

**State of Alaska  
FY2006 Governor's Operating Budget**

**Department of Labor and Workforce Development  
Business Services  
Component Budget Summary**

## Component: Business Services

### Contribution to Department's Mission

The Business Services component contributes to the department's mission by designing and implementing programs that align with the Alaska Workforce Investment Board policies and that result in participant employment and build a prepared workforce for employers.

### Core Services

Business Services provides administration, grant management and technical assistance and performance and evaluation support for the Workforce Investment Act (WIA) of 1998 Title IB programs, the State Training and Employment Program (STEP) and the Denali Commission Training Fund.

Under WIA Title I, funds are available for Youth, Adult and Dislocated Workers.

Denali Commission training provides for rural training that is associated with rural infrastructure projects sponsored by the Denali Commission.

State Training and Employment Program (STEP) provides Alaskan workers access to state and employer sponsored training programs and services.

### FY2006 Resources Allocated to Achieve Results

**FY2006 Component Budget: \$36,057,700**

**Personnel:**

Full time	28
Part time	0
<b>Total</b>	<b>28</b>

### Key Component Challenges

Monitor the Congressional reauthorization of the federal Workforce Investment Act in 2005. Potential changes to performance measures and Youth, Adult and Dislocated Worker program design could be detrimental to Alaska's program.

Advocate for a simpler and more stable federal allocation formula for funding WIA Title 1B programs. Currently, the allocation is slow to respond to market changes that often impact the implementation of WIA.

Minimize the impact of reductions in federal formula WIA job training funds to Alaskan employers and job seekers. This reduction is reflected in the deletion of \$5 million of unfunded federal authorization included in this budget. These are funds not available to train Alaskans.

Utilize the requested increase in authorization for the State Training and Employment Assistance Program (STEP) funding so that Alaskans who might have been recipients of federal training dollars are trained for jobs.

The division will receive the final \$2 million increment of the \$8 million dollar federal National Emergency Grant (NEG) award during SFY06 to continue a program for dislocated workers impacted by the price decline in Alaska's commercial salmon industry.

## Significant Changes in Results to be Delivered in FY2006

We have been advised of continuing reductions in federal Workforce Investment Act (WIA) funding. This continued loss of funding will result in service reductions throughout the department and will reduce the number of training grants. For example, reduced WIA Adult funds resulted in service to 21 percent fewer participants for Program Year 2004.

The effects of the WIA cut have been partially offset by the \$8 million dollar federal program for workers dislocated by the price decline in Alaska's commercial salmon industry. The division should receive the final \$2 million increment in the National Emergency Grant (NEG) during SFY06, which will assist the Dislocated Worker program under WIA.

The requested increase in State Training and Employment Program (STEP) funding will help to offset the trend of continuing reductions in the federal Workforce Investment Act (WIA) funding so that more Alaskans who might have been recipients of federal training dollars are trained for jobs.

Deletion of a one time named grant of State Employment Assistance and Training Program (STEP) authorization will reduce the amount of training funds available to the Northwestern Alaska Career and Technical Center.

## Major Component Accomplishments in 2004

Obtained a federal waiver to renew the integration of two local service areas into one statewide area per Administrative Order 210, which resulted in integrated functions and service delivery in Alaska Job Centers.

Provided grant and program management, technical assistance, performance and evaluation support to enroll over 600 dislocated workers. The dislocated workers were provided retraining, job search, relocation and support service assistance via a National Emergency Grant project related to Alaska's commercial salmon industry price decline.

Achieved the negotiated federal performance levels in all categories for Program Year 2003 of Alaska's Workforce Investment Act. The Youth, Adult and Dislocated Worker programs exceeded 16 of the 17 negotiated federal WIA performance measures, in addition to increasing performance in three areas from the previous program year.

Assisted with the identification of employer needs for a trained workforce in the Southeast Alaska community of Hoonah and the area of Icy Straits through the Rapid Response program.

Improved State Training and Employment Program (STEP) integration and accountability through a team effort with the Alaska Job Center Network and training vendors. The improvement was achieved by transferring data collection responsibility to grantees and providing critical information for decision makers to better evaluate distribution of job training resources across Alaska.

