

***S*ate *T*raining and *E*mployment *P*rogram
Financial Review
For the Period
July 1, 2007 - June 30, 2008**

Prepared by:
STEP Staff

Alaska Department of Labor and Workforce Development
Division of Business Partnerships

January 2010

FINANCIAL REVIEW FOR FY08

Total Program Revenue

Revenue Balance Beginning of year:	\$2,869,871
Revenue this year:	<u>6,132,411</u>

Total Revenue Available: \$9,002,282

Administration Expenditure, by budget line item:

Personal Services	71000	\$197,740
Travel	72000	10,286
Contractual	73000	100,984
Supplies	74000	17,779
Equipment	75000	0
Grants	77000	<u>125,807</u>

Total Administration Expenditures: \$452,596

Training and Other Services, by Program Element:

Industry Specific Training	\$2,360,843
On the Job Training	107,865
Job Linked Training	84,421
Support Services	2,375,437
Relocation Assistance	0
Reimbursable Support	<u>10,369</u>

Total Training and Other Services: \$4,938,935

Cost per participant Served: \$4,938,935/1,959 = \$2,521

Cost per participant Exited: \$4,938,935/1,811 = \$2,727

Total UI Expended \$315,619

Note: UI received a direct appropriation, separate from DBP.

Total Expended \$5,707,150

Revenue Balance as of June 30, 2008 \$3,295,132

Note, the difference between the number of participants Served and the number Exited, indicates that some participants have not completed training within the fiscal year and will be Exited upon completion of training and needed support services. The number of participants served and exited includes persons served by more than one provider.

**Commissioner Click Bishop
STEP Annual Report**

***S*ate *T*raining and *E*mployment *P*rogram
Annual Program Performance Review
July 1, 2007 - June 30, 2008**

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Research and Analysis Section

January 2010

For a copy of this or previous STEP reports, please contact the Alaska Department of Labor and Workforce Development, Research and Analysis Section at (907) 465-4500 or visit our website at <http://almis.labor.state.ak.us> and click on Training Information to locate and download a copy.

HIGHLIGHTS

- There were a total of 1,869 active STEP participants in FY08, with 1,724 unique individual participants exiting the program in that year.
- For participants exiting in FY08, 61.3 percent were eligible for STEP because they were unemployed at the time of registration.
- More than 93 percent of FY08 exiting STEP participants had Alaska wage and salary employment within the 12 months following their exit from the program.
- In terms of employment and earnings outcomes, the STEP is typically one of the top performing training programs evaluated by the Alaska Department of Labor and Workforce Development in the Annual Training Program Performance Report prepared for the Alaska Workforce Investment Board.
- FY08 exiting STEP participants earned more than \$69 million in Alaska wages in the year following exit, a 17 percent increase over total pre-training earnings in the year prior to entry into the program.
- STEP expenditures totaled \$5.7 million in FY08. Earnings for FY08 exiting STEP participants increased by more than \$10 million when comparing the year prior to entry into the program with the year following exit from STEP.
- STEP provides services that benefit the participants in the long term. About 90.4 percent of the 1,888 participants that exited STEP in FY05 were still Alaska residents in calendar year 2008 and 84.0 percent of the participants had Alaska wage and salary earnings in FY09 totaling \$76.4 million.

OVERVIEW

During the last legislative session, the House and Senate passed new legislation totally overhauling the State Training and Employment Program (STEP) including making the program permanent. The legislation was signed into law on June 20, 2009. The changes clarify guidelines for people to receive training and persons to provide training, program goals and objectives, and guide the implementation of the program at the operational level.

The STEP is administered by the Department of Labor and Workforce Development and funded by one-tenth of one percent of employee contributions to the Unemployment Insurance (UI) Trust Fund. The purpose of STEP is to enhance the quality of in-state job training and employment assistance and to make these services more easily available to employers, employees and future employees.

STEP provides several types of training opportunities including industry specific, customized employer-linked, or on-the-job training; and training related supportive services. The program is offered only to applicants that are unemployed and are receiving unemployment insurance benefits; or have exhausted the right to unemployment insurance benefits within the past three years; or are employed, but liable to be displaced because of reductions in overall employment within a business; elimination of the worker's current job; or a change in conditions of employment requiring that, to remain employed, the employee must learn substantially different skills that the employee does not now possess.

MEASURING PERFORMANCE

By statute, the Alaska Department of Labor and Workforce Development must measure the performance of STEP.

In order to fully measure the post-training performance of STEP participants a full four calendar quarters of data must be available from Alaska unemployment insurance wage records and unemployment insurance benefit payment records.

