

**The Alaska Workforce Investment Board  
Minutes ~ February 26 & 27, 2003  
Vocational Training Resource Center  
3239 Hospital Drive  
Juneau, Alaska**

**Wednesday, February 26, 2003**

**Roll Call**

**Board Members:** Commissioner Greg O'Claray, Deputy Commissioner Ed Fisher, Barbara Thompson (designee for Com. Holloway), Pete Galle (designee for Mr. Brooks), Annette Kreitzer (designee for Lt. Gov. Leman), Fred Esposito, Kristen Forrester, David Quisenberry (designee for Duane French), Alice Galvin (Chair), JoAnn Henderson, Linda Hulbert (Vice Chair), JoAnn McDowell, Sharon Olsen, Wendy Redman, Fred Smith, Barbara Stallone, Tim Sunday, Colleen Ward, Jim Wakefield, Mary Shields, Larry Hartig

**Guests:** Mark Hamilton, Ruth DeCamp, Loraine Derr, Eddie Braggs, Ida Muller, , Brian Johnson, Sarah Hunter, Christine Klein, Dean George, Annette Ulmer, Bev Mierzejek, Caren Smolin, Helen Mehrkens, Ann Spohnholz, Brian Johnson

**DOLWD Staff:** Katherine Farnham, Mike Shiffer, Jeff Hadland, Chris Miller, Jeff Hoover, Patrice Parker, John Mayer, Corine Geldhof, Deb Craig, Trina Ivy, Dan Hays

**Minutes**

The September 2002 minutes were approved.

**Agenda**

The meeting agenda was approved.

**Introductory Comments**

Commissioner O'Claray welcomed the board to Juneau. He discussed the new administration's vision and goals. With respect to workforce development and training and creating jobs the message is the economy, the economy, the economy. The Department of Labor and Workforce Development and the Alaska Workforce Investment will be the economic engine that prepares the workforce and the workers to meet the challenge of the 21<sup>st</sup> century in this state. There is a tremendous challenge to meet industry needs in providing an Alaskan workforce. Historically, industries that developed within Alaska have imported most of their folks. Over time, most of those companies have said they desire to have a local workforce. But we're not there yet with Alaska Hire. The seafood industry is one of the leaders in non-resident hire. We're going to have initiatives to strengthen resident hire. This is an administration of inclusion. It's imperative that we develop the workforce. We need alignment of vocational

education, K-12 and the university system. The Department of Education and Workforce Development (DEED), President Hamilton and others are lining up. We've got to meet employers need, but it has to start in the K-12 system. There's something of a disconnect and many are missing the college window. It's a laudable goal to have our high school students go on to post-secondary education. But 23.4% of our high school graduates last year did so through GED.

It's important to know that none of us in Department of Labor and Workforce Development (DOLWD), DEED and University can do it alone. We need to work closely as a family. In FY 2004, the Alaska Vocational and Technical Center, under direction of Mr. Esposito, will be coming into DOLWD from DEED. We'll also be bringing in Kotz Tech as well. All of the learning centers should have a home and that home should be DOLWD. They won't lose alignment with K-12 or University system, this will just give them a first point of contact because all of the training funds from WIA come through DOL.

Senator Stevens and the Congressional Delegation agree that we should develop a clearinghouse for all training funds that will flow through one place. All proposals for federal dollars should go through the clearinghouse, be rated and prioritized by set standards and then sent to the delegation for funding. The funding would then go back through the DOLWD to be distributed on a prioritized basis. They will go to programs that produce placement. We won't train without the assurance of job placement. This is the standard set by this Administration.

You were given a charge that was impossible to do. It took 7 years to pass WIA in 1998. There are pieces of WIA that don't fit. They are now working on reauthorization, and the key word will be flexibility. The Governors will receive much more flexibility about where the funds go and how they can be spent. This Administration is absolutely clear - we will spend money efficiently and eliminate government waste and duplication. That's why we're trying to get our arms around the vocational and education group and bring them under our umbrella. We want to solve all the problems inside the family before we go outside of the family for funding. Unions are nervous about the involvement of employers but without employers we can't get there. There is a health care shortage, and Mr. O'Claray has met with the Alaska State Hospitals and Nursing Home Association and the University of Alaska and will talk to the Dept. of Education of Early Development.