## Statutory and Regulatory Authority

### Federal Authority:

Public Law 104-193	Personal Responsibility and Work Opportunity Reconciliation Act of 1995
Public Law 105-33	Balanced Budget Act of 1997
Public Law 105-220	Workforce Investment Act of 1998
Title III of Public Law 105-227	Denali Commission Act of 1998
20 CFR parts 660-671	WIA Title 1b Regulations
29 CFR part 37	EEO Regulations

### Statutory Authority:

AS 23.15.550 - .850	Alaska Workforce Investment Board
AS 23.20	Alaska Employment Security Act
AS 44.31	Department of Labor and Workforce Development

### Administrative Regulations:

8 AAC 84	Alaska Human Resource Investment Council
8 AAC 85	Employment Security
8 AAC 86	State Technical and Vocational Education Program

8 AAC 87-89	State Training and Employment Program
Admin Order #113	Alaska Job Training Coordinating Council - Relating to employment/training of workforce
Admin Order #182	Designating the AHRIC (now AWIB) as state workforce investment board as required by the Workforce Investment Act of 1998; establishing two local workforce investment areas and boards; and designating the Alaska Job Center Network as the state's one-stop career system
Admin Order #205	Establishes the Division of Business Partnerships
Admin Order #210	Designates the State of Alaska as a single state workforce investment area, the Alaska Workforce Investment Board as the state's sole workforce investment board and changes AO 205 to modify the reorganization of the Department of Labor and Workforce Development.

**Contact Information**

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**Business Services  
Component Financial Summary**

*All dollars shown in thousands*

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,615.9	1,834.8	1,973.5
72000 Travel	151.7	80.0	80.0
73000 Services	1,092.7	6,889.9	4,825.7
74000 Commodities	99.7	108.1	108.1
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	23,087.4	31,773.5	29,070.4
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>26,047.4</b>	<b>40,686.3</b>	<b>36,057.7</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	21,313.8	34,006.1	29,069.6
1007 Inter-Agency Receipts	147.9	545.2	547.8
1054 State Employment & Training Program	4,585.7	6,135.0	6,440.3
<b>Funding Totals</b>	<b>26,047.4</b>	<b>40,686.3</b>	<b>36,057.7</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
<b>Unrestricted Revenues</b>				
State Employment and Training Program	51394	4,585.7	6,135.0	6,447.4
<b>Unrestricted Total</b>		<b>4,585.7</b>	<b>6,135.0</b>	<b>6,447.4</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	21,313.8	34,006.1	29,121.8
Interagency Receipts	51015	147.9	545.2	550.2
<b>Restricted Total</b>		<b>21,461.7</b>	<b>34,551.3</b>	<b>29,672.0</b>
<b>Total Estimated Revenues</b>		<b>26,047.4</b>	<b>40,686.3</b>	<b>36,119.4</b>

**Summary of Component Budget Changes  
From FY2005 Management Plan to FY2006 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2005 Management Plan</b>	<b>0.0</b>	<b>34,006.1</b>	<b>6,680.2</b>	<b>40,686.3</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 05 Bargaining Unit Contract Terms: GGU	0.0	12.7	2.5	15.2
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	0.0	46.3	7.9	54.2
-Adjustments for Personal Services Working Reserve Rates and SBS	0.0	4.5	0.6	5.1
<b>Proposed budget decreases:</b>				
-Reduce Federal Authorization to Reflect Anticipated Receipts	0.0	-5,000.0	0.0	-5,000.0
-Delete One Time State Employment Assistance and Training Program (STEP) Named Grant Authorization	0.0	0.0	-500.0	-500.0
<b>Proposed budget increases:</b>				
-Increase State Employment Assistance and Training Program Authorization to Train Alaskans for Jobs	0.0	0.0	796.9	796.9
<b>FY2006 Governor</b>	<b>0.0</b>	<b>29,069.6</b>	<b>6,988.1</b>	<b>36,057.7</b>

**Business Services  
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2005</u>	<u>FY2006</u>		
	<u>Management</u>	<u>Governor</u>		
	<u>Plan</u>			
Full-time	27	28	Annual Salaries	1,371,008
Part-time	0	0	COLA	20,407
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	699,240
			<i>Less 2.41% Vacancy Factor</i>	<i>(50,355)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>27</b>	<b>28</b>	<b>Total Personal Services</b>	<b>2,040,300</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	1	0	0	0	1
Accounting Tech III	0	0	1	0	1
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	1	0	1	0	2
Administrative Manager IV	0	0	1	0	1
Division Director	1	0	0	0	1
Employ Sec Analyst I	0	0	1	0	1
Employ Sec Analyst II	1	0	2	0	3
Employ Sec Analyst III	4	0	1	0	5
Grants Administrator I	1	0	0	0	1
Grants Administrator II	3	0	3	0	6
Grants Administrator III	1	0	0	0	1
Prog Coordinator	1	0	0	0	1
Project Asst	1	0	0	0	1
Project Coord	1	0	0	0	1
Research Analyst III	1	0	0	0	1
<b>Totals</b>	<b>18</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>28</b>