Due to the time lag in availability of employment and earnings data, this annual report focuses on employment, earnings and unemployment insurance claim activity of participants that exited the program in state fiscal year 2008 that ended June 30, 2008. This is the most recent participant group for which a full year of post-training outcome information is available. Performance outcome data for prior year's participants are presented, along with FY08 participant counts.

The current performance measures were approved by the Alaska Workforce Investment Board (AWIB) and became effective July 1, 2003. Although revised performance measures are currently under development as part of new STEP regulations, twelve primary measures used to evaluate the performance in the most recent report that included FY07 exiting participants were used to evaluate the FY08 participants ^{1/}.

THIS YEAR'S PERFORMANCE

Based upon the performance of those participants exiting STEP in FY08, the program exceeded the performance goals set by AWIB for nine of the twelve performance criteria that can be measured. (See Exhibit 1). Performance did not meet the standard set in measures 8, 9 and 12 for participants exiting in FY08.

1/ Credential information is not collected so the measure related to the credentials obtained by the participants is not available.

For Measure 8, post-training unemployment insurance payments increased by about 69 percent. Pre-training unemployment insurance benefit payments for FY08 exiters were much lower than the historical average due to the overall strength of the Alaska economy and the unique characteristics of the STEP participants. The pool of applicants that exited in FY08 was less likely than prior year's participants to obtain eligibility for the program based upon an active unemployment insurance claim. A general slowing of the construction industry in FY09 had an impact on this measure with exiting participants with construction experience somewhat more likely to draw upon their unemployment insurance benefits.

Measure 9 looks for no more than 45 percent of STEP participants that have received unemployment insurance benefits in the 12 months prior to entry into STEP to receive unemployment insurance benefits in the 12 months following exit from STEP. For the FY08 population, about 75 percent did receive one or more unemployment insurance benefit payments in the twelve months following exit from STEP, missing the goal.

Measure 12 calls for at least 75 percent of STEP participants that are employed during the first quarter following exit to be employed in the occupation targeted in their Individual Employment Plans. Based upon an administrative records match with UI wage records to determine post-training occupational employment in the full year following exit, 65.7 percent of participants achieved this goal, missing the target by about 9.3 percent. However, a little over 75 percent of participants were reported working in a training related occupation upon exit from the program, using a broad two-digit Standard Occupational Classification (SOC) criteria.

Exhibit 1
STEP Performance Measures
FY08 Goal and FY08 Actual

Measures	FY08 Goal	FY08 Actual
1. At least 75% of all STEP participants will be employed in the first quarter following program exit.	75%	87.3%
2. At least 75% of the former STEP participants were employed within the first four quarters following exit.	75%	93.3%
3. Of the STEP participants who received training services and were employed in the first quarter following exit, 55% will be employed in the third through fourth quarters.	55%	69.8%
4. The median wage of former STEP participants seven (7) to twelve (12) months following program exit will be greater than the median wage seven (7) to twelve (12) months prior to program registration.	Median Wage Greater	Pre=\$15,035/ Post=\$18,240
5. Of those STEP participants who were employed in the first quarter after exit, 55% will be employed in the fourth quarter following exit. Note: Goal increased from 50% for FY04 as required by AWIB.	55%	83.7%
6. The total earnings change between the 12 months prior to registration as compared to earnings in the 12 months following exit will be greater than the total STEP training expenditures for the fiscal year of program participation.	\$5.7 M expend.	\$10.02 M ¹ earnings chg. 17% Earnings Increase
7. At least 75% of employed STEP participants will be employed in Alaska Workforce Investment Board defined priority industries or occupations ^{2/} .	75%	76.0% ^{2/}
8. Total UI payments paid to STEP participants in the 12 months prior to registration will decrease by 40% in the 12 months following the STEP program exit.	-40%	+68.8%
9. Of those STEP participants who were UI claimants in the 12 months prior to program registration, no more than 45% will receive UI benefits in the 12 months following program exit.	45%	74.9%
10. Of those STEP participants receiving UI benefits at registration, fewer than 55% will have exhausted the total amount available under their UI claim.	55%	50.6% Did Not Exhaust
11. At least 75% of customer satisfaction survey respondents (participants) will indicate they were satisfied with the overall quality of the training program with a score of 5 or better on a scale of 1 to 10.	75%	97.0%
12. At least 75% of the STEP participants employed in the first quarter following exit who received training services will be employed in the occupation identified in their Individual Employment Plan. (Based upon a 2-digit SOC match for those with both an occupation in their IEP and a reported SOC code from UI wage records in the first quarter following exit from STEP.)	75%	65.9%
^{1/} Change in total STEP program earnings from 12 months prior to registration to 12 months after program exit. ^{2/} Based upon the most recent list of priority industries and occupations developed by the Alaska Workforce Investment Board. Priority industries include construction, health care, seafood processing, tourism related, information technology, transportation and education.		
<p>Note: Measure 13 no longer included as a performance measure because credential or certificate of completion information is not available.</p> <p>Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section</p>		