Annette Kreitzer apologized that the Lt. Governor couldn't be here. She said she was familiar with the board because she was around when the AHRIC was first created. The Lt. Governor said he wished he could sit in an arctic entry way and talk with Barbara Stallone about workforce issues.

Chair Galvin also welcomed the board. She said that one of our greatest accomplishments was the establishment of Business Learning Consortiums. She introduced Katherine J. Farnham, the new director of the new Division of Business Partnerships and the executive director of the Alaska Workforce Investment Board.

Ms. Farnham thanked the Commissioner and Dr. Galvin and said she was pleased to be there. The new division will be the employers' voice, business relevant and business savvy. She discussed the key priorities of the division (in written report). She wants to put investments where we can get the best values, such as regional training centers. Less is more. Workforce Investment Act (WIA) reauthorization will be a priority, as well as health and transportation occupations.

Ms. Hulbert said that Alaska has lots of opportunity to influence on the federal level Kay Hoch is the current president of NAWB, Jim Wakefield is a member, and Ms. Galvin is on the executive committee of the national workforce board chairs organization.

Ms. Farnham discussed alignment. The AWIB is partnering with Commonwealth North on a study on workforce investment. Fred Esposito has put together a vocational education provider group. Com. O'Claray stressed partnering with the private sector – they need to be involved in “money, marbles and chalk.” You can't have economic development without workforce development, and you can't have workforce development without early education. You can't have good K-12 without strong family and community. Ownership and alignment are important goals.

### **Public Comment**

Brian Johnson, director of Business Assessment Center at Juneau Economic Development Council, discussed their mission to empower entrepreneurs to be more successful. Micro-enterprise is important. He explained Individual Development Accounts – disciplined program to empower for self-sufficiency to gain assets.

Laraine Derr, Alaska State Hospital and Nursing Home Association, thanked the board for three grants, and said the hospital association is investment \$1.8 million in University of Alaska programs. Ms. Redman said the industry itself needs to be coherent and coordinated. Everyone has a different twist on what we should be doing. She thanked Laraine for her hard work.

Sarah Hunter, job developer from Fairbanks, discussed community and business development and their partnership with DOL. They are training in the hospitality industry. There are 24 trainers and 302 workers who received training in critical soft skills.

Eddie Brakes, Central Council of Tlingit and Haida, is the K-12 youth opportunity council coordinator. Youth programs are now year round but they get less money than they did when it was just a summer program. We need to think of ways to help youth succeed. We need to fill the gap between what parents can provide and what children need. He is an example of how government programs can help. He succeeded despite growing up on welfare and in a family with domestic violence issues.

Annette Ulmer, Tlingit-Haida Housing Authority, discussed the Southeast Native Voc Tech Education initiative, a 3-year program. They offer courses in construction, computers and tourism. They serve unemployed, underemployed, poverty level, and those with a low level of education.

### **Committee Reports**

**Evaluation & Assessment. Tim Sunday, Chair.** He discussed the annual performance report. It is the result of a lot of hard work on the part of his committee. He thanked Mike Gutierrez for his leadership in writing the report. He made a MOTION to approve the report (Resolution 03-02). Pete Galle seconded the motion. The board discussed the resolution. An amendment was made, changing the word “strong” to “evolving,” change p. 5 to paint a more positive picture. Colleen Ward thanked Mike Gutierrez and the Research & Analysis staff for the well-laid out report with useful data. The motion approving Resolution 03-02 passed unanimously.

Mr. Sunday introduced Resolution 03-03, a change to the Bylaws. He said the bylaw change would remedy a problem caused by erratic membership participation. His committee was asked to look at it several months ago, and after much work they came up with the bylaws change as expressed in the resolution. Mr. Sunday made a MOTION to accept Resolution 03-03 and Pete Galle seconded it. Discussion: Barbara Stallone asked how it would be enforced. Linda Hulbert said that it can’t be all solved by a resolution but it’s important to know board membership expectations. We should write it down, agree with it and then we can deal with consequences later. Ms. Ward pointed out that Article 8 of the bylaws addresses attendance. The board voted unanimously to pass 03-03.

