

State of Alaska FY2009 Governor's Operating Budget

Department of Labor and Workforce Development Employment and Training Services Component Budget Summary

Component: Employment and Training Services

Contribution to Department's Mission

Employment & Training Services contributes to the department's mission by connecting qualified workers with businesses to fill job openings and by upgrading skill levels of the workforce to meet current and future employers' demands.

Core Services

The Employment and Training Service (ETS) component provides basic labor exchange services, available to all Alaskans, connecting employers with job seekers, and specialized employment and case management services for veterans, public assistance recipients, older workers, people with disabilities and unemployed workers under the provision of the Wagner-Peyser Act. Through the federal Workforce Investment Act (WIA), the federal Trade Adjustment Assistance program, and the State Training and Employment Program (STEP), ETS establishes training accounts and provides supportive services to eligible Alaskans. ETS administers the federal Older American Community Service Employment Program known in Alaska as Mature Alaskans Seeking Skills Training Program (MASST), which provides work experience for older workers with eligible grantees and host agencies.

Provides vital links between job openings and qualified, job-ready applicants through 23 One-Stop Job Centers located across the state, statewide grantees, web-based services and an effective network of social service providers.

Assists businesses in finding qualified job applicants by listing job openings, matching, screening, and finally referring applicants. Offers use of our public facilities and resources to conduct targeted recruitment sessions and interviews to facilitate the hiring of Alaskans.

Provides orientations, job search assistance, assessments, labor market information, job training, eligibility determinations, case management, employment coaching, placement assistance, follow-up, and access to funding for training and training-related supportive services for job seekers. Specific core services include individualized and specialized labor exchange and training assistance that result in employment for Alaskans.

Connects low-income older workers desiring to re-enter the mainstream workforce by providing subsidized work experience with non-profit organizations and public agencies needing workers resulting in preparedness for realistic, unsubsidized employment.

FY2009 Resources Allocated to Achieve Results		
FY2009 Component Budget: \$27,482,900	Personnel:	
	Full time	218
	Part time	0
	Total	218

Key Component Challenges

Employment and Training Services (ETS) continues to provide employment and training services to an increased customer base while the federal funding continues to decrease in relation to operational costs. Federal grant funding has continued to be flat funded or even decreased coupled with increased operating costs, this has caused a reduction in ETS program staff levels by 13.1% and an associated drop in core services.

Under-funded or unfunded federal mandates continue to impact ETS in the areas of the Work Opportunity Tax Credit

(WOTC) federal grant, business relations group work, common performance measures, Workforce Investment Streamlined Performance Reporting (WISPR) and result in difficulties in recruiting and retaining staff.

To offset some of the funding shortfall, ETS will be forced for the fifth consecutive year to request use of federal Reed Act funds to support cost increases related to personal services, health care, leases, and technology investments. The Reed Act funds are nearly exhausted and are projected to be fully expended in FY2009. The ETS component is the largest consumer of these funds and they have assisted in offsetting funding shortfalls and cost increases.

The challenge is best summarized by cost cutting measures that could result in a loss of state services. These measures include eliminating programs, reducing staff and closing facilities.

Significant Changes in Results to be Delivered in FY2009

Heavy reliance on information technology and web-based consumer products will be necessary to meet federal performance measures.

ETS is requesting a \$600.0 Capital Improvement Project for the implementation of a skills inventory program to ensure a skilled and ready Alaskan workforce under the Alaska Gasline Inducement Act (AGIA). The purpose of this project is to enhance the ALEXsys job bank to create ad-hoc and standard statistical reports on skills and demographics of Alaska job seekers and a searchable expanded credentialing component. As part of this, the department is developing innovative practices for rural community outreach to better connect rural Alaskans with jobs.

The Business Services component administers the Alaska Youth First program and contracts with this component through a reimbursable service agreement to develop and deliver Alaska high demand industry information and career activities to youth in school and young adults to age 24. A \$950.0 increase to Interagency receipt authorization is included in this budget to document the Alaska Youth First funding coming to this component. Work activities include traveling to communities and establishing relationships with the schools, native organizations, community service providers, and employers. This includes preparing and making presentations to help meet the employment needs and challenges of the future.