THE SUCCESS OF STEP

FY08 exiting STEP participants had the highest average annual wage earnings and the second highest percentage of participants employed during the 12 months following exit compared with other training programs included in the "Training Program Performance-2008" report prepared by the Alaska Department of Labor and Workforce Development, Research and Analysis Section. This performance is consistent with the performance of the program over the last several years.

Exhibit 2				
Participants Exiting STEP and Other Alaska Training Programs in FY08 Employment and Average Wages 12 Months Following Exit				
Program	Number of Participants	Number Employed	Percent Employed	Average Annual Wages
Yuut Elitnaurviat	56	53	94.6	32,102
STEP	1,724	1,609	93.3	42,959
Ilisagvik	887	818	92.2	40,815
SAVEC	92	84	91.3	40,096
Northern Industrial Training	183	166	90.7	27,030
Denali Training Fund	398	355	89.2	24,220
AVTEC	451	385	85.4	23,751
WIA 1B Adult	549	450	82.0	24,794
High Growth Initiative	204	167	81.9	29,475
Alaska Construction Academy	215	175	81.4	20,492
Carl Perkins-Secondary	934	758	81.2	9,538
AK Tech-Kotzebue	78	62	79.5	16,003
Carl Perkins-Postsecondary	5,600	4,423	79.0	23,922
WIA 1B Dislocated Workers	343	263	76.7	36,592
Galena	4	ND	ND	N
WIA Title 1B Youth	593	443	74.7	7,573
UA Voc Ed	6,248	4,600	73.6	27,624
Adult Basic Education	856	551	64.4	9,159
TAA	42	27	64.3	42,480
New Frontier VTC	10	6	60.0	8,073
Fish Emergency Grant	31	17	54.8	20,146
NACTEC	140	61	43.6	4,066
* Federal Workforce Investment Act Programs				
Note: Exiting participants are counted once each fiscal year.				
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, "Training Program Performance-2008."				

RESIDENCY AND LONG-TERM FOLLOW UP

STEP participants are among the training program participants and workers most likely to remain living and working in Alaska. Nearly 96 percent of those participants exiting STEP in FY08 were residents of Alaska as measured by application for an Alaska Permanent Fund Dividend in 2008 or 2009.

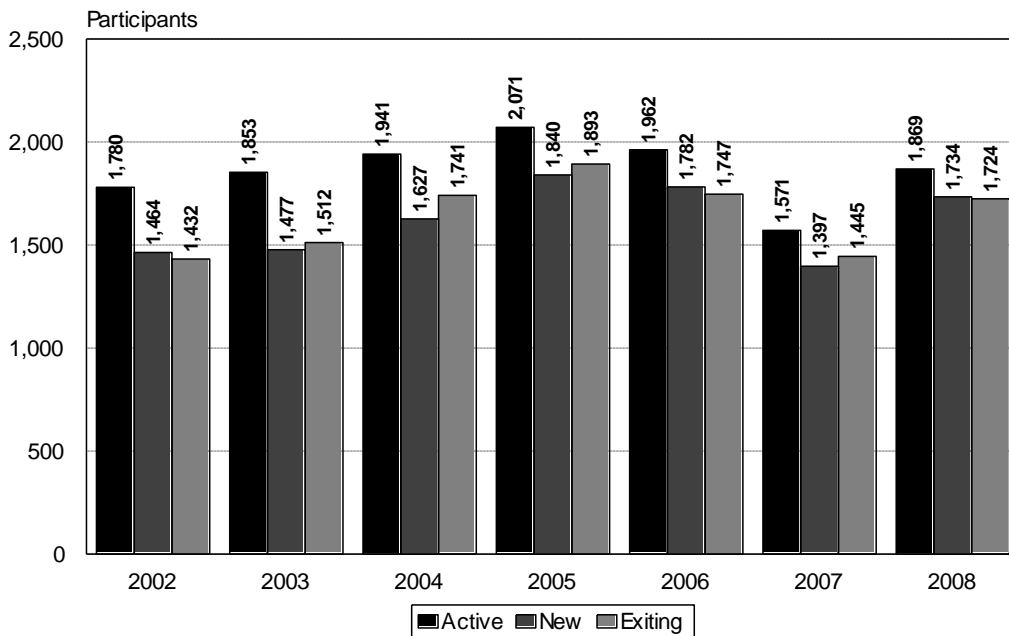
Taking a historical look at STEP participants over the last several years, 85.9 percent of those exiting STEP in FY05 remained residents of Alaska as measured by their application for a Permanent Fund Dividend in 2009. Approximately 84 percent of the 1,888 participants that exited STEP in FY05 were employed in Alaska in FY09. These same FY05 STEP participants earned about \$73.7 million in FY06 and continued to see their Alaska earnings grow over time. These participants earned a reported \$76.4 million in Alaska wage and salary earnings in FY09.

