

# **AWIB**

**Policy and Planning Committee**

**Alaska's Priority Industries**

**Resource Documents**

**October 12, 2012**

Alaska's Priority Industries  
A Brief History  
Division of Business Partnerships  
Alaska's State Workforce Agency  
April 19, 2012

The Workforce Investment Act empowers states and local areas to invest limited workforce development funding for the benefit of employers and jobseekers. The emphasis in the Act is to assist eligible individuals in obtaining or maintaining employment in an occupation that support self-sufficiency.

- Workforce Investment Act (WIA): A Principle-based service model
  - Enacted in 1998 and made effective July 1, 1999.
  - Moved from PICs and State Job Training Coordinating Council to Fairbanks Local Workforce Investment Board and Anchorage/Mat-Su Consortium Local Workforce Investment Board and Alaska Human Resource Investment Council
    - The Alaska Human Resource Investment Council
  - WIA based on Key principles
    - Strong role for Boards and Private Sector
    - State and local flexibility
    - Streamlined Services in One-stops (Job Centers)
    - Universal Access (Facilities and Core services)
    - Increased Accountability
    - Connections between School and Work
  - Role of the Alaska Workforce Investment Board established in statute, regulations and interpreted by Alaska to mean:
    - Assess the labor market conditions, industry, and skill needs;
    - Maintain a strategic perspective on public investments;
    - Defining strategies that align human capital development with economic development and employer needs;
    - Evaluate system effectiveness for both employers and individuals; and
    - Recommend strategies for performance improvement.

**What is the authority for state and local boards to designate demand occupations under Workforce Investment Act statute and regulations?**

- **WIA Title 1b Sec 118 Local Plan (b) contents (1)** directs the local board to develop a workforce plan to meet the needs of jobseekers and employers taking into account several factors.
  - (A) The workforce investment needs of business, jobseekers and workers in the local area;
  - (B) The current and projected employment opportunities in the local area; and
  - (C) The job skills necessary to obtain such employment opportunities.
  - (2) (A) a description of how the local board will ensure the continuous improvement of the eligible providers of services through the system and ensure that such providers meet the employment needs local employers and participants
- **WIA title 1b SEC 134 Use of funds for employment and training activities (d)(4)(G)(iii) Linkage to occupations in demand** provides authority for local boards to establish policies related to training services for occupations determined to be in demand.
- **CFR 663.310 (c)** helps define who may receive training services from the WIA. The regulation states that eligible individuals must select a program of training services that is directly linked to the employment opportunities either in the local area or to an area the individual is will to relocate.

**How does the local area select or define demand occupations?**

- January 17, 2001 the Employment and Training Administration provided technical assistance through the ITA/ETP/CR Systems Roadshow in Los Angeles, CA to states on possible options for defining demand occupations. The options included but are not limited to:
  - Industrial Employment Forecasts to identify industrial sectors in the local area with the highest rates of immediate need and projected growth over the next five years;
  - Industrial Employment Forecasts to identify industrial sectors in the local area with the highest number of projected jobs expected to be available over the next five years; and
  - Occupational categories with the largest projected increases in the next five years considering growth and replacement through retirement, injury, or resignation.
- Other factors the state was encouraged to consider include policies issues such as:
  - A Focus on specific occupations as high growth within the categories. In addition, a criteria regarding occupations that lead to self-sufficiency could be added;
  - A Focus on specific high-wage/ high-skill/ high-projected-growth occupations that provide career and upgrade opportunities; and
  - Other factors associated with self-sufficiency, such as expected wages, full or part-time employment, turnover rates, and potential career ladder/ promotion opportunities.

### **What is Alaska's experience with defining demand occupations?**

- The Alaska Human Resource Investment Council adopted the State of Alaska Unified Plan effective June 2000 to June 2005.
  - The plan identified economic challenges that affect development of Alaska's workforce. The majority of the challenges address geographic barriers and access to rural economic development.
- February 2003, The Alaska Workforce Investment Board received resolution **03-06 A Resolution Regarding a Process for Establishment of AWIB Workforce Priorities** through the Workforce Readiness Committee.
- May 2003 the local workforce investment boards in Alaska disband and vote themselves out of office. Alaska obtains a waiver from the Employment and Training Administration authorizing the state workforce investment board to function on behalf of the local workforce investment boards.
- February 2004, the board takes action on priority industries with an emphasis on health care, construction, information technology, and transportation. A second level of priority industries was adopted base on high non-resident hire rates including seafood, hospitality, and education. The board also added the resource development industry that includes oil, gas, and mining.
- The Workforce Readiness Committee with Brynn Keith of Research and Analysis, Dick Cattanach of Associated General Contractors, Wendy Redman from the University of Alaska, and Mike Shiffer staff from the Division of Business Partnerships reported in November 2004 report on the amount of information considered in attempting to discern demand occupations in Alaska.
- To measure the investment in priority industries the Division of Business Partnerships adopted a performance measurement that at allocates at least 60 percent of the STEP and WIA workforce investment resources.

### **What is the status of industry priorities and demand occupations in Alaska?**

- Industry priorities first adopted in February 2004 remain essentially unchanged.
- Multiple industries develop industry lead workforce investment plans including.
  - Health care adopted May 2010
  - Alaska Oil and Gas Training plan adopted May 2007subsequently amended in 2011.
  - Alaska Construction Plan adopted May of 2006
  - Alaska Transportation Plan was forwarded to committee in August of 2006 and revisited at the AWIB's October 2007 meeting where an ad hoc committee formed to develop a training plan template for industries.
- The Division of Business Partnerships performance measure data indicates that the STEP and WIA training fund investment in priority industries exceeds the 60 percent measure.

### **What are the future requirements for Industry Priorities?**

- The Alaska Workforce Investment Board functioning on behalf of the local workforce investment board must develop appropriate local area workforce development plans, define, and periodically update the definition of demand occupations.
- September 15, 2012 the state's workforce investment plan is due to the Employment and Training Administration. Within the planning guidance are instructions on state adoption of local workforce plans and defining demand occupations.



## **AWIB Priority Industries May 9, 2012**

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**First question:  
What is an industry?**

**Answer:  
It depends.**



**Generally, companies are categorized  
in industries and individual workers  
are categorized in occupations.**



**Why does it matter?  
It guides your focus.  
Is the target of your efforts  
companies or individuals? Or both?**





Research and Analysis can tell you which industries and which occupations are expected to grow the most. That fits into our role as an objective research entity.



Research and Analysis can not tell you which industries or occupations *should* grow. That's a policy question that can't be answered with data or objective research alone.



What are the criteria for something to become a priority industry?

What are the stakes?