

State of Alaska FY2006 Governor's Operating Budget

Department of Labor and Workforce Development Business Partnerships Results Delivery Unit Budget Summary

Business Partnerships Results Delivery Unit

Contribution to Department's Mission

The Business Partnerships RDU contributes to the department's mission by developing and supporting workforce development programs designed to meet Alaskan employer needs.

Core Services

The Business Partnerships RDU provides core services through the following state and federal job training programs: the Workforce Investment Act of 1998 (WIA) Title I, the State Training Employment Program (STEP), the Denali Commission Training funds, Youth with Disabilities in Transition Program, the Alaska Vocational Technical Center in Seward and the Alaska Technical Center in Kotzebue.

The Workforce Investment Board component supports the Alaska Workforce Investment Board (AWIB), which is responsible for the oversight and continuous improvement of the federal, state, and local partnerships that implement the workforce investment system. This component provides staff to the AWIB and provides policy planning for the training and employment resources for state and federal programs.

The Business Services component designs and implements programs based upon the broad policies of the Alaska Workforce Investment Board. Business Services provides administration, technical assistance, reporting of program performance and evaluation as well as grant management of federal and state funds.

The Alaska Vocational Technical Center (AVTEC) offers post-secondary vocational technical education and training for Alaskans. AVTEC provides long-term training in 15 different business and industry fields and a wide variety of short-term training and educational programs. AVTEC coordinates with secondary education programs in preparing career paths for Alaska high school students to fill the 70 – 80% of jobs that do not require a college degree.

The Kotzebue Technical Center Operations Grant component provides funds to the Alaska Technical Center (ATC) located in Kotzebue. ATC offers residential adult vocational training through the Northwest Arctic Borough School District. ATC operates programs in building industrial technology, office occupations, mine maintenance technology, and health occupations in addition to short-term training in response to statewide industry needs.

The Southwest Alaska Vocational and Education Center Operations Grant component provides market driven vocational and technical training in rural Alaska.

The Yuut, Elitnaurviat, Inc. People's Learning Center Operations Grant component will provide a career learning center for adults and high school students with a focus on health, education including early childhood, aviation, and construction.

End Results	Strategies to Achieve Results
<p>A: Increase employment through job training.</p> <p><u>Target #1:</u> Increase to 90% the participants satisfied with services.</p> <p><u>Measure #1:</u> Percent of participants satisfied with services.</p> <p><u>Target #2:</u> At least 70% of trained participants will enter employment</p> <p><u>Measure #2:</u> Percent of trained participants entering employment</p>	<p>A1: Maximize the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).</p> <p><u>Target #1:</u> At least 60% of participants are trained in occupations aligned with the board 's industry priorities.</p> <p><u>Measure #1:</u> Percent of participants trained in priority industry occupations.</p> <p>A2: Maximize the return on investment for training resources.</p>

	<p><u>Target #1:</u> At least 90% of AVTEC long-term graduates are employed in their area of training.</p> <p><u>Measure #1:</u> The percent of AVTEC long-term graduates employed in their area of training.</p> <p><u>Target #2:</u> Within 6 months of training, 50% of a participant's training costs will be matched by earning changes.</p> <p><u>Measure #2:</u> Change in participant's earnings after 6 months equaling 50 percent of the cost of training.</p> <p>A3: Meet all negotiated performance standards set by the Alaska Workforce Investment Board and USDOL.</p> <p><u>Target #1:</u> Meet all 22 negotiated performance standards.</p> <p><u>Measure #1:</u> The number of negotiated performance standards that are met.</p> <p><u>Target #2:</u> At least 77% of AVTEC students complete long-term programs.</p> <p><u>Measure #2:</u> The percent of AVTEC students who complete long-term programs.</p>
--	--

