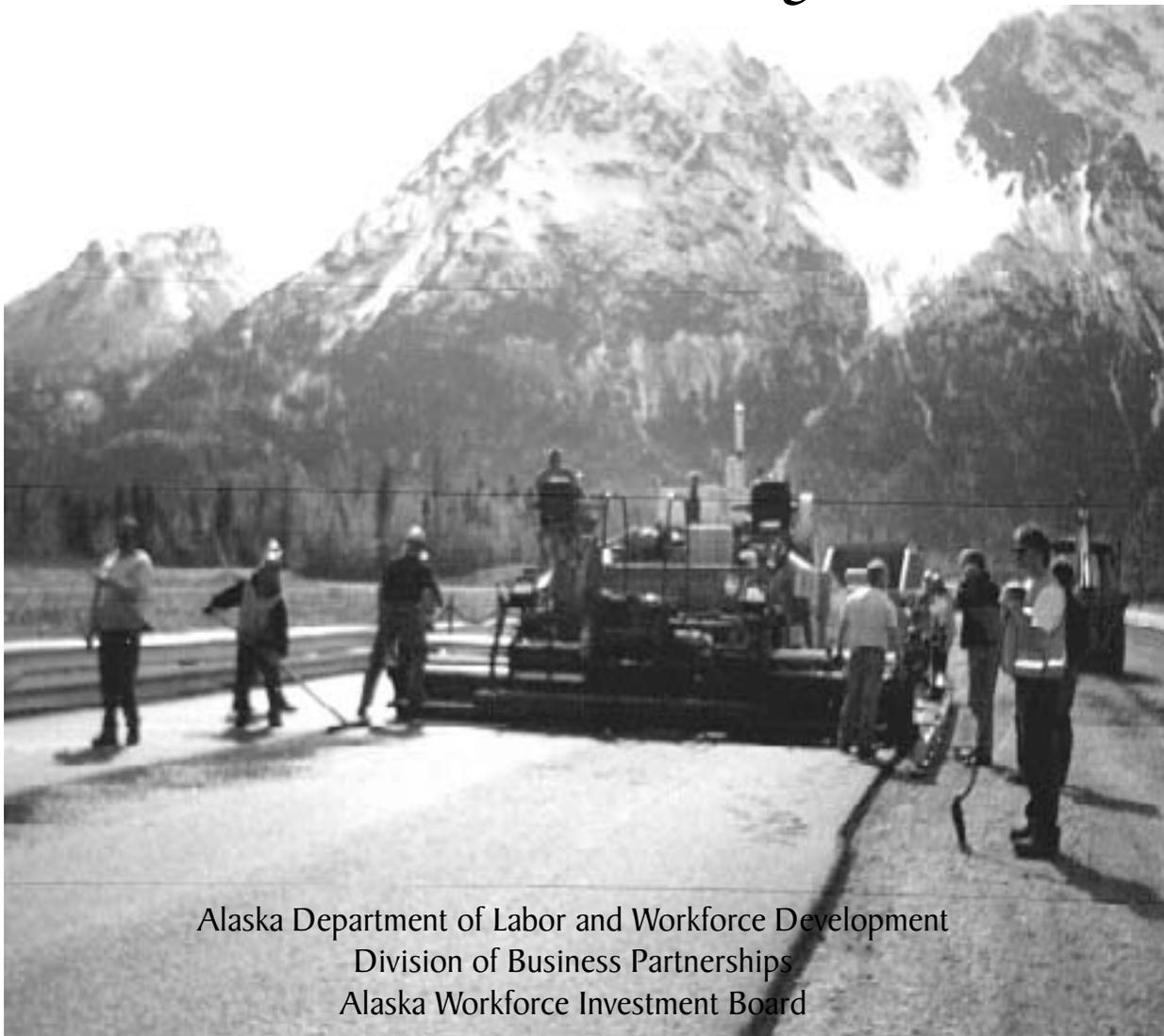


State of the Alaska Workforce Investment System

Where We Were — State FY 2002

What We Did — State FY 2003

Where We Are Going — State FY 2004



Alaska Department of Labor and Workforce Development
Division of Business Partnerships
Alaska Workforce Investment Board

Putting Alaskans in good jobs.

—from the *State Training Employment and Program (STEP)*

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For the complete report with detailed charts and analysis, please visit our website at:
www.awib.alaska.gov

This report was produced with information from with the
Division of Business Partnerships
Division of Administrative Services
Research & Analysis Section
Employment Security Division

Alaska Department of
Labor and Workforce Development

Greg O'Claray, Commissioner

Katherine Farnham, Director
Division of Business Partnerships



February 12, 2004

I am pleased to present you with the annual State of the Alaska Workforce Investment System report.

Each year the Alaska Workforce Investment Board (AWIB) presents a report to the Alaska State Legislature on the performance and evaluation of training programs within its purview, as authorized by AS 23.15.580(b)(9). This year we have integrated two other program reports into this document – the *State Training and Employment Program Annual Report* and the *Training Program Performance for Program Year 2002* – to streamline the process and bring greater rigor and clarity to Alaska's Workforce Investment System.

The Alaska Workforce Investment Board recognizes the accomplishments it has made in the three years since the Workforce Investment Act was implemented, but it also understands the need for continuous improvement and the many challenges Alaska still faces. We welcome your involvement and support and look forward to working closely with you to build a quality workforce and a secure future for all Alaskans.

A handwritten signature in black ink that reads "Alice J. Galvin".

