



Alaska Workforce Investment Board
Alaska Department of Labor & Workforce Development
Business Meeting (DRAFT)
February 22, 2006

Call To Order

AWIB Chair Andy Baker called the meeting to order at 8:37 a.m.

Roll Call

Members in attendance: Andy Baker; David Stone; Lt. Governor Loren Leman; Commissioner Greg O'Claray; Stephanie Wheeler (designee for Commissioner Karleen Jackson); Todd Bergman; Rod Betit; Don Brandon; Richard Cattanach; Wendy Redman (UAA President Mark Hamilton's designee); Rose Ellis; Karen Rogina; Chris Hayes; Jim Laiti; Mayfield Evans; Terry Miller; Neal Foster; Doug Ward; Wally Stuart; John Palmatier; M.J. Longley; Tim Scott

Staff in attendance: John Pratt, Andree McLeod, John Mayer

Guests and others in attendance: Lauren Yocom (Lt. Governor Loren Leman's designee), Assistant Commissioner Guy Bell, Deanne Schultz, Rich Berkowitz, Dean Rasmussen; Rebecca Logan; Tara Jollie

Teleconferencing guests: Donna Scott, Dawn Salesky, Jerry Woods

Agenda

A MOTION to approve the agenda was made by Vice Chair Stone, seconded by Rose Ellis. Mr. Stone asked to add Healthcare Task Force and VTEP to reports right after the Workforce Readiness Committee report. John Pratt suggested adding the selection of a nominating committee to Other Business. The MOTION with the changes made during discussion passed unanimously.

Approval of Minutes

A MOTION to approve the August 12, 2005 minutes was made by Vice Chair Stone, seconded by Neal Foster. The MOTION passed unanimously.

Public Testimony

Rich Berkowitz, of the U.S. Flag Maritime Trade Association, Transportation Institute:

- Thanked the AWIB for their help and applauded the Department of Labor & Workforce Development;
- Testified to the success of Alaskan trainees in the Transportation Institute's Unlicensed Apprenticeship Program and special program for



dislocated fisherman in training, which employs over 300 Alaskan's from diverse ethnic backgrounds with a special emphasis on native populations;

- Expressed hope for continuing to work with Commissioner O'Claray and Karen Rogina on a program for the hospitality industry and stated that Norwegian Cruise Lines America is interested in finding Alaskans to work in their industry seasonally in Alaska and Hawaii.

Deanna Schultz, Coordinator for Alaska Tech Prep Consortium:

- Outlined the history, structure, scope, and purpose of the Alaska Tech Prep Consortium;
- Explained their success in providing post-secondary preparatory training to urban high school students and the difficulties of attempting to use the same program to reach to rural secondary school youths;
- Requested that the State of Alaska pass legislation to provide funds to develop stronger tech prep programs in high schools in rural communities and asked the AWIB to support funding seamless K-16 education.

Action Items

Construction Summit Report

David Stone presented the Construction Summit Report draft. Dick Cattanach offered a correction: page one; paragraph two, to read "construction job annual growth to 1.5%." A MOTION to approve the Construction Summit Report as amended was made by Vice Chair Stone and seconded by Neal Foster. The MOTION passed unanimously.

Annual Report to Legislature

Neal Foster presented the Training Program Performance 2004 report. A MOTION to approve the report was made by Neal Foster and seconded by Vice Chair Stone. The MOTION passed unanimously.

Discussion followed regarding ideas for the next year's annual report. Planning for the report should begin in October and members are encouraged to submit suggestions for improvement at any time during the year. The annual report executive summary should be more reader-friendly, should reflect trends rather than a snapshot, contain more interpretation and less raw data, and contain individual and group photos of the board.



Reports

AWIB Chair

Chair Baker announced the formation of an ad hoc strategic planning committee: Tim Scott, Andy Baker, Rose Ellis, Karen Rogina, Don Brandon, Todd Bergman, John Palmatier, Mike Andrews, Wendy Redman, Guy Bell, M. J. Longley, Doug Ward. Tim Scott will chair.

AWIB Executive Director

John Pratt gave a brief status report on AVTEC; the career guides and industry liaisons training; the resident hire report; recruitment for the Donlin Creek Mine in Bethel; the new CEPRA Chair, Roy Huhndorf; and the Section 166 Grantees MOU.

