

State Training and Education Program (STEP)

The State Training and Employment Program (STEP) was established in 1989. It is administered by the Alaska Department of Labor and Workforce Development and funded by a small set-aside of Unemployment Insurance (UI) Trust Fund contributions. The primary purpose of the program is to reduce current and future claims against UI benefits through an investment in job training. STEP funds can only be used to provide services for state residents who intend to stay in Alaska and who are not appropriate for federal programs that provide like services; and, who meet at least one of the following criteria:

- Unemployed and receiving Unemployment Insurance (U. I.) benefits.
- Unemployed not collecting UI, but have worked in a job covered by U. I. benefits within the last 3 years.
- Employed but likely to lose his/her job due to a reduction in the overall number of employees within the business. Employer must provide verification.
- Employed but likely to lose his/her job due to the elimination of the current job. Employer must provide verification.
- Employed but likely to lose his/her job because of a change in current job requirements will require skills substantially different skills to remain employed. Employer must provide verification.
- Underemployed and need job training to gain skills that lead to full-time employment and/or self-sufficiency.

AS.23.15.580 (8) allows only 20% of the allocated STEP funds to be used for costs associated with the administration of the program. Examples of the support activities that may be charged to STEP Grants:

- Staff time to provide skills and aptitude assessment, vocational counseling, and individual case management as needed.
- Payments directly related to training such as tuition, books, fees, materials and supplies.
- Moving the participant to another community for training, living allowances, childcare, and transportation.

Allowable Services

Industry specific training: This is training for jobs in industries with a high demand for workers. Trainees earn industry-recognized skills, competencies and/or certifications upon completion. A firm job commitment is not required prior to this type of training; however, trainees should have a reasonable expectation of employment upon completion.

On-the-job training (OJT): OJT is training provided by the employer to a paid employee, at the work-site. The employer's cost is offset with STEP funds. Employees

are taught the skills essential to do a specific job. Employers must make a firm job commitment to the trainee in order to qualify for OJT funds. A one-year commitment to employ the trainee is typical and these are usually a one-to-one situation.

Customized job-linked training: This is training based on the needs of a specific employer rather than those of an industry as a whole. Training is provided by someone other than the employer and is provided to ensure trainees acquire the skills necessary to keep or improve their employability with that particular employer. The employer must make a firm job commitment to people who successfully complete the training. Primarily manufacturers and public service sectors have used these types of grants.

The STEP program became permanent in 2009.