Alice J. Galvin, Ed.D., Chair
Alaska Workforce Investment Board

This publication was released by the Division of Business Partnerships in the Alaska Department of Labor and Workforce Development, produced at a cost of .25 cents per copy and copied in Juneau, Alaska. This publication is required by AS 23.15.580(b)(9) and AS 23.15.580(e).

SUMMARY RECOMMENDATIONS

The Alaska Workforce Investment Board (AWIB) and the Department of Labor and Workforce Development are committed to ensuring all possible employment opportunities for Alaskans. The board has assessed the state of the workforce investment system and offers the following recommendations:

Governor & Legislature

- ❖ The legislature should make the highly successful State Training and Employment Program a permanent part of the workforce development system.
- ❖ The Governor should continue to hold the system accountable; set standards for outcomes and expect a return on workforce investment.
- ❖ The legislature should continue the Technical Vocational Education Program.

Other Stakeholders

- ❖ Business and industry must make a greater investment in training in order to achieve their Alaskan hire goals.
- ❖ Communities need to unite around a common goal that integrates healthy communities, education, economic development and workforce development activities together to improve the quality of life.
- ❖ Investors must raise expectations for increased quality in training and more Alaskans employed after training.
- ❖ Training providers and employers should foster alignment and investment in a career and technical education system for Alaska.

Training & Service Providers

- ❖ Investors should end the duplication of effort created through multiple systems; look for opportunities to match funding sources and share responsibilities between private and public resources.
- ❖ Providers should be more nimble and responsive to business needs, the changing economy, and the workforce needs of the future.
- ❖ Educators and employers should prepare Alaska's youth for Alaskan jobs by creating employability standards.
- ❖ The Alaska Job Center Network should make it easier for employers and workers to connect.
- ❖ Service providers should implement the board policies that embed industry-based skill standards in workforce development and training.

These recommendations are focused on an economic future that will result in healthy communities, a strong workforce, and a growing economy.

FY 2002 Program Performance Measures												
Alaska Employment and Earnings for Months 1 to 12 (One Year) Before and After Training												
	# Exiting	# Employed			Total Earnings		QTRs Worked		AVG Earnings per QTR		Total Median Earnings	
		Before	After	% Emp After	Before	After	Before	After	Before	After	Before	After
Training Programs												
WIA Title 1B Youth	653	290	454	69.5	\$738,229	\$2,102,084	637	1,077	\$1,159	\$1,952	\$1,366	\$2,414
WIA Title 1B Adult	380	300	314	82.6	\$2,777,759	\$5,593,348	869	1,012	\$3,197	\$5,527	\$7,203	\$15,287
WIA 1B Dislocated Workers	219	183	177	80.8	\$4,431,876	\$4,702,069	621	626	\$7,137	\$7,511	\$19,626	\$24,289
STEP	1,423	1,309	1,310	92.1	\$37,818,628	\$41,837,474	4,369	4,457	\$8,656	\$9,387	\$23,848	\$27,024
Denali Training Fund	619	539	563	91	\$8,957,986	\$11,496,430	1,712	1,840	\$5,232	\$6,248	\$10,941	\$14,927
TAA and NAFTA-TAA	61	59	36	59	\$2,387,412	\$1,317,735	197	132	\$12,119	\$9,983	\$34,331	\$29,694
Work Search	765	491	605	79.1	\$3,106,783	\$6,009,545	1,271	1,809	\$2,444	\$3,322	\$4,020	\$7,483
Vocational Education Programs												
Carl Perkins-Secondary	2,987	1,920	2,407	80.6	\$5,951,973	\$17,489,916	4,608	6,470	\$1,292	\$2,703	\$1,997	\$4,890
Carl Perkins-Postsecondary	4,828	3,675	3,738	77.4	\$61,078,709	\$79,634,238	11,720	12,349	\$5,211	\$6,449	\$11,344	\$17,280
Adult Basic Education	1,434	861	1,032	72	\$7,733,556	\$11,152,510	2,348	3,037	\$3,294	\$3,672	\$5,352	\$7,977
Training Institutes												
Alaska Technical Center	160	128	142	88.8	\$3,135,991	\$4,056,898	426	470	\$7,361	\$8,632	\$19,699	\$28,536
AVTEC	1,212	924	987	81.4	\$24,791,665	\$28,351,817	3,051	3,269	\$8,126	\$8,673	\$20,453	\$23,771
UA Vocational Education	5,601	4,113	4,130	73.7	\$80,275,562	\$93,857,916	13,326	13,577	\$6,024	\$6,913	\$14,869	\$18,628
<small>Notes: Includes an unduplicated count of individuals with reported SSN exiting a program. One individual may participate in more than one program. Includes Alaska reported employment and wage information only. Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.</small>												

The tables on pages four and five describe training program performance according to the five statutory requirements listed in AS.23.15.580(e):

1. The percentage of participants who have a job one year after leaving the training program
2. The median wage of participants 7 to 12 months after leaving the program
3. The percentage of participants employed who received training related to their jobs 7 to 12 months after leaving the program
4. The percentage of participants who were satisfied with the training services
5. The percentage of employers who were satisfied with the services

Note that the first table shows data for participants at the one-year mark before and after training and the second table shows data for the six-month mark before and after training.