NUMBER OF ACTIVE STEP PARTICIPANTS INCREASES IN FY08

The STEP program participant count increased markedly in FY08, with a reported 1,869 participants active in FY08. In that same year, 1,724 participants^{2/} exited the program, an increase from the 1,445 individuals that exited in FY07.

Exhibit 3

Alaska STEP Participants FY02-FY08



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

EMPLOYMENT AND EARNINGS

Employment and earnings outcomes are measured using Alaska wage record information provided by employers on a quarterly basis for all wage and salary workers in the state³. Because some workers may be self-employed, work for the federal government, joined the military or are

² Participants with multiple STEP registrations are counted only once during FY08. Registrants with missing social security number information are excluded from the analysis.

³ Wage and salary workers include those workers covered by Alaska unemployment insurance. Excluded are self-employed, federal government workers and workers employed outside Alaska.

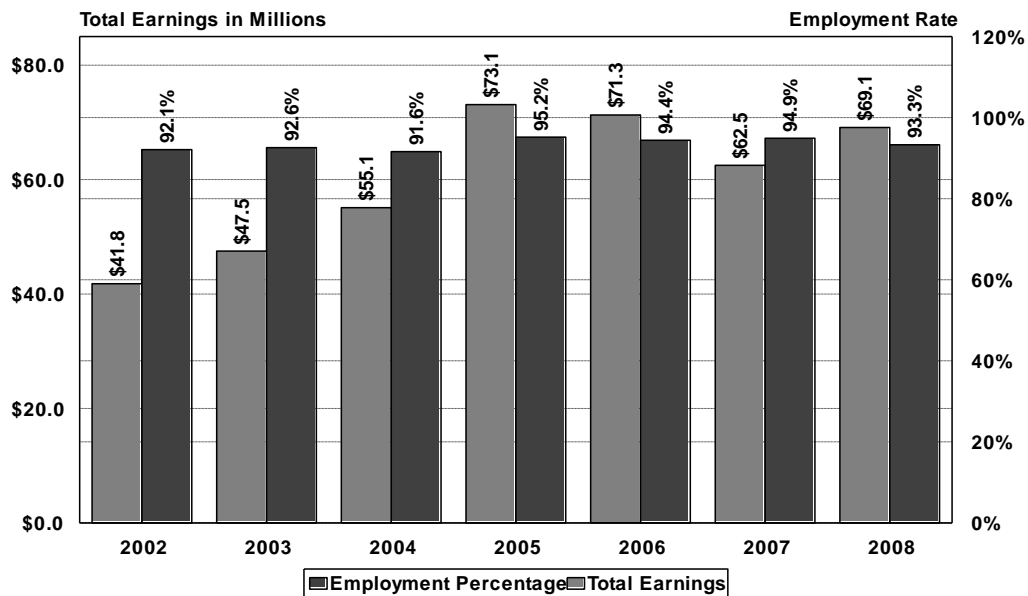
employed out of state, these figures should be viewed as conservative measures of the employment and earnings of program participants.

About the same number of participants that exited the STEP in FY08 were employed in the twelve months prior to entering the program as during the twelve months following exit from the program. Overall, the participants had a 93.3% employment rate in the year following exit.

STEP participants generally have a good work history at the time of enrollment, so their pre-training and post-training performance comparisons are generally not as good a measure of success as with other training programs. More useful measures include wage recovery and job retention. Wage recovery measures the ability of STEP participants who finish the program to earn wages comparable to or higher than those earned before entering STEP.

Exhibit 4

**Alaska Employment Rate and Total Earnings 12 Months Following Exit from STEP
FY02-FY08**



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Total and median earnings increased significantly when comparing the year prior to training with the year following exit from the program. Total Alaska wage and salary earnings for FY08 participants in the year following exit from the program were more than \$69.1 million (Exhibit 4), an increase of 17 percent over the comparable pre-training period. Median total earnings increased by 18.7 percent from \$33,450 to \$39,698 and average earnings per worker in the year following exit were \$42,959 versus \$36,708 in the year prior to training for those exiting in FY08.

