



Training Program Performance 2004

*Employment and Earnings of
Training Program Participants
Exiting Alaska Training Programs
in FY 2004*

Executive Summary

January 2006

State of Alaska

*Frank H. Murkowski, Governor
Greg O'Claray, Commissioner*



**ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT**

Jobs are Alaska's Future

February 21, 2006

I am pleased to present the Alaska Workforce Investment Board's executive summary highlighting the Training Program Performance 2004 report, prepared for the board by the Research & Analysis section of the Alaska Department of Labor & Workforce Development.

Each year the AWIB is required to report to the Alaska State Legislature on the performance and evaluation of training programs within its purview, as specified in AS23.15.580(b)(9) and (f). The full report may be found on our Web site (www.labor.state.ak.us/awib/home.htm). We will provide a physical copy to legislators upon request. The board is establishing this practice in the interest of reducing paper and responsible stewardship of our budget.

Governor Murkowski's vision of "Jobs are Alaska's Future" is the centerpiece of the AWIB's strategic planning. The stakeholders in today's workforce investment system must be unified in the common goal of preparing Alaskans for the opportunities on the horizon.

As the lead planning and coordinating entity, the board provides policy oversight of state and federally funded job training and vocational education programs. AWIB members, a majority of whom are private sector leaders, examine employment trends and emerging occupations to ensure training efforts are aligned and Alaskans are prepared for good-paying, high-demand jobs.

The Alaska Workforce Investment Board looks forward to working closely with you to build a quality workforce and a prosperous, satisfying future for all Alaskans.



Andy Baker, Chair
Alaska Workforce Investment Board

Recommendations

The Alaska Workforce Investment Board (AWIB) and the Alaska Department of Labor & Workforce Development are committed to pursuing the best possible employment opportunities for Alaskans. One of the primary duties of the board is to advise the Governor, Legislature and stakeholders of the workforce investment system. The AWIB has assessed the 2004 performance of employment training programs and offers the following recommendations:

Governor and Legislature

- Aggressively expand the Governor's highly effective Jobs are Alaska's Future initiative by introducing the Alaska Youth First initiative and leveraging the resources of the High Growth Job Training Initiative for Energy.
- The Legislature should increase state funding by doubling the employees' portion of Unemployment Insurance contribution usable for training.
- The Governor should demand increased accountability from programs in the workforce investment system; sustainability depends upon performance.
- Fully fund the Adult Basic Education (ABE) Program which prepares Alaskans for employment by providing instruction in the basic skills of reading, writing, mathematics and General Educational Development (GED) preparation and testing, emphasizing practical life skills and workplace readiness skills through basic skills instruction. This vital component of the system has been grossly under-funded for years.
- Add "Find a Job" to the Quick Links section of the state's Web site.

Other Stakeholders

- Business and industry must invest in growing Alaska's economy by committing resources to employment training and vocational education in order to achieve their Alaska Hire goals.
- Recognize and encourage that healthy communities encompass education, economic development and workforce development activities to improve the quality of life. Close relationships need to be cultivated to ensure that disadvantaged individuals do not fall through the cracks.
- Raise expectations for training and education quality and post-training employment.
- Increase coordination and collaboration between state and federal agencies, business and industry and service providers.
- Equitable access, equal opportunity and equal representation for all aspects of workforce development, economic development and education and training for rural Alaskans.
- The Employment Security Division should invest significantly in marketing its forthcoming Alaska Labor Exchange system (ALEXsys) to employers, job seekers, and school-aged young people all across the state.

Training and Service Providers

- End the duplication of efforts created through multiple systems. Look for opportunities to match funding sources and share responsibilities between private and public resources.
- Be responsive to business needs, the changing economy, and the workforce needs of the future.
- Educators and employers should prepare Alaska's young people for Alaskan jobs by adopting employability standards and coordinating with state agencies to make them effective tools.
- Implement the board-approved policies that recommend industry-based skill standards in workforce development and training.

AWIB Vision

An Opportunity for Employment for All Alaskans.

- **Right Skills** - *A prepared and motivated workforce.*
- **Right Person** - *Workers and employers connect.*
- **Right Job** - *Alaskans meeting their potential for employment in the areas of skills, salary and satisfaction.*
- **Right Time** - *Linkages that produce a skilled Alaskan workforce when and where needed.*

AWIB Mission

To provide leadership, set policy, direction and accountability standards to get Alaskans into jobs.

AWIB Objectives

Below were the strategic objectives for Fiscal Year 2005:

- Sixty percent of training participants entering employment related to the training received.
- At least 60 percent of training programs on the Eligible Training Provider List are either registered apprenticeships, adhere to industry-based skill standards or result in accredited degrees.
- Increase the rate of participants entering employment by 2 percent per year.
- Increase market share among employer customers by 2 percent per year.
- Annual 2 percent reduction of non-resident to resident employment ratio.
- Earnings increase equal to 50 percent of a participant's training cost within six months.
- Sixty percent of participants trained in occupations identified by the board as belonging to a priority industry.
- Encourage workforce and economic development forums in all regions of the state.

AWIB Membership

As of January 2006, the board consists of 25 representatives of business and industry, education, organized labor, and state government and other individuals with specific experience/expertise in accordance with Alaska Statute 23.15.550.

