that the Division of Employment and Training Services has the highest vacancy rate in the department, with significant turnover this past year due to retirements and promotions. She stated that many job center roles are entry-level, leading to frequent staff movement. This movement creates longer wait times for services like application reviews and training placements. In rural areas, some one-person offices struggle to stay open during outreach with employers, so the division is exploring adding long-term staff to help.

[2:20:05 PM](#)

MR. CRAFT moved to slide 11, and spoke about the challenges of apprenticeship in Alaska:

[Original punctuation provided.]

- Recruitment Challenges
 - Difficulty in attracting diverse candidates
 - Geographic vastness and dispersed population
 - Limited access to training facilities
 - Lack of outreach to underrepresented groups
- Retention Barriers
 - Geographic isolation and travel requirements
 - Lack of mentorship and support systems
 - Job placement challenges in seasonal industries
- Resource Constraints
 - Limited funding for program expansion
 - High costs of infrastructure in rural areas
- Limited Funding
 - Insufficient resources for program expansion
 - Geographic and infrastructure costs
 - Employer participation barriers

[2:21:15 PM](#)

MR. CRAFT moved to slide 12, and spoke about the opportunities for growth:

[Original punctuation provided.]

- Expansion and Growth into Emerging Industries
 - Construction
 - Healthcare
 - Education Services
 - Natural Resource Development
- Enhanced Collaboration
 - Partnerships with educational institutions, employers, and community organizations
- Improved Access and Equity
 - Expanding Apprenticeship Opportunities
 - Alaska Native Populations

- Rural Residents
 - Women and Minorities
 - Youth and Disadvantaged Populations
- Leveraging Funding for Growth
 - Federal and State Grants
 - Public-Private Partnerships
 - Support for Rural and Underserved Areas

[2:21:47 PM](#)

MR. CRAFT moved to slide 13, and discussed transitioning to the State Apprenticeship Agency (SAA) model. He stated that at the North American State and Territorial Apprentice Director NASTAD conference in Seattle the commissioner reviewed the best practices of other states having U.S. Department of Labor-agency apprenticeship recognition and compared those practices to Alaska's current Office of Apprenticeship status (OA).

[2:22:31 PM](#)

MR. CRAFT moved to slide 14, and spoke about the relationship between U.S. Department of Labor Office of Apprenticeship (USDOL OA) and Alaska Department of Labor and Workforce Development (DOLWD):

[Original punctuation provided.]

- U.S. Department of Labor Office of Apprenticeship (USDOL OA):
 - Approves and registers apprenticeship programs and provides federal oversight and standards for registered apprenticeships
- Alaska Department of Labor & Workforce Development (DOLWD):
 - Works directly with employers to meet workforce demands and align training programs with industry needs
 - Offers financial incentives and grants to employers to support the creation and expansion of apprenticeship programs
 - Conducts outreach to educate and engage employers, helping them understand the benefits of apprenticeships and how to establish them
- Employers & Industry Partners:

-Collaborate with DOLWD to establish apprenticeship programs, providing hands-on training and employment opportunities

[2:23:25 PM](#)

MR. CRAFT moved to slide 15, and spoke about the status of an Office of Apprenticeship (OA) state:

[Original punctuation provided.]

- Federal Oversight of Apprenticeship Programs
 - Ensures programs meet U.S. Department of Labor standards
 - Maintains quality and consistency
- Support for Partnerships
 - Collaborates with employers, educational institutions, and workforce organizations
 - Streamlines program registration and compliance processes
- Access to Resources
 - Provides technical assistance
 - Offers funding opportunities

[2:23:55 PM](#)

CHAIR BJORKMAN asked whether Mr. Craft could describe the working relationship of DOWL and small business with the federal Department of Labor regarding apprenticeships.

[2:24:14 PM](#)

MR. CRAFT responded the OA office previously had long-standing, respected leadership, but recent turnover has affected communication. He stated that coordination between the state, employers, and OA is crucial, yet not always seamless, as the state often relies on OA for key apprenticeship details and compliance checks.

[2:25:25 PM](#)

MR. CRAFT moved to slide 16, and spoke about addressing federal oversight challenges:

[Original punctuation provided.]

- Federal OA's One-Size-Fits-All Approach
 - Limits flexibility
 - Delays program development

- Lack of Collaborative Relationship
 - Creates barriers for businesses
 - Hinders apprentices
- Existing Workforce Gaps
 - Expected to grow with large-scale infrastructure projects
 - Require immediate, proactive state-led solutions
- Transition Efforts
 - Aim to rectify workforce gaps

[2:27:02 PM](#)

MR. CRAFT moved to slide 17, and spoke about the benefits of transitioning to a State Apprenticeship Agency (SAA):

[Original punctuation provided.]