In terms of retaining employment, FY08 participants that received training services and were employed in the first quarter following exit, 69.8 percent continued to be employed in the third and fourth quarter following exit from STEP.

PERFORMANCE VARIES BY TYPE OF PARTICIPANT

Approximately 62 percent of STEP participants were eligible for the program due to unemployment at time of registration—they were either receiving unemployment insurance benefits or had exhausted their benefits at the time of registration. More than 28 percent of all exiting applicants had exhausted their UI benefits at the time of registration. The remainder of participants was eligible for the program because of potential reductions in force, changing job skill requirements, elimination of job, dependence on seasonal work, low pay, and/or underemployment (Exhibit 5).

Participants who exhausted their benefits had the greatest percentage improvement in total earnings (40%), when comparing the 12 months prior to training with the 12 months following training. This is not surprising given that participants with a longer spell of pre-training unemployment would have fewer earnings prior to enrollment and would show the greatest post-training improvement.

The highest average post-training earnings were received by participants that were eligible for STEP due to a Reduction in Force (RIF)(\$62,457). Second highest average post-training earnings were obtained by those facing a job loss due to a skill change (\$58,341).

Exhibit 5						
Employment and Earnings of Exiting STEP Participants in FY08 Four Quarters Before and After STEP Training by Program Eligibility Criteria						
		Number Employed		Total Earnings		
	Number of Participants	Before	After	Before	After	% Change
All Exiting Participants	1,724	1,610	1,609	\$59,099,223	\$69,121,291	17.0
Unemployed						
Exhausted UI benefits	490	423	445	11,601,644	16,241,237	40.0
Receiving UI benefits	575	564	542	23,543,727	25,181,003	7.0
Employed						
Change in job skills	60	59	57	3,375,429	3,325,446	-1.5
Reduction in workers by employer (RIF)	16	15	16	1,023,574	999,318	--2.4
Elimination of job	7	7	6	234,644	298,349	27.1
Other - including seasonal, low paid, underemployed	576	542	543	19,320,205	23,075,939	19.4
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section						

EMPLOYMENT AND EARNINGS BY DEMOGRAPHIC CHARACTERISTIC

More than 58 percent of FY08 exiting STEP participants were less than 35 years old. In FY07 the participant population was somewhat older, with only 53 percent younger than age 35.

The highest post-training average earnings were achieved by the oldest STEP participants with those age 55 and older earning an average of \$47,878 in the year following exit compared with the overall average of \$42,959. Male STEP participants exiting in FY08 earned \$45,234 in the

year following exit, 42 percent more than females. Whites and Hispanics earned about the same amount following exit (\$46,905 and \$46,454 respectively) while Black and American Indian participants earned a little more than \$35,000. Hawaiians (\$29,294) and Alaska Natives (\$32,591) had the lowest average earnings following exit.

The highest increase in total annual earnings was achieved by the youngest workers. Exiting participants under age 25 achieved an overall 45 percent total earnings gain after exit while average earnings for these participants increased by 42 percent.

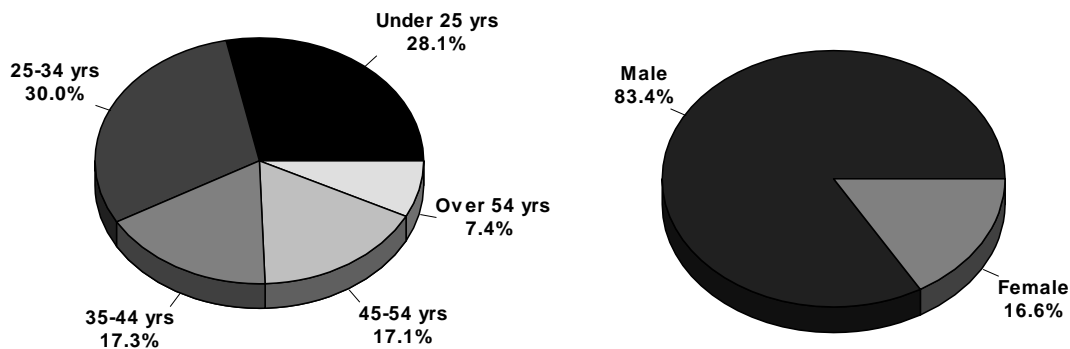
Employment rates varied little by race from the average 93.3 percent employment achieved in the year following exit for the group as a whole. Asian and Hispanic participants had the highest employment rates with Hawaiian and Black participants having the lowest employment rate.