### **Committee Reports**

**Policy & Planning Committee. Linda Hulbert, Chair.**

Ms. Hulbert asked Kris Forrester to discuss election of officers. Ms. Forrester, as chair of the ad hoc nominations committee, clarified qualifications for Chair and Vice Chair. Only those members with Business & Industry designations are eligible to serve as officers. She will be accepting nominations until the next regular meeting of the board, at which time elections will be held.

Ms. Hulbert explained the bylaws changes as noted in Resolution 03-04. The changes are necessary to make elections of officers more responsive to the needs of the board, and to clear up confusing language contained in that article. Other changes were made to the articles on attendance and travel, to both simplify and clarify the bylaws. A MOTION was made and seconded to accept Resolution 03-04. The resolution passed with unanimous consent.

Ms. Hulbert pointed out the STEP report to the legislature that was included in members’ binders. It was required by last year’s SB 252, and was submitted to the legislature in early February.

SB 252 also required STEP regulations. A contractor will begin work on drafting the required regulations on March 15. New and revised STEP performance measures, another requirement of SB 252, were drafted by Dept. of Labor staff. A MOTION accepting the changes, as stated in Resolution 03-05, was made, seconded and accepted by unanimous consent.

**Employment and Placement Committee. Barbara Stallone, Chair.** Ms. Stallone said that the Youth Work Readiness certificate is still in planning stages and will be the focus of the next committee meeting. The status of the WorkStar program is currently unclear, and will be something the new administration will decide.

**Workforce Readiness Committee. Colleen Ward, Chair.** Ms. Ward asked Mr. Shiffer for a status report on the projects contained in 02-17. He discussed the 7 items in depth and gave an update as to their status.

Resolutions 03-06, Identifying Workforce Priorities, and 03-07, Career Clusters, were tabled.

Resolution 03-09 was taken up. It would approve a waiver request to the U.S. DOL regarding transfer of funds between the Dislocated Worker fund and Adult fund. WIA allows that 20% of funds can be transferred between programs. The resolution requests a waiver of 40%. A MOTION was made and seconded. Discussion: It was questioned why the resolution doesn't request 100% transfer authority for complete flexibility. The board agreed to amend the resolution, and the amended resolution passed unanimously.

Resolution 03-08, the Tri-State Initiative, was tabled.

## **Partner Reports**

### **TVEP Institution Reports**

Wendy Redman distributed a written report and presented it for the University. She said they can make money go farther than any other can program because they can leverage it. They've used the money in priority areas. They've been strategic in using the money, because it's tenuous and undependable since they can't count on sustained funding. The number of completers in TVEP funded programs isn't included in the report, but she will forward the information to the board members.

Fred Esposito presented a report on AVTEC's use of TVEP funds. Ms. Henderson pointed out that a lot of the money went for infrastructure. Mr. Esposito replied that tuition doesn't pay the cost of the education. Most students come with assistance already and couldn't pay enough to make the school self-sufficient.

### **Balance of State Workforce Investment Board Report**

Job Center Recertification. There are five full-service packets for recertification.

Employer Summits. The idea for the summits came out of the 2001 Employer Advantage conference. The conference was so impressive that it was decided to do similar conferences at the local level, at the five full-service job centers. The purpose was to market our job services, engage employers in dialogue and engage legislators and community leaders. We plan to have an annual employer's summit. All five job centers are acting on priorities set at the summit. Next year they can say they met those priorities and are ready to take on new ones.

### **Anchorage Mat/Su Workforce Investment Board Report**

Ms. DeCamp said they are streamlining the grant proposal process. She discussed the H-1B grant limitations on who they can train. They can't train nurses because they come under a different visa.

### **Industry Skills Coalition**

Ann Spohnholz spoke for the coalition. Sally Suddock, director of the coalition, wrote a booklet, "The ABCs of WIA." The Alaska Process Industries Career Consortium (APICC), a member of the coalition, was the first consortium to organize after the AHRIC developed the career consortium concept. Others emerged, including the IT Business Consortium, ASHNHA, Alaska Works Partnership, Alaska Construction Consortium, Alaska Hotel & Hospitality Alliance. Transportation providers and Fishers/Processors are participating but aren't part of the agreement. The coalition networks, leverages efforts, and does K-12 outreach to promote career awareness. Common projects include development of soft skills curriculum, pushing for high math and science classes.