Where We Were - 2002

FY 2002 Program Performance Measures												
Alaska Employment and Earnings for Months 7 to 12 (Six Months) Before and After Training												
		# Employed			Total Earnings		QTRs Worked		AVG Earnings per QTR		Total Median Earnings	
	# Exiting	Before	After	% Emp After	Before	After	Before	After	Before	After	Before	After
Training Programs												
WIA Title 1B Youth	653	197	326	49.9	\$350,422	\$1,001,623	301	495	\$1,164	\$2,023	\$1,073	\$1,659
WIA Title 1B Adult	380	248	270	71.1	\$1,464,792	\$2,724,787	426	483	\$3,438	\$5,641	\$4,468	\$9,362
WIA 1B Dislocated Workers	219	174	163	74.4	\$2,352,619	\$2,323,379	321	305	\$7,329	\$7,618	\$10,820	\$12,600
STEP	1,423	1,201	1,188	83.5	\$16,907,604	\$19,171,847	2,129	2,102	\$7,942	\$9,121	\$11,367	\$13,178
Denali Training Fund	619	495	500	80.8	\$4,447,406	\$5,480,964	859	893	\$5,177	\$6,138	\$5,869	\$7,841
TAA and NAFTA-TAA	61	55	34	55.7	\$1,305,800	\$693,079	100	65	\$13,058	\$10,663	\$23,261	\$18,192
Work Search	765	397	506	66.1	\$1,687,552	\$2,984,825	644	866	\$2,620	\$3,447	\$2,892	\$4,533
Vocational Education Programs												
Carl Perkins-Secondary	2,987	1,451	1,931	64.6	\$3,086,155	\$8,138,225	2,192	3,070	\$1,408	\$2,651	\$1,653	\$2,758
Carl Perkins-Postsecondary	4,828	3,308	3,301	68.4	\$30,162,413	\$39,379,558	5,828	6,003	\$5,175	\$6,560	\$6,744	\$10,361
Adult Basic Education	1,434	724	877	61.2	\$4,046,555	\$5,672,593	1,209	1,494	\$3,347	\$3,797	\$3,654	\$4,941
Training Institutes												
Alaska Technical Center	160	114	126	78.8	\$1,461,911	\$1,924,149	205	232	\$7,131	\$8,294	\$8,792	\$14,815
AVTEC	1,212	833	865	71.4	\$11,855,820	\$14,555,068	1,507	1,582	\$7,867	\$9,200	\$12,755	\$15,107
UA Vocational Education	5,601	3,506	3,617	64.6	\$38,248,063	\$46,386,480	6,361	6,567	\$6,013	\$7,064	\$8,940	\$11,239
<small>Notes: Includes an unduplicated count of individuals with reported SSN exiting a program. One individual may participate in more than one program. Includes Alaska reported employment and wage information only. Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.</small>												

Highlights of Alaska's Performance

- All of the training programs measured exceeded the one-year retention rate measure. Some exceeded the measure by as much as 30 points demonstrating that those trained had the skills to keep their jobs.
- All the training programs improved the overall six-month median earnings of their participants. Twelve of the thirteen exceed the performance target of a \$1,000 increase.
- Five of seven programs had more than 50% of those who completed training go to work in an occupation related to their training. For one program over 95% were working in a related occupation.
- Of the six programs that measure customer satisfaction, the average rate of overall participant satisfaction with training was over 84%, and all of these exceeded the negotiated target of 65%.

Customer Satisfaction

The ability to measure and compare customer satisfaction is new for FY 02. Prior to this report, programs did not consistently collect customer satisfaction information. The satisfaction is measured on a scale of 1 to 10 with 10 representing excellence and 1 representing total dissatisfaction. The customer satisfaction rates, which all exceed the 65% negotiated target, indicate an overall satisfaction with the training programs.

This year, six programs captured customer satisfaction data for participants:

- ❖ Alaska Vocational Technical Education Center 88%
- ❖ University of Alaska Vocational Students 81%
- ❖ WIA Adult Program 85%
- ❖ WIA Dislocated Worker Program 85%
- ❖ WIA Youth Program 78%
- ❖ STEP 89%

Customer Satisfaction Measures for FY 2002 Exiting Participants							
		Mean			Median		
		Overall Satisfaction	Meeting Expectations	Compares to Ideal	Overall Satisfaction	Meeting Expectations	Compares to Ideal
Training Programs	WIA Youth	7.8	7.8	7.6	8	8	8
	WIA IB Adult	8.5	8.3	8.3	9	9	9
	WIA IB Dis.Worker	8.5	8.3	8.2	9	9	9
	STEP	8.9	8.9	8.6	10	10	10
Training Institutes	AVTEC	8.8	8.3	8.3	10	9	9
	UA Vocational Education	8.1	7.5	7.6	9	9	8

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	653	653
% w/Alaska Wage and Salary Employment	69.5	49.9
Median Total Earnings	\$2,414	\$1,073
% of Workers Employed in Related Occupations	NA	6.0
Number of Alaska Wage and Salary Employed	454	326

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The Youth Program performance represents youth age 14 through 21. It has a broad spectrum of outcomes from remaining in school to entering employment.

WIA TITLE IB ADULT PROGRAM

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	380	380
% w/Alaska Wage and Salary Employment	82.6	71.1
Median Total Earnings	\$15,287	\$4,468
% of Workers Employed in Related Occupations	NA	48.7
Number of Alaska Wage and Salary Employed	314	270

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The Adult Program deals with individuals entering the workforce for the first time or after an extended period away from work.

WIA TITLE IB DISLOCATED WORKER PROGRAM

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	219	219
% w/Alaska Wage and Salary Employment	80.8	74.4
Median Total Earnings	\$24,289	\$10,820
% of Workers Employed in Related Occupations	NA	71.1
Number of Alaska Wage and Salary Employed	177	163

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The Dislocated Worker Program returns skilled workers to jobs. The related occupations indicator is at an acceptable level given that participants have experience and are supplementing it with training.