A small increase of \$10.0 in Statutory Program Receipt authorization is being requested to allow ETS staff to administer the Performance Assessment Network (PAN) agreement. The staff will serve as test proctors of the web based assessment testing program according to Transportation Security Administration (TSA) protocols. By being hired as TSA screeners the number of Workforce Investment System participants that enter employment will increase.

Major Component Accomplishments in 2007

Increased the number of registered job seekers to 109,565, an increase of 30,337 compared to the prior year.

Increased staff assisted services delivered to 60,383 in FY2007, an increase of 32,632 from the prior year.

Provided job search assistance, facilities, and tools to 204,279 walk-in customers.

Listed 67,543 job openings from employers using our services, an increase of 18,909 from the previous year.

The federal Older American Community Service Employment Program, in Alaska referred to as the Mature Alaskans Seeking Skills Training Program (MASST) served 473 participants in FY2007. Of these participants, 102 obtained unsubsidized employment at an average salary of \$39,000 per year. The federal participant placement goal was set at 21%. The final placement outcome for Alaska was 53%.

ETS implemented Alaska Labor Exchange System (ALEXsys) in April, 2006. This system provided labor exchange services to 103,914 Alaskan participants in the twelve months following its launch. Compared to the previous twelve month period, this was an increase of 27,174. The system has automated skills-based matching and promoted employer and job seeker interaction resulting in better and faster matches between employers and job seekers.

Statutory and Regulatory Authority

Federal Authority:

Public Law 73 - 30	Wagner Peyser Act of 1933, Amended by WIA of 1998
Public Law 74 - 271	Social Security Act of 1935
Public Law 93 – 618	Trade Act of 1974
Public Law 103 – 152	Unemployment Compensation Amendments of 1993
Public Law 103 – 182	North American Free Trade Agreement of 1993
Public Law 104 – 193	Personal Responsibility and Work Opportunity Reconciliation Act of 1996
Public Law 105 – 33	Balance Budget Act of 1997
Public Law 105 – 220	Workforce Investment Act of 1998
Public Law 106 – 170	Ticket to Work and Work Incentives Improvement Act of 1999
Public Law 106 – 501	Community Service Employment for Older Americans, as amended in 2006
Public Law 107 – 147	Job Creation and Worker Assistance Act of 2002
Public Law 107 – 210	Trade Adjustment Assistance Reform Act of 2002
Public Law 107 – 288	Jobs for Veterans Act of 2002
Public Law 108 – 311	Working Families Tax Relief Act of 2004

Statutory Authority:

AS 23.15.550 – .850	Labor & Workers' Compensation, Employment Services (Excludes DVR Sections 10-250)
AS 23.20	Alaska Employment Security Act
AS 44.31	Department of Labor and Workforce Development

Administrative Regulations:

8 AAC 85	Employment Security
8 AAC 87.010 – .180	State Training and Employment Act

Contact Information

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Employment and Training Services Component Financial Summary

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	15,505.3	15,858.7	17,097.6
72000 Travel	287.1	258.2	333.2
73000 Services	3,459.6	3,724.6	4,136.7
74000 Commodities	339.8	400.0	445.0
75000 Capital Outlay	2.6	0.0	0.0
77000 Grants, Benefits	5,029.9	5,470.4	5,470.4
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	24,624.3	25,711.9	27,482.9
Funding Sources:			
1002 Federal Receipts	12,304.6	12,292.9	12,292.9
1003 General Fund Match	50.9	50.9	50.9
1004 General Fund Receipts	66.7	223.5	1,011.5
1007 Inter-Agency Receipts	11,479.9	12,100.3	13,054.8
1049 Training and Building Fund	674.1	994.3	1,012.8
1108 Statutory Designated Program Receipts	48.1	50.0	60.0
Funding Totals	24,624.3	25,711.9	27,482.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
Training & Building Fund	51155	674.1	994.3	1,012.8
Unrestricted Total		674.1	994.3	1,012.8
Restricted Revenues				
Federal Receipts	51010	12,304.6	12,292.9	12,292.9
Interagency Receipts	51015	11,479.9	12,100.3	13,054.8
Statutory Designated Program Receipts	51063	48.1	50.0	60.0
Restricted Total		23,832.6	24,443.2	25,407.7
Total Estimated Revenues		24,506.7	25,437.5	26,420.5

