

**State of Alaska
FY2005 Governor's Operating Budget**

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

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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.

FY2005 Resources Allocated to Achieve Results

FY2005 Component Budget: \$41,783,500	Personnel:	
	Full time	28
	Part time	0
	Total	28

Key Component Challenges

Monitor the Congressional reauthorization of the federal Workforce Investment Act in 2004. Potential changes to performance measures, youth program design and One Stop partners could be detrimental to Alaska's program.

Minimize the impact of a 42% (\$7.2 million) reduction in federal WIA job training funds to Alaskan Employers and Job Seekers.

Improve integrated services by establishing a common intake system for all partners in the Job Centers delivery system.

Organize performance reporting with public assistance, vocational rehabilitation and employment services according to a standard definition of regions.

Receive and implement a new federal program for unemployed fisherman. The division should receive a new \$8 million dollar National Emergency Grant (NEG) during SFY04.

Significant Changes in Results to be Delivered in FY2005

We have been advised of a 42% (\$7.2 million) reduction in federal Workforce Investment Act (WIA) funding. This loss of funding will result in service reductions throughout the department and will reduce the number of training grants.

The effects of the WIA cut will be partially offset by a new \$8 million dollar federal program for unemployed fisherman.

The division should receive a National Emergency Grant (NEG) during SFY04 that will assist the Dislocated Worker program under WIA.

Major Component Accomplishments in 2003

Redesigned several Request for Proposal documents into a single simple Investment Strategy grant proposal. This eliminated duplication and made applying for federal and state job training funds easier.

Integrated two local service areas into one statewide area per the Administrative Order 210.

Obtained federal waivers that improved Alaska's training services for youth.

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.

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**Business Services
Component Financial Summary**

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	1,096.0	1,860.1
72000 Travel	0.0	143.0	80.0
73000 Contractual	0.0	4,890.3	6,889.9
74000 Supplies	0.0	98.7	80.0
75000 Equipment	0.0	51.3	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	33,873.5	32,873.5
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	0.0	40,152.8	41,783.5
Funding Sources:			
1002 Federal Receipts	0.0	34,790.0	35,604.0
1007 Inter-Agency Receipts	0.0	0.0	544.7
1054 State Employment & Training Program	0.0	5,362.8	5,634.8
Funding Totals	0.0	40,152.8	41,783.5

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Unrestricted Revenues				
State Employment and Training Program	51394	0.0	5,362.8	5,634.8
Unrestricted Total		0.0	5,362.8	5,634.8
Restricted Revenues				
Federal Receipts	51010	0.0	34,790.0	35,604.0
Interagency Receipts	51015	0.0	0.0	544.7
Restricted Total		0.0	34,790.0	36,148.7
Total Estimated Revenues		0.0	40,152.8	41,783.5

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	0.0	34,790.0	5,362.8	40,152.8
Adjustments which will continue current level of service:				
-Transfer Funding and 11 PFT Positions from Workforce Invest Board to Business Services to Realign Staff ADN0741046	0.0	1,111.3	692.0	1,803.3
-Changes to Retirement and Other Personal Services Rates	0.0	65.4	10.8	76.2
-Transfer 2 PFT Positions from Business Services to Employment Services to Serve Matsu Job Center Clients ADN0741031	0.0	-152.4	0.0	-152.4
-Transfer 1 PFT to Workforce Investment Boards for Administrative Support	0.0	-50.3	0.0	-50.3
-Transfer 1 PFT from Employment Services for Grants Administration	0.0	0.0	66.2	66.2
Proposed budget decreases:				
-Delete One-Time Funding from Implementation of SB 192	0.0	-160.0	0.0	-160.0
Proposed budget increases:				
-Add 1 PFT Exempt Position for Support of the Alaska Hire Initiative	0.0	0.0	47.7	47.7
FY2005 Governor	0.0	35,604.0	6,179.5	41,783.5

**Business Services
Personal Services Information**

Authorized Positions		Personal Services Costs		
	FY2004 Authorized	FY2005 Governor		
Full-time	18	28	Annual Salaries	1,346,271
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	573,703
			<i>Less 3.12% Vacancy Factor</i>	(59,874)
			Lump Sum Premium Pay	0
Totals	18	28	Total Personal Services	1,860,100

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 III	1	0	1	0	2
Administrative Manager IV	0	0	1	0	1
Employ Sec Analyst I	1	0	1	0	2
Employ Sec Analyst II	0	0	2	0	2
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
Information Officer Assistant	0	0	1	0	1
Prog Coordinator	2	0	0	0	2
Project Asst	1	0	0	0	1
Project Coord	1	0	0	0	1
Research Analyst III	1	0	0	0	1
Totals	17	0	11	0	28