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	1,423	1,423
% w/Alaska Wage and Salary Employment	92.1	83.5
Median Total Earnings	\$27,024	\$11,367
% of Workers Employed in Related Occupations	NA	97.6
Number of Alaska Wage and Salary Employed	1,310	1,188

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

STEP is Alaska's only state-funded training program. It is one of the highest performing programs serving those who contributed to unemployment insurance.

DENALI TRAINING FUND

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	619	619
% w/Alaska Wage and Salary Employment	91.0	80.8
Median Total Earnings	\$14,927	\$5,869
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	563	500

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Data indicate that many of the training participants in rural Alaska entered the workforce and increased their wages substantially over a one-year period.

TRADE ADJUSTMENT ASSISTANCE PROGRAM

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	61	61
% w/Alaska Wage and Salary Employment	59.0	55.7
Median Total Earnings	\$29,694	\$23,261
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	36	34

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The TAA program participants had the highest median wage for the one-year period after exit. The program is operated by the Employment Security Division.

Where We Were - 2002 CARL PERKINS VOCATIONAL PROGRAMS - Secondary

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	2,987	2,987
% w/Alaska Wage and Salary Employment	80.6	64.6
Median Total Earnings	\$4,890	\$1,653
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	2,407	1,931

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

The Carl Perkins vocational programs are based on the principle that young people are much more likely to move to the labor force if they have marketable skills.

CARL PERKINS VOCATIONAL PROGRAMS - Postsecondary

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	4,828	4,828
% w/Alaska Wage and Salary Employment	77.4	68.4
Median Total Earnings	\$17,280	\$6,744
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	3,738	3,301

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Like the Carl Perkins Secondary program, the students who complete vocational training are much more likely to find employment.

ADULT BASIC EDUCATION

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	1,434	1,434
% w/Alaska Wage and Salary Employment	72.0	61.2
Median Total Earnings	\$7,977	\$3,654
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	1,032	877

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

In FY 02 more than 28% of ABE participants were enrolled in another training program. The program is operated by the Employment Security Division.

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	160	160
% w/Alaska Wage and Salary Employment	88.8	78.8
Median Total Earnings	\$28,536	\$8,792
% of Workers Employed in Related Occupations	NA	88.1
Number of Alaska Wage and Salary Employed	142	126

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Within one year of completing training, in Kotzebue, over 88% of graduates entered work in an occupation related to their training.

ALASKA VOCATIONAL TECHNICAL CENTER

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	1,212	1,212
% w/Alaska Wage and Salary Employment	81.4	71.4
Median Total Earnings	\$23,771	\$12,755
% of Workers Employed in Related Occupations	NA	95.7
Number of Alaska Wage and Salary Employed	987	865

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

As a statewide vocational training center, AVTEC was highly successful in assisting graduates to obtain jobs related to their training.

UNIVERSITY OF ALASKA VOCATIONAL EDUCATION PROGRAM

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	5,601	5,601
% w/Alaska Wage and Salary Employment	73.7	64.6
Median Total Earnings	\$18,628	\$8,940
% of Workers Employed in Related Occupations	NA	83.7
Number of Alaska Wage and Salary Employed	4,130	3,617

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Participants attending the university receive technical training that helps them become competitive in their fields.

Training Program Performance Indicators For Participants Exiting in FY 2002		
	Months 1 to 12 (One Year) After Training	Months 7 to 12 (Six Months) After Training
Total Training Participants	765	765
% w/Alaska Wage and Salary Employment	79.1	66.1
Median Total Earnings	\$7,483	\$2,892
% of Workers Employed in Related Occupations	NA	NA
Number of Alaska Wage and Salary Employed	605	506

Source: Alaska Department of Labor and Workforce Development, Div. of Administrative Services, Research and Analysis Section.

Work Search is a program related to Public Assistance that has a *work first* tenet providing training only when other strategies have not worked.

ALASKA WORKFORCE INVESTMENT BOARD EVALUATION

Alaska's employment and training programs remain strong and well suited to the state of the economy. Areas for improvement were identified in FY 03 based upon performance results from FY 02. Better performance from several of the training programs is expected in FY 04. Overall, the trend for the training programs is positive. They appear to be meeting the needs of business and industry by training participants for high-demand occupations in the labor market.

It is important to monitor annual income performance. Declining wages may be a sign of economic concerns beyond the skill of Alaska's workforce.

The AWIB finds Alaska's workforce development programs meet or exceed statutory performance standards. An area to monitor for improvement is the ratio of training to employment, which is expected to increase. Only two programs fell below the FY 02 measure. Six programs did not measure the ratio of training to employment in related occupations. This ratio was significantly low for the youth program. The youth program represents a training program with different goals for different ages of youth, where many of the participants are too young to train for specific occupations.

The State Training and Employment Program (STEP) consistently performs at a level higher than most other training programs, despite being considered a pilot program for nearly sixteen years.

The board wants to ensure that the state receives the maximum benefit for its investment in employment and training programs. To this end a Return On Investment ratio should be developed for the training programs to aid in evaluation. The AWIB continues to advocate for adequate resources for job-training programs.

Alaska's training programs respond to employer needs. Areas for improvement have been identified and strategies developed. The Governor has made a strong commitment to develop Alaska's workforce using the state's training programs.

Fiscal Year 03 was a year of transition and change.

With the election of a new administration under Governor Frank Murkowski, the board saw an elevated commitment to economic and workforce development. In his first few weeks in office Governor Murkowski revitalized the workforce system when he demanded that the state reduce administrative overhead, get better at investing workforce development resources, and start performing at the level expected of the system. The board was called upon to play a leadership role in designing a new system, pulling stakeholders together, and realigning the local areas. The board also pursued important issues around vocational development and the quality of training.