DOLWD Commissioner

Commissioner Greg O'Claray voiced an AWIB call to action, stating that workforce development advocacy needs to be an important part of the activities of the board.

Assessment & Evaluation; Policy & Planning; Legislative Committees

Chair Neal Foster reviewed the A&E/P&P component of the AWIB strategic plan and said that these committees would be working to define their priorities and responsibilities under this plan. He briefly touched on the progress of Resolution 06-02, which requests funding for actively participating RACs - there has been no progress at this time. He announced that these committees would be meeting the 4th Thursday of each month at 10:00 a.m. The following individuals joined the A&E/P&P committees: John Palmatier, Mayfield Evans, and Tim Scott. Karen Rogina joined the Legislative Committee.

Employment & Placement; Workforce Readiness Committees

Chair David Stone stated that the WIA Section 166 Grantees MOU and the construction plan projects are now complete. He stated that the transportation plan draft still needed input from the aviation industry. He testified to the opportunities for workforce development in the mining industry and urged immediate action. He announced that these committees would be meeting the 1st Monday of every month at 10:00 a.m. The following individuals joined the E&P/WRC: Todd Bergman, Jim Laiti, Doug Ward, Chris Hayes, and Stephanie Wheeler.

Healthcare Task Force

Rod Betit outlined the scope and magnitude of the training and employment challenges facing Alaska's health care industry and described the composition and the accomplishments of the Healthcare Task Force. He



requested that the AWIB and staff resume the work started by the task force and urged the cultivation of stronger communications between board members and staff. AWIB Chair Baker appointed the Healthcare Ad Hoc Committee: Rod Betit, Wendy Redman, M. J. Longley, and Don Brandon. The focus of the committee will be to develop priorities within the industry. The AWIB Director will locate any available original Health Care Task Force materials at the AWIB office and archives.

Youth Council

Chair Don Brandon stated that the Youth Council has not met since November 2005; they are awaiting completion of assessment by the consultant and that this is expected at the end of February. He called attention to the fact that the Youth Council was not included in the AWIB Strategic Plan and said the next step for the Youth Council will be to develop some strategic components at the next meeting, which is expected to take place in April or May, 2006.

Division of Public Assistance

Stephanie Wheeler described the mission of the Department of Health and Social Services, Division of Public Assistance and how it fits with the mission of the Alaska Workforce Investment Board. She gave a brief description and progress report on a variety of public assistance programs. She announced several conferences and training opportunities for agencies attempting to assist people who are dispossessed or financially challenged. Ms. Wheeler read a statement from Kitty Farnham requesting guidance from the AWIB regarding "expectations for implementing oversight functions as defined in the Alaska Statute AS 23.15.550." Chair Andy Baker and Assistant Commissioner Guy Bell discussed the request and John Pratt stated that he and Ms. Farnham were collaborating on this and approaching an agreement.

Department of Health & Social Services

Stephanie Wheeler presented the outline of the structure and goals of the DHSS Youth Success Initiative program.

Division of Vocational Rehabilitation

Vocational Rehabilitation Director Gale Sinnott gave an overview of the DVR's mission and relationship with other DOLWD divisions and highlighted their FY2005 successes. She announced the Fairbanks job center redesign was beginning. She also discussed the difficulties they were facing in hiring new vocational rehabilitation counselors and some of the solutions they were working on to solve this problem.



Division of Business Partnerships

Director Corine Geldhof explained DBP's relationship with the AWIB, described how various grant monies are distributed under the WIA, and stated what was expected of training programs requesting grant funding. She addressed the concern of the board regarding the focusing of funds toward training for high growth industries and requested that a member of the AWIB staff be assigned to collaborate with the division to help resolve the issue.

Employment Security Division

Tom Nelson stated that the Department of Labor & Workforce Development has requested an additional \$1 million General Fund for the Adult Basic Education allocation which would provide 76,921 additional hours of instruction, 21 teachers, which would produce approximately 630 additional GED recipients in fiscal year 2007. This would be directed primarily toward trade programs. He asked the AWIB to support this budget request to the legislature. A MOTION was made by Neal Foster and seconded by Wendy Redman to support this budget issue. Wendy Redman recommended a formal letter of support to be issued by the board. The MOTION passed unanimously.