Older participants had the lowest overall employment rate by age in the year following exit—89.8 percent for participants age 55 and older, while the youngest participants (under age 25) had the highest employment rate.

More than 83 percent of exiting STEP participants in FY08 were male. Males were employed at a 93.0 percent rate in the year following exit from the program while 95 percent of female participants had Alaska wage and salary employment in that same period. This was a reversal of the FY07 experience in that males had a higher employment rate than females in that year.

Exhibit 6

FY08 Exiting STEP Participants by Age and Gender



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Exhibit 7						
Employment and Earnings of Exiting STEP Participants in FY08 Four Quarters Before and After STEP Training						
Demographic Characteristic	Number of Participants	Number Employed		Total Earnings		
		Before	After	Before	After	% Change
Total	1,724	1,610	1,609	\$59,099,223	\$69,121,291	17.0
Age Group						
Under 25	485	448	458	11,763,978	17,098,672	45.3
25-34	518	489	487	18,047,444	21,026,734	16.5
35-44	299	276	275	11,280,050	12,502,600	10.8
45-54	295	277	275	13,133,649	13,035,174	-0.7
55 and older	127	120	114	4,874,102	5,458,112	12.0
Gender						
Male	1,437	1,341	1,337	51,137,733	60,477,599	18.3
Female	287	269	272	7,961,490	8,643,693	8.6
Region						
Anchorage	1,179	1,125	1,111	43,725,598	50,473,233	15.4
Balance of State	545	485	498	15,373,625	18,648,059	21.3
Race						
White	1,230	1,153	1,149	46,935,539	53,894,143	14.8
Black	73	67	67	1,825,202	2,412,574	32.2
Hispanic	67	57	65	2,375,090	3,019,522	27.1
Asian	45	41	44	1,380,115	1,713,338	24.1
Hawaiian	15	14	13	369,394	380,819	3.1
Am. Indian	70	63	65	1,941,357	2,313,543	19.2
Alaska Native	426	390	396	10,240,995	12,906,207	26.0
* Note: Participants may report more than one race.						
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section						

EMPLOYMENT AND EARNINGS BY PLACE OF RESIDENCE

STEP participants come from all areas of the state and a wide variety of backgrounds. Place of residence in Alaska was based upon that reported upon application for the STEP while long term residency is determined by a match with the Alaska Permanent Fund Dividend database. Virtually all STEP participants retained their Alaska residency in the year following exit from the program.

Fairbanks, Anchorage and Mat-Su had the largest number of exiting participants in FY08. Total post-training earnings gains were achieved in all areas but two-Juneau and Skagway-Angoon. The largest total earnings gains were made by workers with a reported residence in POW-Outer Ketchikan, Lake and Peninsula, Wade Hampton and Aleutians East. The largest average earnings gains were made by workers in Aleutians East, Lake and Peninsula and Wade Hampton.

Exhibit 8

Employment and Earnings of STEP Participants in FY08 Four Quarters Before and After STEP by Place of Residence

Place of Residence	Number of Participants	Number Employed		Total Earnings		
		Before	After	Before	After	% Change
Total	1,724	1,610	1,609	59,099,223	69,121,291	17.0
Aleutians East	2	2	2	ND	ND	106.1
Aleutians West	7	7	7	121,763	213,766	75.6
Anchorage	390	365	370	13,014,195	16,004,878	23.0
Bethel	9	8	9	159,640	299,339	87.5
Bristol Bay Borough	5	5	5	116,378	160,020	37.5
Denali	8	8	8	306,021	428,377	40.0
Dillingham	19	17	18	298,694	506,041	69.4
Fairbanks	416	396	385	15,973,617	17,582,912	10.1
Haines	7	7	7	222,873	252,526	13.3
Juneau	133	130	122	6,669,059	6,038,158	-9.5
Kenai	148	130	135	4,001,753	5,438,925	35.9
Ketchikan	61	58	60	2,539,121	2,914,995	14.8
Kodiak	29	26	27	1,150,127	1,325,534	15.3
Lake and Peninsula	8	6	8	135,261	329,753	143.8
Mat-Su	251	236	232	9,154,748	10,924,238	19.3
Nome	22	22	22	466,904	468,779	0.4
North Slope Borough	23	21	22	464,773	758,296	63.2
Northwest Arctic Borough	3	3	3	ND	ND	56.7
POW-Outer Ketchikan	2	1	2	ND	ND	226.1
Sitka	13	12	12	386,679	447,751	15.8
Skagway-Angoon	13	12	12	384,624	366,746	-4.6
Southeast Fairbanks	44	41	41	1,057,467	1,403,715	32.7
Valdez-Cordova	26	21	22	691,120	693,023	0.3
Wade Hampton	18	14	17	151,755	320,359	111.1
Wrangell-Petersburg	14	12	11	391,441	495,305	26.5
Yukon-Koyukuk	50	47	47	965,819	1,250,287	29.5
Unknown	3	3	3	99,020	182,963	84.8

N/D = Non-disclosable data. N/D data are included in the total.