Early in the fiscal year the board settled a long-standing discussion on the role of skill standards in Alaska's workforce system by setting timelines for adoption and enforcement of nationally recognized, industry-based skill standards. The standards were intended to improve the quality of vocational training in Alaska and in turn attract new business and industry. Second, the board accepted the Vocational Training Education Providers Group (VTEP) as an ad hoc subcommittee of the Workforce Readiness Committee. The VTEP identified service gaps and developed strategies to meet the needs. This group of training providers support nationally recognized, industry-based skill standards.

In November of 2002 the board passed a resolution directing an ambitious statewide activities plan calling for development of a certificate of Youth Employability Skills, creating a workforce information Clearinghouse, analyzing the status of youth services, and updating the 1997 report on vocational education in Alaska.

The full redesign and development of the administration of the workforce system was the most significant change in Fiscal Year 03. With the Governor's issuance of Administrative Order 210 the board dissolved two local area boards collapsing their responsibilities into a single statewide board. This resulted in a streamlined and simple system that business and industry could more easily access. The effort also modified the State Unified Plan and implemented a statewide planning area in FY 04.

**Performance measure data, including retention of jobs and wage gains, is derived from Unemployment Insurance records. Compiling the data takes up to five quarters after exiting training. This is why federal performance data lags behind other state or fiscal reporting.*

Workforce development programs have different measures. However, each program is evaluated according to five performance standards defined in statute. Several of the programs can provide preliminary data on their performance prior to the required reporting period.* Examples of programs with measures, other than those defined in state statute, are the Workforce Investment Act programs.

The Workforce Investment Act of 1998 (WIA) targeted nine key areas of program performance. Under WIA, four basic programs of service delivery are measured: Adult Program, Dislocated Worker Program, Older Youth Program and Younger Youth Program. The Adult, Dislocated Worker and Older Youth programs share four performance measures. These measures are Entered Employment Rate, Six Month Retention Rate, Six Month Earnings Change Rate, and the Employment and Credential Rate. The Younger Youth program has three measures: Skill Attainment Rate, Diplomas or Equivalent Rate and, Retention Rate. Finally, two customer satisfaction rates are measured for participants and employers. The participant satisfaction rate is an aggregate of participants from all four programs. These measures track overall WIA performance as well as individual performance. Alaska has collected this information for three years now. What follows is a brief analysis of each program.

WIA Older Youth Program, Ages 19-21

The older youth program has experienced the most difficulty with performance since the start of the program in FY 00. The program has been plagued with poor participant enrollment and poor credential attainment. Further, outcomes for entered employment and earnings change have been declining.

In FY 03 USDOL implemented a corrective action plan with Alaska to improve performance and halt the downward trend. This effort resulted in performance improvements. In FY 03 Alaska's performance in the Older Youth program was acceptable. None of the negotiated performance measures were exceeded. Nonetheless, for the first time Alaska exceeded the minimally acceptable threshold for the Employment and Credential Attainment Rate.

WIA Younger Youth Program, Ages 14-18

In contrast to the Older Youth Program, the performance in the Younger Youth program is generally acceptable. The program has over 1,100 participants and exceeded two out of three performance measures. Those measures reveal a trend of steady improvement.

Placement and retention are areas where the program is meeting acceptable performance but could be improved. Several issues may contribute to this including: lack of timely data entry, lack of clarity on the definitions of placement and retention, and a greater emphasis on the other two measures at the expense of the third. The program administrator is encouraged to maintain performance while determining the cause for the low performance in placement and retention as well as and to conduct additional analysis and develop strategies for improvement.

WIA Adult Program

The adult program primarily serves low-income individuals who experience barriers to employment such as childcare, transportation, training, and criminal convictions. The performance of the Adult program indicates the program is successful and exceeding all of the measures. The Adult program had over 500 new enrollments in FY 03 and exited 241 individuals. The total number of participants served was over 1,700. With such a high number of new registrations and a low number of participants exiting the program, it is important to determine how services will be provided if funding is reduced.

This valuable program has been the cornerstone of job-training programs for many years. It is successful and is providing a wide range of assistance to its participants. However, with declining funds it is important to more closely manage the rate at which clients are served, the rate at which they exit the program, and enter employment.

WIA Dislocated Worker Program

The primary objective of the dislocated worker program is to return workers who were laid-off, through no fault of their own, back to work. Performance measures indicate the program is successful yet the number of participants reported as having entered employment is only 188 out of 241 people who exited the program. According to the data, more than 1,200 individuals are actively being served. The new enrollments for FY 03 are just over 400. With high new enrollments and low exit rates, it appears that participants are spending more time enrolled in this program.

This program has significantly more resources than other WIA job-training programs. It appears that resources are not fully utilized since large amounts of funding are carried over from one year to the next. Given the increase in participants, the low numbers actually entering employment, and significant unspent funds, it would be appropriate to analyze the service delivery structure to improve program efficiencies and address possible issues with decisions to exit and enroll participants. Nonetheless, for those served, this is a successful program and has the capacity to meet the needs of other dislocated workers.

Denali Training Fund

As a short-term intensive training program, the Denali Training Fund has had a positive impact on the skills of workers in rural Alaska. In FY 03 the Denali Training Fund provided targeted training to 607 trainees in the construction and related industries. This program is significant because it does not fit the standard measurements of success. People in Denali Training Fund projects are looking for short-term training associated with the

construction, maintenance, and operations of public infrastructure in rural Alaska. The program has over an 85% placement rate in jobs, many of which are short-term or seasonal. The value in the Denali Training Fund is the way that it expands the skill base of rural Alaskans. This means when construction projects are proposed for rural Alaskan communities the residents will have the skills to accept jobs associated with the projects. In conjunction with the Denali Commission Training Subcommittee, the program administrator should seek out ways to promote training that leads to longer-term employment for participants.