They had recommendations for the AWIB:

- Strengthen the board's business and industry representation
- Education is workforce development
- Every child graduating from high school should be launched into a career
- Message to educators: we're part of the solution, not an additional burden
- Workforce development is economic development
- Protect and enhance existing industries and create new ones
- Increase articulation across institutions
- Contracting is cost effective method of getting projects done.

APICC is making a soft skills poster and will put it in every classroom and send to every employer and job center

### **Alaska Native Coalition on Employment & Training**

Sharon Olsen presented ANCET's report. She said that funding for the Angoon program is important. ANCET's funding comes from the Denali Commission, for the most part. ANCET organizations provide essential training services, including classroom training, youth and adult work experience, on the job training, vocational training, support services, child care, scholarships, job creation, job readiness, human resource databank screening and placement, counseling, assessments, evaluations general assistance and follow-up and tribal assistance to needy families.

**Thursday, February 27, 2003**

The meeting began at 8:50 a.m. Commissioner O'Claray addressed the board. He described the Murkowski-Leman vision of public service and assignment of assets. The Governor charged the Department with not only looking at efficiencies but with showing the public they are accountable for the money they've invested. The Governor is concerned about duplication of services. He wants to bring all employment & training programs into one unit to achieve efficiency. The Governor is concerned about the size of boards and apparent duplication. Without panicking anyone, the plan is to take all the training programs our department administers and put them under one umbrella so we can make nimble management decisions in a more efficient, cost effective way.

The first issue the governor picked off the table was the size and number of the boards. He looked at the AWIB and asked why there are so many people on this board, and why we need three boards. He wants to streamline the system and we have a model for this – Utah. The Governor and he are both convinced we can boil it down to a more efficient system by making it one board. He and Ms. Farnham met with Mayor Wuerch about it. This is the direction they're going – to a one board system, recognizing the competitive nature of more than one board. The Governor asked that he tell them he will ask for resignations from all board members. This is not to downplay all the work they've done. With respect to the DOLWD, the system has not been totally integrated and is not complete. It was handed a major charge by the WIA of 1998 and HB 40. In order to do that, we must slim to one board.

He created a new division and recruited a private sector person – someone with downsizing experience and experience with WIA, not just workforce issues but training issues. That's why they reached out and recruited Ms. Farnham. She's just been on board and in the office for less than 10 days.

The Balance of State LWIB meeting will be deferred. Current travel to NAWB is still allowed, so people will bring knowledge and experience back to help with transition.

Ms. Farnham added that the Utah model will fit Alaska. Since the board has “grandfather” status, we'll want to maintain 22-26 member board – we can't go smaller. She wants to maintain the local perspective. She's aware of the distinct differences. We need to strengthen the local voice. We have local advisory councils in place now. We'll utilize regional councils and maintain allocation of funds to Anchorage/Mat-Su, but also 4 other regions. We want to match up with economic development regions and LMI. We've begun research with Region VI. We want a strong business-focused, value-added, efficient group.

Ms. Redman cautioned them to be inclusive, not just with large businesses. Be sure to include rural and Native communities.

Mr. Sunday echoed Ms. Redman's remarks. He mentioned Eddie Brakes' testimony about the Angoon program. He knows labor will be involved, and he hopes they get people who speak for all of labor and not just their individual programs.

Ms. Hulbert said she has two concerns. The former Private Industry Councils included Fairbanks, Anchorage and Juneau. Fairbanks became simply an advisory council when it changed to Local WIBs. There wasn't a feeling of investment. Everything in the Balance of State is managed out of Juneau and it takes a long time to educate volunteers and business people. When it's purely advisory, there's no authority, accountability or responsibility. The advisory councils need to be educated and given tasks to accomplish. Adult Basic Education is an extremely valuable program and should be protected, nourished and funded. We can't have a successful labor force without ESL, literacy programs, etc. Further, the board needs staff to do the job. We found when AHRIC was established that it was hard to keep CEOs at the table. Further, it's important to remember that it is the small businessperson who is really growing the economy.

