

## Abstract

### Workforce Innovation Fund Application

**Applicant Name:** Alaska Department of Labor and Workforce Development, Division of Business Partnerships (individual state)

**Lead Applicant City/State:** Juneau, Alaska

**Areas Served:** Statewide

**Project Name:** Developing a Competitive Workforce through System Alignment

**Fund Level Requested:**     \$4,032,084     **technical costs**

\$967,916     **evaluation costs**

#### Project Type:

The applicant considers the proposal a type “B” project as the strategies proposed addressed various workforce development issues and did not receive rigorous evaluation. These promising practices have the potential to fundamentally change service delivery and increase the efficiency of services provided through the state’s one-stop system.

#### Description of Proposed Project:

The State of Alaska has a critical shortage of skilled workers in many high pay occupations with career potential and innovative methods for targeting occupation shortages and supplying workers to employers. Workers are connected to jobs through career paths and have means to advance, yet the workforce system is not fully aligned to produce cost-effective, seamless customer transitions. The inefficiency and misalignment of the public workforce system prompts the state to spend more of its limited and in short supply resources on supporting the public workforce infrastructure, duplicating efforts within the system at considerable administrative cost, protracting outcomes that are not demand-driven or directly tied to industry employer needs.

As workforce development investments become scarcer, substantial progress to enhance the workforce system that will generate lasting performance improvement for the long-term unemployed, the skill and credential deficient, and workers whose skills are outdated and need retooling, is within hands-reach. The state will thrive or decline based on how well it ensures service delivery is cost-effective, non-duplicative, and highly responsive to a dynamic, rapidly shifting economy and a labor force that is in constant flux. As an example, wage records indicate that more than half of Alaska’s labor force, or approximately 158,000 residents age 18 to 49, are unemployed, or not working – including those who are looking for a better job, self-employed and not covered by

unemployment insurance, unable to work due to a disability, or those who opt out of work – or, are employed in low-wage<sup>[1]</sup>, low-skilled jobs.

Alaska's Workforce Innovation Fund proposal, *Developing a Competitive Workforce through System Alignment*, overarching goal is to align all components of the public workforce system to meet demand in Alaska's priority high-wage, high-demand occupations by providing a competitive workforce and capture efficiencies in the delivery of services through the public workforce system.

Four primary goals are the focus of this proposal. 1) Target training efforts and investment towards identified priority occupations; 2) Develop policies that support strategic investment of workforce development resources; 3) Develop and deploy service delivery practices to enhance efficiency, maximize effectiveness and reduce duplication of effort; and 4) Enhance and broaden partner accountability and incentives for employers.

To facilitate successful outcomes within the proposal the applicant identified three primary strategies. 1) Policy alignment that supports strategic investment of workforce development resources. Data driven decisions guide investments in priority occupations. The state, as a principle investor for workforce investment, needs a methodology for discerning financial allocation for an occupation. 2) Service delivery practices need to enhance the effectiveness of the system and reduce duplication of effort. The traditional case management model is costly and lacks evidence to indicate that it is an effective service delivery model. Scientific principles of management can be applied to the social sciences with the goal of improving the efficiency and effectiveness of the state's one-stop services. 3) Partner accountability and incentives must reinforce a shared investment in workforce development. By incentivizing employers to engage in training models such as registered apprenticeships, the workforce system increases the capacity for training and creates new opportunities for job seekers.

Alaska is a large geographic landmass, yet it retains many characteristics of small communities. This proposal capitalizes on the working relationship of the workforce development partners to design a better way of meeting employers' and job seekers' needs. The ability of industry and the workforce system to work together influences the development of new strategies. Several industries including health care, construction, oil, gas, and mining value a quality workforce development system. The shared investment described in the Memorandum of Understanding signed by some of the key partners is a testament to the resource that can come from partnership.

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<sup>[1]</sup> "Low-wage earners" was defined as those who worked less than six months (two quarters), or who had an average quarterly wage below \$3,000. Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, AK Economic Trends, April 2007.

The outcomes expected from the proposal aim at placing trained people in Alaska's priority occupations; designing policies that reinforce effective workforce development investments, which link workforce supply to occupational demand; and ensuring the limited workforce investment funds are allocated to support the development of Alaska's workforce through a sustainable realignment of efforts. The strategic solution for Alaska's workforce investment lies in recognizing the need to change early and developing efficient and effective strategies. The proposed strategies are not dependent upon more funding for training. Rather, the investment is in new ways of knowing and understanding the workforce system. This means retooling the system to be better prepared to retool Alaska's workforce.

### **Description of Proposed Evaluation Strategy:**

The applicant proposes a quasi-experimental comparative analysis of workforce development strategies. The Department of Labor and Workforce Development plans to conduct research on the effectiveness of the state's workforce delivery system to respond to specific industry demand based on the policy authority afforded the Alaska Workforce Investment Board. The plan is to compare outcomes of at least two one-stops delivering workforce development services. In one-stop "A," traditional case-management and service delivery strategies will be employed. In one-stop "B," a cohort-based approach to case management will be employed. The goal of the evaluation is to compare not only the traditional outcomes, such as entered employment and rate of job retention, but also examine system factors, such as timeliness of service delivery, cost efficiency, effectiveness, and customer perceptions about their experiences. At the end of the evaluation, the project expects to draw relevant conclusions about the value of the traditional model in terms of outcomes, customer satisfaction, and efficiency.

### **Public Contact Information: (email or website):**

The primary contact person for the project is Corine Geldhof, Director of the Division of Business Partnerships, Alaska Department of Labor and Workforce Development, at [corine.geldhof@alaska.gov](mailto:corine.geldhof@alaska.gov).

The division's project manager for this proposal is Mike Shiffer, Assistant Director of the Division of Business Partnerships, Alaska Department of Labor and Workforce Development, at [mike.shiffer@alaska.gov](mailto:mike.shiffer@alaska.gov).

For more information on the division, visit the website <http://www.labor.alaska.gov/bp/>