Trade Adjustment Assistance

Trade Adjustment Assistance (TAA) is available to workers who lose their jobs or whose hours of work and wages are reduced as a result of increased imports from or a shift in production to another country. TAA includes a variety of benefits and reemployment services to help unemployed workers prepare for and obtain suitable employment. Benefits include job search and relocation allowances, training benefits, wage replacement for approved workers over 50 and a health care tax credit for continuing health insurance coverage after separation from the affected employment.

The recent decline in the salmon industry due to increased foreign imports has allowed many affected workers to enroll in TAA. This program will be effective in meeting their needs for reemployment in Alaska's workforce.

The State Training and Employment Program (STEP), established in 1989, is intended to provide job-training opportunities for Alaska residents who need these services in order to work and do not have access to other federally funded training programs. Since inception, STEP has provided training opportunities for 16,284 Alaskans. An additional 1,658 residents are slated to receive training before June 30, 2004, either through a customized training grant or a Job Center. A total of 17,942 people who would not otherwise have received services are served by STEP.

STEP is one of the highest performers in the mix of job training programs within the workforce development system. STEP helped people increase wages, remain employed or become employed. The annual performance report provided by the Department of Labor and Workforce Development Research and Analysis Section clearly demonstrates the consistent success of this program.

An important ingredient for the program's success is a self-generating funding mechanism. A very small set aside from Unemployment Insurance tax contributions provides 100% of program revenue. No program revenue comes from the state's general fund. Federal funding and national priorities do not affect the amount of revenue available or priorities for this program.

The programs most valuable characteristic is its flexibility. STEP allows for responsiveness to the unique needs of the Alaskan workplace. Eligibility for STEP is simple. One must (a) want to work, (b) be a resident and intend to stay in Alaska, (c) have worked in a job covered by Unemployment Insurance, (d) have a real job opportunity upon the completion of training, and finally (e) not have access to federal funds. STEP participants are screened for federal program services before they are registered in a STEP funded training program.

An example of how the flexibility built into the STEP program serves Alaskans is a current project that partners with the Nuniwarmiut Reindeer and Seafood Products manufacturing plant. This plant is located in the City of Mekoryuk, which sits on the north shore of Nunivak Island surrounded by the Bering Sea. In Mekoryuk, unemployment exceeds 46%; the per capita income is \$11,957 and 23% of the population lives below the poverty level.

The Nuniwarmiut Reindeer and Seafood Products plant recently expanded its harvesting capacity to include the processing of value-added retail food products. STEP funds were used to provide the training required to work in the new plant. Thirteen Mekoryuk residents learned how to make, package and sell the finished

products. They also learned how to safely use the industrial equipment in the plant's new commercial kitchen. Eleven of the thirteen trainees have newly created jobs directly resulting from this \$60,000 STEP investment.

Recent changes to the workforce development system, specifically the consolidation of the local service delivery areas, enable STEP to provide more job training opportunities than ever before. Streamlining brought a dramatic increase in the amount of funds allocated for direct training.

The table below demonstrates that even though the overall STEP fund decreased 12% in the current year, the allocation for training increased 68%.

STEP Analysis	2003	2004	Increase/Decrease in \$	By %
<i>Total Fund</i>	\$5,256,800	\$4,634,100	\$(622,700)	-12%
<i>Training</i>	\$2,260,447	\$3,792,751	\$1,532,304	+68%

The opportunity to apply for grants has more than doubled since implementation of the Division of Business Partnership's New Workforce Investment Strategy that offers a single application for multiple funding streams. Current grants exceed the total volume of grants last year as shown in the table below with no grants duplicated.

STEP Training Grants	July 1 – June 30, 2003	Current Year	July 1 – June 30, 2004
MOA/Mat-Su	7	Grants Renewed	10
Balance of State	19	Investment Strategy	18
Duplicates	4	Duplicates	0
Total Non-Duplicated	22	Total Non-Duplicated	28

This has broadened the STEP applicant pool by more than 100% resulting in an expanded variety of training options. In the second grant cycle in the winter of 2004, 16 applicants out of 24 had not previously applied for STEP grants until now.

State Training and Employment Program

The table below shows the percentage of grants funded according to industry categories at the beginning of the year compared to the distribution of grants and shows the increased variety of training options. STEP is, by statute, aligned directly to the priority industries defined by the Alaska Workforce Investment Board.

Grant Distribution by Industry	July 1, 2004	Currently
<i>Construction</i>	61%	47%
<i>Transportation</i>	0	6%
<i>Information Technology</i>	14%	11%
<i>Health Care</i>	0	4%
<i>Education</i>	13%	18%
<i>Seafood</i>	6%	6%
<i>Hospitality</i>	0	5%
<i>Occupations in Demand</i>	6%	3%
<i>Total</i>	100%	100%

Grantees receive ongoing technical assistance, formal training, and participate in at least one forum per year. The forums address grantee issues. An electronic newsletter, STEP Update, is distributed to grantees to shine a light on particularly outstanding programs or individual success stories.

In the Job Centers, actions have been taken to build awareness of program requirements including on site staff training, the distribution of written and electronic learning tools, and a monthly teleconference. These efforts are designed to address issues that come up and provide technical assistance for staff providing individual services.