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Management Information System (MIS) training for all grantees on a continuous as-needed basis. • Develop Workforce Investment Act program policies recommended by a Federal Review Team by 12/30/05. • Initiate and communicate improvement to grant procurement strategies by 03/30/05. • Submit Report on Training programs by 02/15/05. • Standardize internal grant approval process and streamline due diligence procedures for grantees by 03/31/05. • Update Eligible Training Provider List (ETPL) policy and finalize Technical Assistance Guide by 03/30/05. • Conduct National Emergency Grant (NEG) program evaluation by 01/31/05. • Monitor current year grantees identified by a risk assessment by 06/30/05. • Update and make needed improvements in policy readability and usability for program administration by 06/30/05. • Submit annual WIA report to USDOL by 10/15/05. • Review 10 percent of grantee participant files by 3/31/05. • Update WIA unified state plan by 6/30/05, or as prescribed by the impending congressional reauthorization of the Workforce Investment Act. 	<ul style="list-style-type: none"> • Develop consistent administrative and financial management monitoring procedures to ensure compliance with federal WIA requirements. • Identify more efficient ways to manage accounting and reporting of the WIA funding streams to satisfy concerns addressed in our Federal Review. • Re-certify one-stops per the Board's recommendations and streamline process for recertification by 03/30/05. • AVTEC-Employ full-time placement specialist to coordinate directly with employers to pipeline AVTEC students into jobs upon graduation. • AVTEC-Host an employment fair at AVTEC in Seward • AVTEC-Integrate job search, resume writing, and interview training into all AVTEC long-term training programs. • AVTEC-Invite industry professionals to participate in mock interviews with AVTEC students. • AVTEC-Maintain industry advisory boards for each training program to ensure quality and relevance of training. • AVTEC-Achieve annual nationally recognized skill standards certifications for each training program. • AVTEC-Conduct student field trips to industry work sites and career fairs. • AVTEC-Coordinate with student sponsors to improve application screening to help increase prospective student success. • AVTEC-Continue to develop industry partnerships to ensure direct employment of graduates.

FY2006 Resources Allocated to Achieve Results									
FY2006 Results Delivery Unit Budget: \$47,537,300	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Personnel:</td> </tr> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">60</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">55</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right; border-top: 1px solid black;">115</td> </tr> </table>	Personnel:		Full time	60	Part time	55	Total	115
Personnel:									
Full time	60								
Part time	55								
Total	115								

Performance Measure Detail

A: Result - Increase employment through job training.

Target #1: Increase to 90% the participants satisfied with services.

Measure #1: Percent of participants satisfied with services.

Analysis of results and challenges: A letter advising participants who received training services is sent at the time they are exited from our program, which advises them they will be contacted for a survey. Responses showing that satisfactory employment is obtained are considered an indicator that we are providing quality services.

Our participant customer satisfaction rate for SFY2004 was 96.7% for WIA and 97.1% for STEP; however, our response rates were low (47% for WIA and 44% for STEP).

Our participant customer satisfaction rate for SFY2005 was 95% for WIA and 97.6% for STEP; however, our response rates were low (44% for WIA and 23% for STEP) through September 2004.

For SFY2006 our Goal for Customer Satisfaction Rate is 75%.

We are developing strategies for improving the response rate and increasing the customer satisfaction rate. Specifically, more timely entry of records and maintenance of contact information should increase our response rate to our 75% goal.

Target #2: At least 70% of trained participants will enter employment

Measure #2: Percent of trained participants entering employment

Analysis of results and challenges: We determined an aggregate percentage for the Entered Employment rate that accounts for performance in multiple training programs. We have historical data for the Entered Employment rate from SFY01 forward for the following programs: WIA Adult, WIA Youth, WIA Dislocated Worker, and the State Training Employment Program (STEP).

A1: Strategy - Maximize the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).

Target #1: At least 60% of participants are trained in occupations aligned with the board 's industry priorities.

Measure #1: Percent of participants trained in priority industry occupations.

Analysis of results and challenges: We will allocate our limited training resources toward priority occupations to increase the likelihood that our training participants will obtain employment in alignment with these priorities. We will use industry priority occupations as criteria of grant awards. The prioritization of industries is based upon demand, growth and high non-residency. The current priority occupations are in the following industries; Health Care, Construction and Trades, Education, Information Technology, Seafood, Transportation and, Tourism and Hospitality.

Our Management Information System (MIS) participant data is incomplete for prior years, but for SFY2004 we show approximately 49.6% of clients trained in industry priority occupations. We are working to ensure the industry data is entered in the MIS for each participant. The strategies and processes we develop will provide clearer direction and insistence in training participants in priority industry occupations. In addition, we will use these priorities more explicitly to help inform participants as they utilize their "customer choice" options for training.