The Commissioner said you can't put partners in one room in the state – we need decentralized input. He is absolutely dedicated to doing this. Ms. Farnham will be given adequate staff.

Dr. McDowell said she has some concern over resources between the regional boards and us. There are some competitive aspects she doesn't understand. The board needs to work hand-in-hand with economic development.

Com. O'Claray said that Utah was able to do a business plan. They brought businesses into the state using marketing. They have industry heavyweights. Most large companies aren't interested in training using federal dollars. Their training is paid from employees' dollars. ASHNHA is laying a dollar on the table for every federal dollar they get. Bringing together the community, economic development and labor is the perfect marriage.

Mr. Smith said he would support a smaller board. Quality education and workforce development is needed in rural Alaska. It is more of a challenge. The administration needs to speed up development and continue to ensure that rural Alaska is represented at the board level. He suggested that the advisory councils each have a board too.

Ms. Kreitzer said that Lt. Gov. Leman was born in Ninilchik, he is Native and sensitive to rural needs.

Jim Wakefield discussed his long history with job training programs. The SDAs under JTPA made sure they had all partners at the table. The board needs to be bipartisan and focused on getting things done and be committed to getting Alaskans trained. We need to make sure if you have one board, you meet WIA guidelines. The board is charged with a lot more under WIA than JTPA. His board always had meetings in remote communities at least once a year.

Pete Galle said that the Utah model is different because they have infrastructure and power systems that Alaska doesn't have. Costs in Alaska far exceed profits in remote regions of the state. We need power, rail and road grid and an infrastructure to bridge the gap. There is no magic money to provide this. He questioned the grandfathering aspect of changing board.

Ms. Farnham said we won't change AWIB too much – we'll just wear a double hat. Mr. Galle warned that we shouldn't do any sleight of hand or financial tricks. Ms. Kreitzer cautioned that the remark was over the line. Com. O'Claray said some clarification was in order, and the Governor is about as transparent as you can get.

Barbara Thompson, in reference to regional learning centers, said that AVTEC, UA and Mt. Edgecumbe have experience with boarding schools but you have to involve the communities and find out their issues. We don't want to set up something that will blow up.

Mr. Esposito said he has served on the board since its inception. We need as a state a system of deliverables for technical vocational education. We lost the community college system and have pieces of programs. He wants to connect the dots and keep training money in the state.

Sharon Olsen thanked those who talked about rural input. She's been a lonely voice for rural Alaska on the board and couldn't find where she fit in. ANCET is already out there doing it, and they want to contract with state, but they're not applying for RFPs because of dual reporting requirements.

Kristine Forrester said that a collaboration is needed between Education and Workforce Development on K-12 issues. As a preventative measure, we need to fertilize the roots instead of the leaves. She would encourage agencies to articulate, collaborate and connect, and establish certifications and encourage inclusion. We should recommend programs that train and train well. We don't need to own, just recommend who does it well.

Barbara Stallone said she represented the largest employer at the table. We need a trained workforce in order to have the presence of large companies. A company must be profitable and have a good return on their investment to remain in Alaska. A collaboration between economic development, education and labor is necessary. We need to educate educators and have continuous learning.

David Quisenberry said that he represents the disabled community. The federal government feels strongly about rural Alaskan issues. There are good models we should look at. We shouldn't recreate the wheel. Businesses want a one-to-one relationship with job developers. They want employees to have soft skills.

JoAnn Henderson said that like Jim Wakefield, she's been involved in job training for years. It is good to have conflict. She likes the idea of regional support and structure.

But even cacti need water and the regional advisory councils will need money. If you go to regional concept, you'll have less money for job training. She stressed the importance of adult basic education and said in Southeast they run the GED program on \$212,000. 257 people graduated last year. There are efficiencies, and they shouldn't be thrown out. Regional training centers require a lot of discussion. Regional boarding high schools weren't as attractive as they sound.

Com. O'Claray said the Nome Learning Center is almost a merge between Bering Straits and the Nome School Districts. He will use the wisdom of those who came before us.