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

EMPLOYMENT AND EARNINGS BY INDUSTRY OF POST-TRAINING EMPLOYMENT

More than 50 percent of STEP participants employed in the year following exit from the program were employed in the construction industry. These construction workers earned more than \$38 million in the year following exit representing more than 55.0 percent of total Alaska wage and salary earnings obtained in the year following exit. Other industries employing a large number of STEP participants include natural resources and mining; trade, transportation and utilities; and professional and business services.

STEP participants showing the largest overall total percentage earnings gains when comparing the pre-training with post-training period were employed in information and natural resources and mining industries..

Highest average post-training earnings were obtained by participants working in the information, natural resources and mining and construction industries.

Exhibit 9						
Employment and Earnings of Exiting STEP Participants in FY08 Four Quarters Before and After STEP Training by Major Industry of Post-Training Employment						
Industry of Employment After Exit	Exiting Participants	Number Employed		Total Earnings		% Change in Total Earnings
		Before	After	Before	After	
Total	1,724	1,610	1,609	\$59,099,223	\$69,121,291	17.0
Natural Resources and Mining	238	221	238	7,570,658	12,502,920	65.7
Construction	808	786	808	33,885,020	38,089,204	12.4
Manufacturing	61	60	61	2,118,125	2,479,745	17.1
Trade, Transportation and Utilities	133	122	133	3,941,149	4,825,960	22.5
Information	15	14	15	504,878	976,683	93.4
Financial Activities	14	14	14	350,645	249,321	-28.9
Professional and Business Services	86	81	86	2,730,187	3,138,617	14.6
Educational and Health Services	66	63	66	1,539,360	1,758,592	14.2
Leisure and Hospitality	27	20	27	341,376	302,818	-11.3
Other Services	24	21	24	678,677	813,242	20.1
Local Government	89	82	89	1,756,017	2,123,486	20.9
State Government	47	46	47	1,545,537	1,817,171	17.6
Unknown/Not Working	115	79	0	2,094,863	0	-98.0
<p>Note: Natural Resources and Mining industry excludes fish harvesting workers. N/D = Non-disclosable data. N/D data are included in the total. Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section</p>						

EMPLOYMENT AND EARNINGS BY TRAINING VENDOR

The primary training vendor associated with each FY08 exiting STEP participant was identified and the employment and earnings outcomes for each participant were calculated and

summarized in Exhibit 10. Only the top training providers are listed and each training participant was assigned to their primary training provider for purposes of identifying post-training employment and earnings. Major training vendors included the Alaska Operating Engineers, Alaska Laborers Training Trust, Alaska Works and Northern Industrial Training.

Exhibit 10						
Employment and Earnings of Exiting STEP Participants in FY08 Four Quarters Before and After STEP Training by Primary Vendor of Training Services						
Training Vendor	Exiting Participants	Number Employed		Earnings		
		Before	After	Before	After	% Change in Total Earnings
AK Operating Engineers Training	378	368	354	\$20,339,542	\$22,177,725	9.0
AK Laborers Training Trust	314	303	294	9,871,282	10,785,663	9.3
Alaska Works Partnership, Inc. AFL - CIO	217	200	207	6,818,380	8,148,319	19.5
Northern Industrial Training LLC NIT	170	147	155	3,122,213	4,841,195	55.1
AK Joint Electrical Apprenticeship Trng	86	85	86	3,544,073	4,087,894	15.3
Fairbanks Carpenters Training Center	74	62	66	2,893,273	3,001,618	3.7
U of A Center for Human Development	45	45	45	1,614,795	1,800,944	11.5
Alaska Ship & Drydock Inc	42	41	42	1,719,946	2,069,305	20.3
AK Trowel Trades Apprenticeship Trust	35	32	33	624,800	860,211	37.7
Center For Employment Education CEE	34	31	32	783,599	1,009,060	28.8
ASRC Energy Services	31	31	31	1,502,953	1,813,819	20.7
Painters & Allied Trades Local 1555	25	22	22	1,081,473	739,078	-31.7
Local Union #23 Sheet Metal Workers JATC	24	23	24	861,006	1,090,330	26.6
Piledrivers Local 2520 JTAP	23	22	20	632,608	866,258	36.9
Alaska Native Tribal Health Consortium	18	17	18	328,815	384,113	16.8
Southwest Alaska Vocational & Ed Center	18	16	17	260,433	659,802	153.3
Arctic Safety Training & Consulting	14	11	12	166,370	391,992	135.6
AVTEC AK Vocational Tech Education Cntr	12	11	12	106,820	329,893	208.8
U of A Fairbanks Tanana Valley Campus	12	11	9	191,881	188,260	-1.9
ABC of Alaska INC	11	9	9	158,862	482,900	204.0
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section						