Andy Baker

Chair, Business/Industry

David Stone

Vice Chair, Business/Industry

Loren Leman

Lieutenant Governor

Karleen Jackson

Commissioner, Department of Health & Social Services

William Noll

Commissioner, Department of Community, Commerce & Economic Development

Greg O'Claray

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Private Sector

Don Brandon

Professional Experience with Developmental Disabilities

Richard Cattanach

Private Sector

Susan Denison

Private Sector

Rose Ellis

Native Organization

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Mark Hamilton

President, University of Alaska

Chris Hayes

Community-Based Organization & Adult Basic Education

Jim Laiti

Organized Labor

M. J. Longley, Ph.D.

Native Organization

Terry Miller

Organized Labor

John Palmatier

Organized Labor

Karen Rogina

Private Sector

Tim Scott

Secondary & Post-Secondary Education

Ginger Stock-McKenzie

Private Sector

Wally Stuart

Organized Labor

Doug Ward

Private Sector

Priority Industries

A critical component of the AWIB's policy oversight and planning is targeting priority industries for investment of workforce development resources. With the assistance of economists at the Alaska Department of Labor & Workforce Development and input from industry groups, the board has identified the following priority industries based on "best bet" occupational forecasts:

- Construction
- Transportation
- Natural resource development (i.e. mining and petroleum)
- Health care
- Hospitality and tourism
- Seafood harvesting and processing
- Education
- Information Technology

Report Highlights

Please access the full report and data on our website at
www.labor.state.ak.us/awib/home.htm

Following completion, training participants worked in all industries in Alaska. Seven to 12 months after exiting training programs, 76 percent of employed participants were working in the private sector. More than 12 percent of employed participants were working in health care and social assistance, 11 percent in construction and 9 percent in accommodation and food services. Overall job retention was a respectable 73 percent -- slightly more for adult programs and slightly less for secondary school programs. Net earnings increased in excess of 21 percent across the board. Although only about 61 percent of FY2000 training completers were employed in Alaska by the end of FY2005, 80 percent of those employed in the 12 months following exit were still employed in the state. The Alaska Technical Center in Kotzebue had the highest follow-up employment rate at 83.5 percent, while STEP and AVTEC had the next best success with about 69 percent each. About half of all exiting training program participants were employed in priority industries, with AVTEC and STEP having the highest incidences.

The State Training and Employment Program (STEP) continues to lead all other programs in performance results. STEP participants maintain the best record of obtaining employment in an industry related to their training at 85 percent. WIA Adult and Dislocated Worker completers are next with employment results at 65 percent. In FY2004, STEP was once again the brightest star in Alaska's workforce investment system. Fully 93 percent of program completers were employed in the 12 months after exit. Post-training median earnings have been steadily on the rise over the past four years with an earnings increase of 34.6 percent. The majority of STEP training funds are invested in AWIB priority industries.

Eighty-two and a half percent of participants in the WIA Title IB Dislocated Worker Program who were employed in the first quarter after successfully completing training retained employment in the following second or third quarters. Additionally, DW completers increased their total earnings by a total of almost 36 percent for periods from the 12 months prior to training to the 12 following training. The Adult Program made considerable progress in FY2004. Despite being driven by customer choice, the top occupations in which participants were employed after training included construction laborers, nursing aides and truck drivers. Workers employed in the third and fourth quarters following exit posted a whopping 79 percent increase in median earnings, while total earnings more than doubled. Entered employment and retention rates were both an impressive 80 percent. The Youth Program had good outcomes consistent with previous years.

The Denali Training Fund continued to have success in FY2004, providing training to residents of rural Alaska, ensuring they have the skills necessary for employment on construction, operation and maintenance of Denali Commission and other public infrastructure projects in their regions and communities.

AVTEC continued its strong performance in FY2004 with over 83 percent of graduates employed within the year following training and an increase in median earnings of nearly 40 percent during the third and fourth quarters after training compared with the same period prior to the beginning of training. Almost 60 percent were working in an occupation related to their training. One point of concern, however, is that the overall median earnings of graduates (both before and after) have been trending down over the past four years.

Alaska Natives/American Indians and women attained the highest post-training employment rates among University of Alaska vocational education program completers in FY2004. Nursing and Petroleum Technology students posted particularly impressive results after completing their University programs, nearly doubling their median earnings.

Alarmingly, FY2004 median earnings for those completing Alaska Technical Center (Kotzebue) programs have dropped off sharply relative to the previous three years, despite the fact that post-training earnings were significantly higher relative to the period just prior to the beginning of training. This is most likely a regional employment trend not associated with the training itself and will require further research.

Several program improvements were implemented in FY2004 for vocational and technical education supported by Carl Perkins funding. Good strides were made by realigning local curriculum to reflect skills standards, building a data reporting system to meet accountability requirements and providing professional development for teachers. Reporting requirements changed significantly with Perkins III legislation so that data is now required of each vocational and technical training program in its entirety -- not just the components that benefit from Perkins funding. It is encouraging that five of the

AWIB's priority industries are represented in the most popular career clusters selected by vocational students in secondary school programs.

About 64 percent of Adult Basic Education (ABE) training completers were unemployed upon entry into the program and claimed to have the goal of obtaining employment. Of those, 73 percent were employed within the 12 months following training. A small grant was awarded to the Department of Corrections for ABE services; only four inmates exited the program in FY2004.

Work Search, a four-week program for Alaska Temporary Assistance Program (ATAP) clients, is performing its function of helping people move from welfare to employment admirably. However, a total of only 114 individuals were identified as exiting the program in FY2004. ATAP clients who are not exempt from participating in work activities are required to engage in some form of Work Search or face penalties assessed by DPA. Considering the large total number of ATAP clients, it is a concern why there are so few successful completers of the Work Search program. The AWIB will investigate whether a large percentage of Work Search participants quit prior to completion or whether the majority of ATAP clients are exempt from work activities.

It should be noted that some programs are not intended to lead to an employment outcome. Such programs may be designed to boost pre- or post-training performance.

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