Discussion Items

New Developments

Ketchikan Shipyard

Doug Ward gave a Power Point presentation on the history, current status, and the planned improvements and projects for the State-owned Ketchikan Shipyard and the current managing entity, Alaska Ship & Drydock. This includes a new 30-year lease, new funding by the federal government to complete the shipyard as was originally planned to make it globally competitive, and a contract with the Office of Naval Research to build the world's first V-craft with an advanced hull design. This will be the beginning of the advanced modern ship building industry in Alaska and will create approximately 250 new jobs. Mr. Ward described the challenges of training or recruiting these new workers and some of the ways these challenges will be addressed. Chair Baker stated that there should be a follow-up on this project at each meeting.

Nome Gold Mines

AWIB Vice Chair David Stone stated that Alaska has four hard rock mines currently operating in the state. He estimated that there will be 5,000 primary mining jobs by 2010, mostly in rural parts of Alaska. UAA has a mining program that produces "baby miners," but there is a serious shortage of skilled miners in the United States.



Neal Foster stated that Nome Gold is going through the permitting process at this time for two sites: Rock Creek, which is 10 miles north of Nome, and Big Hurrah, which is 50 miles east of Nome. They expect to start production in 2007. This is expected to generate 135 new jobs for the region, not including support positions and it is expected to inject \$40-50 million into the economy per year. It is crucial to coordinate with the One-Stops to provide training and connect the jobs with the people.

Coordinating Training Providers

Assistant Commissioner Guy Bell stated that he has asked Tom Nelson to do a white paper on how to correctly bring private industry, training providers, and the One-Stops to collaborate in bringing trained workers in at the right time. This will be a good tool to use in the future for any new development project that needs a focus from state and private sector training providers.

Wendy Redman announced that on March 1 there would be a follow-up to the Putting Alaska's Resources to Work (PARW) mining conference. UAA has put a lot of focus on mining training. The biggest problem has been finding instructors to go out into the rural areas where the training is needed right now and the financial cost has been greater than anticipated.

Presentation - ALEXsys

Tom Nelson reported that due to a lively economy, better staff training, and aggressive DOLWD marketing, this year over 9,000 more Alaskans got jobs than the year before. Fewer unemployment benefits were paid out and more contributions were taken in. Due to low unemployment rates extended unemployment benefits will not be paid out for the first time in 20 years. The trust fund has a healthy balance of over \$223 million. Alaskans made an additional 48,698 visits to one-stops. Job openings increased by 7,987. 1,649 GED diplomas were conferred, representing 20-22% of the graduating high school population. 83.7% of Adult Basic Education participants increased their basic skills. The Senior Community Services Employment Program, or MASST, increased its number of participants by 88. Customer service products becoming operational are: online unemployment benefits application; online UI Tax filing for employers to access the state payroll reporting system and quarterly reconciliation and electronic fund transfer which allows them to pay their taxes online; and ALEXsys (Alaska Labor Exchange System). Mr. Nelson then presented a slideshow overview of the new ALEXsys Virtual One-Stop system developed to expedite the coordination of job seekers and employers. ALEXsys is expected to be running by April 2006 and presented to the public by the summer. Commissioner O'Claray emphasized the necessity of using the "Jobs" Logo and the importance of the DOLWD marketing campaign.



Discussion Items (continued)

STEP Funding

Commissioner O'Claray gave a brief overview of the State Training Employment Program (STEP). The program was implemented in 1990 and was designed to reduce the amount of time a worker is drawing unemployment, which averages 11 to 13 weeks. STEP is funded by drawing 0.1 percent from the employees' portion of unemployment insurance contributions. It has placed over 20,000 workers in jobs since its inception in 1990. Another 0.1 percent goes to TVEP which funds various programs at educational institutions. The state has been authorized by the federal government for \$20 million to train gas pipeline workers. This funding cannot be accessed until 2 years before the beginning of the gas pipeline project. Up to \$3 million of this will be used to build a training facility in Fairbanks. Last year the legislature appropriated \$1.5 million to purchase training equipment for pipeline welders. Governor Murkowski's capital budget includes an additional \$3 million for the Fairbanks training facility. STEP is the only funding stream available employment training that has the flexibility to support some of the current projects around Alaska. Commissioner O'Claray stated that discussions are underway to develop a legislative initiative, which will double the level of STEP funding. The greatest needs for training are in the construction, mining, and healthcare industries and it is very important to find a sustainable way to provide this training to produce a workforce that is ready, competent, and available and that the system is equally efficient and productive.