UNEMPLOYMENT INSURANCE AND STEP

A goal of STEP for this period of performance was to reduce unemployment and the number, duration and recidivism rate of unemployment insurance claims in Alaska. Post-training UI benefits payments were comparable to prior year's activity, but pre-training benefits were much less than paid in prior years due to the relative strength of the economy during that time period

and the fewer STEP participants that were UI claimants at enrollment. The result was post-training UI claims, total weeks paid and benefits paid that exceeded the same measures during the pre-training period.

The total number of participants that were paid benefits at some time in the year following exit was 10 percent higher than the number of participants that received benefits at some time in the year prior to entering the STEP. Total benefits paid to participants increased by 69 percent while weeks paid increased by 55.9 percent during this same pre-training versus post-training period.

One of the measures for this period of performance, measure 9 in Exhibit 1, ask that no more than 45 percent of STEP participants with an active unemployment insurance claim at enrollment receive unemployment insurance benefits in the twelve months following exit from the program. Results missed the target with over 75 percent exiting FY08 STEP participants receiving unemployment insurance benefits in the twelve months following exit from the program. Note that this measure has been revised and performance should not be compared with prior reports.

Another measure for this period of performance is to reduce the duration of claims as measured by the exhaustion rate of those STEP participants that are receiving unemployment insurance. The AWIB asked that no more than 55 percent of STEP participants exhaust their benefits. A claimant that exhausts their benefits has used up the maximum payments that they were allowed, and therefore has not been successful in quickly obtaining employment. The FY08 exiting cohort exceeded this goal with 51.1percent of those receiving unemployment insurance benefits at the time of STEP registration using up those benefits to exhaustion.

With early intervention, the amount of post-training claimant activity improves, although there is still an increase over the pre-training period.

Exhibit 11			
FY08 STEP Exiting Participants			
Unemployment Insurance Claims Information Before and After STEP			
All Terminated Participants	12 Months Before	12 Months After	% Change
Total UI Claims	840	924	10.0
Total Benefits Paid	766,760	1,295,648	69.0
Total Weeks Paid	3,593	5,602	55.9
Exhausted Claims	384	443	15.4
Total Benefits Paid	424,952	952,842	124.2
Total Weeks Paid	2,022	4,318	113.6
Early Intervention Claimant	54	55	1.9
Total Benefits Paid	37,702	54,876	45.6
Total Weeks Paid	177	243	37.3
Note: Benefit payments include those resulting from all claim activity year prior to entry into STEP and in the year following exit from STEP. This differs from information provided in last year's report which presented activity associated with claim activity for new claims initiated in the year prior to and following exit from the program.			
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section			

CUSTOMER SATISFACTION IS HIGH

STEP clients are surveyed after exit from STEP to measure their overall satisfaction with the program. The overall customer satisfaction with STEP is very high, with more than 41 percent of

a large sample of FY08 exiting STEP participants giving the program a perfect “10”. Ninety-seven percent of respondents gave the program a score of “5” or greater on a 10-point scale for this same overall satisfaction measure. Survey respondents gave the program similarly high marks for having met their expectations and comparing favorably to what they perceived as the ideal set of services.

Exhibit 12						
Reported Customer Satisfaction of Sample of STEP FY08 Exiting Participants						
Scale	Overall Satisfaction		Did Program Meet Your Expectations?		How well did the services you received compare with the ideal set of services?	
	Respondents	Percent	Respondents	Percent	Respondents	Percent
Low=01	5	0.6	19	2.2	14	1.6
02	5	0.6	6	0.7	6	0.7
03	9	1.0	9	1.1	11	1.3
04	7	0.8	10	1.2	11	1.3
05	44	5.1	77	9.0	58	6.8
06	21	2.4	48	5.6	44	5.2
07	67	7.8	114	13.3	98	11.5
08	198	23.1	190	22.2	166	19.5
09	149	17.4	131	15.3	123	14.4
High=10	353	41.1	251	29.4	322	37.7
Total	858	100.00	855	100.00	853	100.00
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section						