Community outreach is an important part of the effort to increase program awareness. Staff participate in professional conferences and outreach efforts, such as serving on a panel, or providing written information and/or slide presentations whenever possible.

The integration of STEP grants and Job Center services will bring consistency to the program. Individual applications and monthly reporting requirements are now standardized. Program data is interpreted and entered into the system according to the same rules across the state. Consistency will insure the accountability needed to continue the success of this program for Alaskan workers who have no other options.

Alaska's vocational training programs are highly effective at meeting the needs of their students while keeping pace with the needs of business and industry. The Alaska Vocational Technical Center (AVTEC) in Seward reports that 96% of their graduates are employed in a training-related occupation. In response to the priority on the healthcare industry by the board, AVTEC partnered with a non-profit business and state agency to begin Certified Nurse Assistant and Licensed Practical Nursing programs. The University of Alaska (UA) is offering training in 65 different vocational disciplines in areas such as healthcare, process technology and information technology.

The university programs are successful at getting people ready for jobs in high demand areas. The university had nearly 100% of its successful dental assistants, dental hygienists, and community health aides, return for continued education.

Other programs are training students in rural Alaska for jobs in demand. The Carl Perkins programs are expanding the performance of secondary and post-secondary training facilities in response to such trends as national skill standards. The Adult Basic Education programs are responding to the need for basic skills before vocational training. Participants in these programs are successful and often go on to find employment related to their training.

The workforce development and vocational programs form the backbone of Alaska's job-training system. The training program performance demonstrates that they meet the goals of the board and the state. The vocational programs are responsive to student and industry needs. Alaska's overall job-training and workforce development system has several opportunities for improvement. Program administrators have developed strategies to improve these programs. Performance and accountability continuously improves as these programs evolve.

There were 16,600 students enrolled in one or more vocational education courses at UA in FY 03. Of those 16,600 students, 5,600 have not re-enrolled in vocational education programs and are considered “exiters”. The post-training performance of these exiters, as measured by Alaska wage and salary employment, is very favorable. A majority took just a single course, while others were enrolled in a full-length degree or certificate program. UA, through its 15 campuses around the state, offers 2000 vocational education courses and nearly 200 different programs covering 65 different vocational disciplines. In addition, UA campuses offer a significant number of programs that meet established state and national industry skills standards for certification.

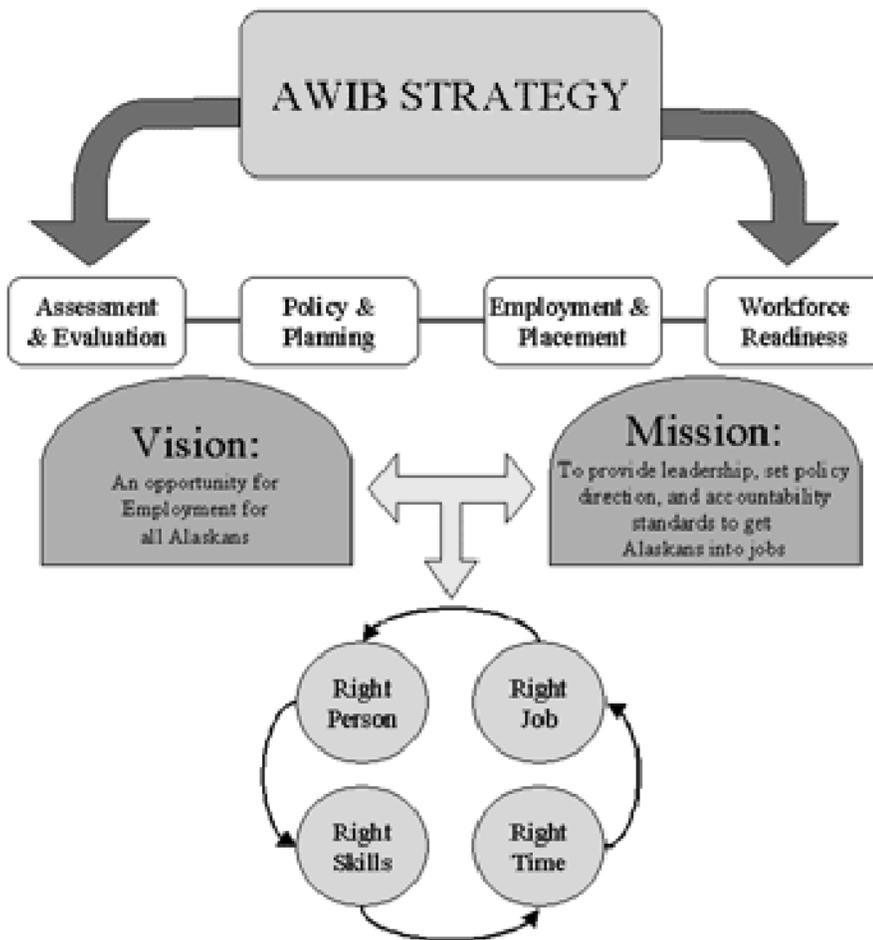
Recent growth in UA vocational education programs has focused on nursing, allied health areas, process technology, information technology and specific regional needs such as marine welding at the Ketchikan campus. Increasing and sustaining program capacity in these areas was made possible through industry partnerships, legislative appropriation, and distribution of the Technical Vocational Education Program (TVEP) funding. Business partnerships with the health care providers and the Alaska Process Industry Careers Consortium, are two examples.

After UA training, vocational students increased their wages by an average of 17%. This increase applies to all students exiting from UA vocational training. It includes those who have only taken one vocational education class to learn a skill, advance their career, or even out of curiosity as well as those who obtained a certificate or degree. Those students who completed a full vocational degree or certificate program demonstrated an average 70% increase from pre-training wages.