Ruth DeCamp said that a lot of action must be taken to put it into place. The Chair didn't know it was happening. If given a chance, they would've worked on it with the Commissioner. She supports and pledges to do whatever they can do to work with the Administration. They don't know details yet, however, and they are important. Over half the population and half the jobs are in the Anchorage/Mat-Su area, so we should be mindful of where economic development is.

Colleen Ward said that clearinghouse must march ahead – the workforce development system needs it. She assured the Commissioner that people in the room are valuable and have invested in the state and are servants of the state.

### **Business Marketing Coalition Report**

Corine Geldhof presented information on the coalition of 7 states that received USDOL grant funds to increase awareness and usage of One-Stop Centers. A PR firm was hired and they came up with four creative advertisements. She played an audio spot and passed around print media. Four industries were targeted and firms that have growth potential. They did a pre-test survey and found that 40% of businesses were aware of our services, so the goal is to get to 80%. They are doing five pieces of direct mail. The first went out with a letter from the Governor.

### **Workforce Development System Budget**

Mike Shiffer and Deb Craig discussed job-training funds. Alaska is one of the states with the highest unexpended funds. We were monitored by USDOL last year because we weren't getting rants out within a month of receiving them. Now we're getting them out within a few days. Dislocated worker money is a formula fund to two local areas, and that's here most of the carryover is. There was a 70% increase in that one area. Ms. DeCamp pointed out that the state didn't have budget authority to expend those funds. Jeff Hoover said the state had authorization problems because before you can spend federal money you have to have legislative approval. It is built in for 2004. Ms. Farnham said the board should decide what's acceptable for carryover. Mr. Hoover said no funds will lapse on June 30. Mr. Shiffer said that local areas receive the money first. They have two years to spend it. We wait for them to come up with ways to spend it. In the third year, we can remove the money and put it in the statewide activities fund. Ms. Farnham suggested we might use a Denali Commission method of Real Time accounting.

The board recommended a framed resolution recognizing Ruth Lister's contribution to the state be sent to her family. It was further agreed to give Jim Sanders a similar resolution for his service to the state.

The Nominations Committee was officially disbanded, in light of the boards' resignations.

The board discussed WIA Reauthorization. Recommendations included:

- Flexibility for use of WIA money for small business & entrepreneurship
- Flexibility in board governance, but keeping a private sector majority
- Flexibility in use of WIA money for incumbent worker training
- Flexibility in use of WIA money for career ladder/track training for public employees
- Youth councils required or encouraged
- Useful performance measures
- Allowing local elected officials to make direct grants
- Streamlined access and reporting
- More flexibility in use of WIA funds in general
- Performance measures providing incentive to serve folks most in need – the state shouldn't be penalized, by poor performance results, for serving those most in need
- Allowing use of WIA funds to match TVEP funds
- Performance measures to “incentivize” business partnerships
- Maintain support for Alaska's youth programs
- Encourage use of partnerships for non-traditional occupations

The board discussed Regional Training Centers. Recommendations included:

- Develop a clear definition
- Short-term learning
- Breath life into existing infrastructure
- Targeting focused industry-specific training
- Soft skills training
- Life skills training
- Outreach to villages
- Improvement to academics
- Inventory of current providers and their ability to partner
- Inventory of business & jobs in each region
- Inventory of money sent by Senator Stevens
- Doesn't erode existing educational services or funding
- Possibly develop a model for sustainable investments
- Avoid duplication
- Shared resources
- Common curriculum/transfer of credits

### **Next Steps**

Meeting with stakeholders: State Board of Education, superintendents, Dept. of Education, AVTEC, Mt. Edgecumbe, Job Corps, private schools, home schools, AWIB,

Voc Ed Task Force, National Guard Youth Corps, Local Elected Officials, Consortium of Tribal Colleges, CANHE and representatives of existing regional learning centers.

Ms. Henderson warned against too many people getting involved. She gave the example of the Juneau high school proposal – it never got built because there were too many ideas and meetings. She recommended coming up with a plan and unveiling it. Ms. Galvin said we should get clarity and input from key policymakers. Mr. Smith said we should add to sustainability of region's economy.

The meeting adjourned at 2:00 p.m.