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	274.4	12,292.9	13,144.6	25,711.9
Adjustments which will continue current level of service:				
-Correct Unrealizable Fund Sources for Salary Adjustments: Exempt	0.6	-0.3	-0.3	0.0
-Correct Unrealizable Fund Sources for Salary Adjustments: GGU	775.2	-364.9	-410.3	0.0
-FY 09 Health Insurance Increases for Exempt Employees	0.0	0.3	0.4	0.7
-FY 09 Bargaining Unit Contract Terms: General Government Unit	12.2	364.9	433.2	810.3
Proposed budget decreases:				
-Decrease Federal Authorization to be Offset by Specific Federal Reed Act Authorization	0.0	-400.0	0.0	-400.0
Proposed budget increases:				
-Add Statutory Designated Program Receipt Authorization for the Performance Assessment Network Agreement	0.0	0.0	10.0	10.0
-Increase Interagency Receipt Authorization for Alaska Youth First Reimbursable Service Agreement	0.0	0.0	950.0	950.0
-Add Federal Reed Act Authorization that Offsets Reduction to General Federal Authorization	0.0	400.0	0.0	400.0
FY2009 Governor	1,062.4	12,292.9	14,127.6	27,482.9

**Employment and Training Services
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2008</u>	<u>FY2009</u>		
	<u>Management</u>	<u>Governor</u>		
	<u>Plan</u>			
Full-time	219	218	Annual Salaries	10,956,961
Part-time	0	0	COLA	780,219
Nonpermanent	21	21	Premium Pay	0
			Annual Benefits	6,072,830
			<i>Less 4.00% Vacancy Factor</i>	<i>(712,410)</i>
			Lump Sum Premium Pay	0
Totals	240	239	Total Personal Services	17,097,600

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	0	0	1	0	1
Accounting Spvr II	0	0	1	0	1
Accounting Tech II	0	0	1	0	1
Accounting Tech III	0	0	1	0	1
Admin Operations Mgr II	0	0	1	0	1
Administrative Assistant	0	1	1	0	2
Administrative Assistant I	0	0	1	1	2
Administrative Assistant II	1	0	3	2	6
Administrative Clerk I	1	0	0	0	1
Administrative Clerk III	1	1	0	0	2
Administrative Manager I	1	0	0	0	1
Asst Dir Employ Security	0	0	2	0	2
College Intern I	0	1	0	1	2
Community Devel Spec I	3	0	0	2	5
Community Devel Spec II	5	6	1	8	20
Community Devel Spec III	2	1	2	3	8
Division Director	0	0	1	0	1
Employ Counselor II	3	2	1	5	11
Employ Sec Analyst I	0	0	3	0	3
Employ Sec Analyst II	0	0	8	0	8
Employ Sec Analyst III	1	0	1	0	2
Employ Sec Spec IA	11	5	5	17	38
Employ Sec Spec IB	25	8	3	30	66
Employ Sec Spec II	3	1	0	3	7
Employ Sec Spec III	1	0	1	2	4
Employ Sec Spec IV	1	2	0	1	4
Employment Service Manager II	0	0	0	2	2
Employment Service Mgr I	1	0	0	7	8
Employment Service Mgr III	3	0	0	1	4
Employment Service Mgr IV	1	1	1	2	5
Micro/Network Tech I	1	1	0	0	2
Policy and Program Specialist	0	0	1	0	1
Prog Coordinator	0	0	4	0	4
Student Intern III	2	1	1	7	11
Training Specialist II	1	0	0	0	1
Work Force Dev Spec I	0	0	0	1	1
Totals	68	31	45	95	239