DOLWD FY07 Budget

Assistant Commissioner Guy Bell reported that the Department of Labor budget for FY07 is about \$176 million. More than 80 percent of this is federal funds. DOLWD is asking for \$25.5 million in general funds this year, a \$7.8 million increase over FY06. General fund investment has contributed through STEP and TVEP dollars to ABE and AVTEC, but there has been no general fund investment in employment security or business partnerships. The commissioner has convinced the governor to propose legislation increase investment in workforce development, including: ABE; Alaska Youth First; the High Growth Job Training initiative; a resident hire enforcement proponent; and to expand AVTEC's healthcare, maritime, construction, and welding programs. These investments in our future and should be made while funds are available.

Alaska Youth First Initiative

Corine Geldhof presented the rationale behind funding the Alaska Youth First initiative. Up to 43,000 new jobs will be created by 2012. The gas line construction alone will require 8,600 skilled workers. Non-residents in our



state earned \$1.1 billion in 2004, over 11 percent of Alaska wages. Approximately 7,300 high school students graduate each year, but national studies have shown that graduates feel insufficiently prepared to make career choices and thus make these decisions based on an emotional approach rather than an informative one. 57,000 Alaskans 18 and older do not have a high school diploma. The University spends a great deal of time providing remediation to students before they can get them into college level courses. DBP's youth programs are often required to provide remediation in basic skills to participants 14 to 18 years old. Recently there was a weeklong training for career guides in seven pilot school districts. Four business liaisons have been hired to work in job centers and 10 student interns have also been employed. She then presented a video about the efforts of the Department of Labor and Workforce Development to connect with young people across the state and assist them with career choices. Wendy Redman pointed out that it was important to accurately define post-secondary training as "anything [training] past high school," and that the public needs to be aware that even apprenticeship programs require some type of formal education or training before acceptance.

Presentation - High Growth Job Training Initiative

Mike Shiffer presented a slideshow on the High Growth Job Training Initiative for Energy. This program targets young people, two-thirds of which have no barriers but still require assistance making career choices, as well as adults. The six elements needed to make the program a success are: innovation, sustainability, partnership, replication, outcomes, and leveraging. Performance goals are to train 500 youth and 500 adults. Project objectives are: meeting employers' needs, training more Alaskans for 21st century jobs, develop new and innovative workforce models, linking high-growth industry with career tracks, and restructuring and streamlining the current workforce system. Project activities include: fast-tracking One-Stops, developing different strategies in working with partners, increasing apprenticeship and training opportunities, integrating vocational and technical education, building more effective youth outreach, and meeting industry's concerns through industry liaisons. The Employment Security Division has placed seven career guides in schools around the state as a part of a pilot project, which will enable the department to measure impact. ESD has also assigned four industry liaisons to specific regions of the state to assist and connect with young people with industry. DBP is focusing on 17 high growth job-training proposals and has put out a request to bid for other innovative proposals. AVTEC has received a new simulator and their maritime program is being bolstered. Partnerships with industry brokers such as the Alaska Works Partnership are being cultivated as a critical component in developing innovative opportunities. Union and non-union apprenticeship opportunities are being developed in other industry sectors as well as construction trades. \$500,000 will go towards career



guides and industry liaisons; \$900,000 for planning grants; \$50,000 for minority outreach; \$1.7 million for apprenticeships; \$700,000 for fast-tracking the one-stops; \$110,000 for the mining program with Kenai Peninsula Community College; and \$800,000 for AVTEC.

Commissioner O'Claray presented a video made by an Alaskan 11th grade sociology student to further emphasize the importance of vocational education.

Presentation - Pipeliner Training

Mike Andrews of Alaska Works presented a video about the 2005 joint pipeliner training project. Tara Jollie described this as an example of how STEP can be important to meeting the goals of DOLWD. Jim Laiti, of the Plumbers & Pipe Fitters, described this as an example of how the state, industry, and organized labor can work together and said that pipeliner training is not just for the gasline; there are many employment opportunities for workers with this type of training and there is potential for further development in NPR-A, Alpine, Minto, and ANWR. Click Bishop, of the Operating Engineers, stated that the last class had a 97% employment placement rate. It costs \$750,000 to train 100 people for three weeks; there have been four groups trained so far. The Operating Engineers, Laborers, Teamsters, and Alaska Works handle Screening and prerequisites. Alaska Works assists non-apprenticeship member applicant in overcoming any barriers to enrollment. Mike Andrews stated that there was an even parity match of public and private funding. He emphasized that there was a global shortage of trained pipeline workers and this is an excellent opportunity to lead the world.