- Greater Autonomy and Control
 - Customized apprenticeship standards and policies
 - Regulatory flexibility for economic and labor-market-specific regulations
 - Control over program registration, oversight, and administration
- Enhanced Responsiveness to Local Needs
 - Collaboration with state and local employers, industry groups, and educational institutions
 - Development of industry-specific programs
- Improved Coordination and Integration
 - SAA status integrates apprenticeship programs with state workforce initiatives for streamlined service delivery
 - Encourages partnerships with businesses, educational institutions, and community organizations to enhance workforce development efforts
- Increased Access to Funding and Resources
 - SAA states gain greater access to federal and state funding
- Innovation and Program Expansion

-SAA status provides the flexibility to innovate and expand apprenticeship offerings

- Enhanced Stakeholder Engagement
 - Engage closely with local employers to design apprenticeship programs that address specific needs
 - Improved integration with workforce development systems, including job training and community college initiatives 1

[2:28:22 PM](#)

SENATOR DUNBAR asked if the division is seeking a statutory change or if it is merely informing the legislature of changes the administration is making. He also asked about staffing the SAA.

[2:29:09 PM](#)

MR. CRAFT answered the DOLWD wants the transition and know it would require a statutory change and close coordination with the U.S. Department of Labor. He stated that the department estimated the SAA could need three staff members depending on which agency apprenticeship grants are placed under.

[2:31:07 PM](#)

MR. CRAFT moved to slide 18, and spoke about the strategic workforce alignment:

[Original punctuation provided.]

- Establishing an SAA
 - Provides flexibility in workforce development
 - Creates robust apprenticeship pipelines
- Tailored to Alaska's workforce demands
 - Addresses current workforce needs
 - Prepares for future workforce requirements
- Ensures state readiness
 - Supports economic growth
 - Facilitates large-scale projects

[2:31:30 PM](#)

MR. CRAFT moved to slide 19, and spoke about the steps towards transition:

[Original punctuation provided.]

- Collaboration with Federal OA
 - Meet recognition standards for an SAA
- Draft Legislation and Policies
 - Comply with 29 CFR Part 29 and Part 30
- Establish Legislative and Regulatory Framework
 - Align with federal requirements
 - Address Alaska's workforce priorities
 - Address legislative needs
 - Consider regulatory impacts
- Further Consultation
 - Engage with industry partners
 - Collaborate with educational institutions
 - Involve workforce stakeholders

MR. CRAFT stated that one of the regulatory requirements would be an apprenticeship advisory council made up of organized labor and industry members.

[2:32:46 PM](#)

MR. CRAFT moved to slide 20, and showed a current map of SAA and OA states. He said the most recent states to complete the transition are Colorado, Alabama, and Iowa.

[2:33:56 PM](#)

MR. CRAFT moved to slide 21, and spoke about a summary of key points:

[Original punctuation provided.]

- Apprenticeship -Addressing Workforce Needs
 - Structured, hands-on training and classroom instruction
 - Equips individuals with industry-specific skills
 - Aligns closely with employer demands
 - Reduces skill gaps in high-demand occupations
- Transition to an SAA Model
 - Establish a State Apprenticeship Agency
 - Empower Alaska to take local control of programs

[2:35:03 PM](#)

SENATOR DUNBAR asked whether the stakeholders have designated positions and how many seats are on the Alaska Workforce Investment Board (AWIB).

[2:35:34 PM](#)

MR. CRAFT responded that the structure of the board follows the Workforce Innovation and Opportunity Act, with federally mandated seats for business, labor, and education representatives.

SENATOR DUNBAR asked if there were any board vacancies.

MR. CRAFT replied the board added three or four new members in January from the organized labor and business sectors. He noted that long-standing vacancies were filled, while others remain as recruitment continues.

SENATOR DUNBAR asked if the governor nominated the new members.

MR. CRAFT replied that the governor approves the applicants after they apply.

SENATOR DUNBAR asked whether there are current vacancies or long-term vacancies on the board and what sector is missing.

MR. CRAFT responded two or three organized labor seats have been vacant for several months this past year. The secondary and adult basic education seat recently became vacant and is in the process of being filled. He said he will provide a list to the committee of the current vacancies.

SENATOR DUNBAR asked whether the long-term organized labor seats are vacant due to a lack of applicants or because the governor hasn't approved anyone.

MR. CRAFT replied the board had some applications, but he's not sure how many, since they go directly to Boards and Commissions.

[2:39:26 PM](#)

CHAIR BJORKMAN asked whether the Department of Labor offers apprenticeship opportunities for middle or high school age kids.

[2:39:57 PM](#)

JEFF STEEPROW, Assistant Director, Workforce Investment Board, Department of Labor & Workforce Development, Anchorage, Alaska, answered questions regarding apprenticeship opportunities for middle and high school aged kids. He replied there are many

apprenticeship opportunities for young adults. He said through the SAFE Base grant; a program coordinator works with school districts across Alaska to build pathways and raise awareness.

CHAIR BJORKMAN added as the committee discusses apprenticeships and skill-building, it's important to highlight specific opportunities that exist for the people, so they know what to look for.

[2:42:39 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:42 p.m.