Overall, 74% of UA vocationally trained students are employed and earned \$94 million in the year after training. Post-training employment of UA students is much higher in some of the board high priority occupations such as dental assistant (100%), dental hygienist (100%), community health aide (95%), process technology operator (85%), and nurse (80%). For areas such as information technology (58% employment) and aviation technology (54% employment), it is important to consider UA’s mission in providing life long learning. Many training participants improve their knowledge and skills to better participate in an advancing society, or in small businesses not included in these employment statistics.

Regarding customer satisfaction, the University of Alaska is the only open admissions service provider of training. It is also unique in providing training to a broad cross section of students in all regions of the state.

Workforce development is everyone's business.



Board Strategies

Thinking strategically means looking forward and seeing the opportunities and stumbling blocks. The board has seen the future and it lies in connecting people with good jobs. Some of the key strategies the board will use to navigate the future include:

- Focusing training resources on industry gaps;
- Increasing local business involvement in identifying local needs;
- Coordinate economic and workforce development through regional councils;
- Create a clearinghouse of workforce information;
- Develop strong partnerships with rural and native communities and;
- Improve workforce system performance.

The Alaska Workforce Investment Board made a critical decision this year that is driving its strategic planning and thinking for the future of the workforce. Alaska needs to provide real opportunities for employment for all Alaskans. This means getting the RIGHT person for the job with the RIGHT skills. It means helping Alaskans land the RIGHT job at the RIGHT time.

If this is going to happen then the board needs to provide leadership and guidance, hold people and programs accountable and point them in the right direction.

Responding to Alaska's Employment Trends

Already the Alaska Workforce Investment Board has changed the system for better. Implementation of the *New Workforce Investment Strategy* has increased the amount of grant funds at work in the workforce development system. In the first half of this year over \$700,000 was awarded in grants creating job-training opportunities for 326 residents. The process continues in quarterly grant cycles.

Governor Murkowski challenged business and industry throughout Alaska to make a serious commitment to hiring Alaskans in "good" paying jobs. In just a few months, over twenty major employers signed a pledge committing to a goal of 90% or higher resident hire. By targeting our training funds on the industries most in need of skilled workers we are helping these employers live up to their commitment.

Within the last weeks of 2003, the Division of Business Partnerships was awarded a National Emergency Grant to help individuals affected by the salmon industry decline make the difficult transition to new jobs. Alaska's ten-year long salmon fishery decline created an economic disaster for those working in the industry. This grant will help more than 400 workers with job training opportunities and other assistance to help them land on their feet as contributing members of Alaska's economy.

INDUSTRY FOCUS

A critical component of the board workforce development strategy is targeting priority industries for investment with workforce development resources. With help from the Alaska Department of Labor and Workforce Development, Division of Administrative Services, Research and Analysis Section and input from industry consortia, the board identifies and targets industries for workforce development through training.

In 2003 the industries were organized in three categories. Category one represents the high demand critical industries that are at a crisis with their workforce. Category two represents industries with high growth potential and good jobs. Category three represents industries identified by the administration that have a high demand for workers based on the levels of non-residency.

Healthcare is the top priority industry. In the first quarter of this year the Division of Business Partnerships awarded over \$160,000 in grants targeted toward the healthcare industry. The

training programs focused on nursing and nurses' aides as well as information technology in healthcare.

The second category includes construction, information technology and transportation. All are growth industries in Alaska and all represent occupations with good paying jobs.

The third category includes seafood, education, and the hospitality industry. The decline in the salmon industry requires more effort to train Alaskans working in the industry. The need for skilled teachers and others associated with education is reflected in rural schools. Tourism or hospitality is a growth industry with a great potential to provide seasonal jobs to those who might otherwise have no job at all.

In 2004, the board reiterated these industry priorities for another year, while adding a fourth category, resource development—specifically mining, oil, and gas. This sector represents high economic growth potential and offers Alaskan some of the best jobs in the state.

Consortia

Many of the industries represented on this list is supported by coalitions of business, public and non-profit organizations dedicated to the advancement of workforce in their industry. The consortia provide leadership on workforce development issues and are advocates for training better skilled workers. The consortia include:

- ❖ Alaska State Hospital and Nursing Home Association
- ❖ Alaska Process Industry Careers Consortium
- ❖ Alaska Hospitality Alliance
- ❖ Transportation Consortium
- ❖ Information Technology Careers Consortium
- ❖ Construction Industry Consortium

REGIONAL FOCUS

FY 04 is the first year with a single board providing advice and guidance to Alaska's workforce system. A critical component necessary for effective guidance is communication from the regional level up to the Alaska Workforce Investment Board. The state board hopes to engage new regional councils in meaningful dialogue about the development of the regions. An important lesson learned in past years is that economic and workforce development must be considered together. Thus the board is looking for entities and organizations that can examine both aspects of Alaska's future and offer effective counsel to the board. The regional councils will share information, review local outcomes

and help set the priorities within the regions.

What is a workforce regional council?

Regional Councils are important in defining local needs when it comes to economic and workforce development. They can originate from a variety of different organizations or a consortium of entities. Economic development councils might make good regional councils. Associations of business and industry in the local area could fill the need. Even a combination of business, industry, economic development, local government and native representation might be appropriate for a particular region. The salient point is that regional councils must represent and speak for the region. Without that authority and validity it is not likely that the full range of a region's needs will be adequately represented. The board has developed guidelines and procedures for creating regional councils. Local officials and leadership are encouraged to contact the board for additional information.