Other Business

Nominating Committee

John Pratt indicated that a nominating committee should be designated for annual board chair and vice chair elections. Don Brandon volunteered.

Board Concerns

Karen Rogina suggested an exclusive tool such as a listserv be used to enhance communications between board members. Wendy Redman stated that she felt it was important for AWIB be proactive on issues such as budget/funding requests or other proposals and suggested that they should send letters of support to the legislature. Dick Cattnach stated that the chair or vice chair should brief the governor following business meetings on relevant issues. David Stone recalled that, in the past, the board was much more closely in communication with the legislature and governor. Andy Baker requested that Guy Bell assist in obtaining written agency reports sufficiently in advance of business meetings.



Chair Baker encouraged board members to make comments and suggest improvements by asking, "was this meeting worth your time?" Wally Stuart stated he would like to see more industry expert speakers at meetings. Tim Scott stated he would like to have shorter business meetings, longer work sessions, and more action items in meetings. Dick Cattnach said that all board members should come away from this meeting knowing exactly what workforce development is. Wendy Redman said she felt that all the work done by the board would be irrelevant without advocacy and influencing the use of resources. She also stressed that defining the priority industries is one of the most important functions of the board in working with post-secondary education because this is how the University decides which programs to offer and how to allocate their resources. AWIB is supposed to be above the department in order to have the broadest possible picture. Todd Bergman stated that he would like to see a communications plan aligned with the strategic planning committee; the board needs to set three to five priorities and use proper channels to communicate those priorities.

Gas Line Initial Discussion

Commissioner O'Claray spoke about workforce development in view of the impending gas pipeline project. He explained the need to resuscitate vocational education in the secondary school system because young people need additional skills training in order to prosper in the workforce. Public opinion is now focused on this issue; all the gubernatorial candidates and legislators are talking about it. If the oil tax bill is adopted ground can be broken on the gasline no later than 2012, but a project of this size begins long before that point. The Department of Transportation has identified approximately 230 projects in right-of-way alone. He cautioned that once the project begins many people will leave their jobs to work on the gas pipeline. If there is no direct linkage to a job, the state cannot commit public resources to it because it. Measurable success means that the end-product is a good paying job and entitlement is tied to performance. We are not training just pipeline jobs; we have to train legacy jobs too. We cannot afford to create a situation similar to what happened when the Trans-Alaskan Pipeline was completed. The AWIB board needs to plan ahead and advocate for Alaskan business and Alaskan jobs. We now have a private sector led, demand driven board. The commissioner thanked the board for their participation and encouraged the members to testify at government gatherings, including local school board meetings. He will consider assigning additional staff to help build a framework for a gasline plan.

Action Summary

Don Brandon summarized the possible AWIB actions that were identified and discussed during the course of the meeting:



1. Maintain relevance by advocating for legislative priorities on a regular basis.
2. Brief the governor on AWIB recommendations through the chair or vice chair after every business meeting.
3. Submit an annual report to the legislature.
4. Review information on emerging industries at each face-to-face business meeting.
5. Redefine the strategic plan on a regular basis.
6. Define industry priorities.
7. Support industry collaboration.
8. Advocate for Alaska businesses.
9. Start planning for the pipe line.

Wendy Redman added:

10. Advocate for vocational education through public testimony at other organizations (e.g.: school boards, municipal assemblies, boards, commissions, etc).

Karen Rogina suggested changing item to read "Define priority industries and training gaps" and that item 9 include "plan for impact of pipe line on other industries."

Presentation - Workforce Forecast

Dan Robinson of DOLWD's Research and Analysis section presented a slideshow of trends in construction and related industries as they impact workforce development in Alaska and provided a forecast of what can be expected as the state prepares for the gas pipeline project.

Commissioner O'Claray emphasized that Alaska is on the verge of tremendous opportunity for Alaskan employers and workers and stressed the need for the AWIB to call upon the social consciousness of our population. He stressed the need for training convicts to be prepared for good jobs when they exit the corrections system and the need to provide young people with education and training that will allow them to become productive citizens.

Adjournment

Chair Baker adjourned the meeting at 3:47 p.m. and encouraged the board members to attend Governor Murkowski's press conference.