A2: Strategy - Maximize the return on investment for training resources.

Target #1: At least 90% of AVTEC long-term graduates are employed in their area of training.

Measure #1: The percent of AVTEC long-term graduates employed in their area of training.

AVTEC Long-Term Graduates

Year			COE	AVTEC	YTD
1999			80%	81%	
2000			86%	86%	
2001			90%	94%	
2002			86%	90%	
2003			86%	94%	
2004				75%	
2005					

Analysis of results and challenges: The Council on Occupational Education (COE) has nationally accredited AVTEC since 1997. The COE benchmark for measuring "graduates of long-term programs employed in their area of training" is established as the national average of more than 370 similar public post-secondary institutions. For each year from 1999 to 2004, AVTEC has consistently met or exceeded the benchmark. AVTEC only tracks the long-term (longer than six weeks) program graduates for this measure.

Graduates are followed for one year for employment purposes so graduate values continue to increase on a monthly basis.

AVTEC's 2005 training programs began in August 2004 hence there are no graduates yet as most programs are 8-10 months long.

Target #2: Within 6 months of training, 50% of a participant's training costs will be matched by earning changes.

Measure #2: Change in participant's earnings after 6 months equaling 50 percent of the cost of training.

Analysis of results and challenges: The Division of Business Partnerships calculates the Return on Investment for the STEP and WIA programs by Dividing the aggregate difference of pre and post earnings by the amount expended in the same State Fiscal Year.

State Fiscal Year 2002 is the first year we have complete data for both expenditures and earnings change. In State Fiscal Year 2005 we will use data collected for State Fiscal Year 2003.

A3: Strategy - Meet all negotiated performance standards set by the Alaska Workforce Investment Board and USDOL.

Target #1: Meet all 22 negotiated performance standards.

Measure #1: The number of negotiated performance standards that are met.

Analysis of results and challenges: The federal performance measures for the WIA Adult, Dislocated Worker and Youth programs vary by program and by program year. As shown below, we have met or exceed almost every performance requirement. The seventeen measures are as follows:

1. Adult Entered Employment Rate
SFY2004: Goal 69% - Actual 70.4%

- SFY2005: (through 09/04) Goal 71% - Actual 68.8%
SFY2006 Projected Goal: 71%
2. Dislocated Worker Entered Employment Rate
SFY2004: Goal 75% - Actual 75.7%
SFY2005: (through 09/04) Goal 77% - Actual 80.2%
SFY2006: Projected Goal 77%
3. Older Youth Entered Employment Rate
SFY2004: Goal 68% - Actual 72.2%
SFY2005: (through 09/04) Goal 69% - Actual 68.9%
SFY2006: Projected Goal 69%
4. Adult Employment Retention Rate
SFY2004: Goal 82% - Actual 83.8%
SFY2005: (through 09/04) Goal 82% - Actual 81.4%
SFY2006: Projected Goal 82%
5. Dislocated Worker Employment Retention Rate
SFY2004: Goal 87% - Actual 85.9%
SFY2005: (through 09/04) Goal 88% - Actual 82.5%
SFY2006: Projected Goal 88%
6. Older Youth Employment Retention Rate
SFY2004: Goal 72% - Actual 76.5%
SFY2005: (through 09/04) Goal 72% - Actual 70.2%
SFY2006: Projected Goal 72%
7. Younger Youth Employment Retention Rate
SFY2004: Goal 47% - Actual 77.3%
SFY2005: (through 09/04) Goal 49% - Actual 64.9%
SFY2006: Projected Goal 49%
8. Adult Earnings Change Rate
SFY2004: Goal \$4,200 - Actual \$5,961
SFY2005: (through 09/04) Goal \$4,400 - Actual \$4,672
SFY2006: Projected Goal \$4,400
9. Older Youth Earnings Change Rate
SFY2004: Goal \$3,200 - Actual \$3,349
SFY2005: (through 09/04) Goal \$3,200 - Actual \$1,758
SFY2006: Projected Goal \$3,200
10. Younger Youth Diploma Rate
SFY2004: Goal 55% - Actual 64.6%
SFY2005: (through 09/04) Goal 55% - Actual 70.8%
SFY2006: Projected Goal 55%
11. Younger Youth Skill Attainment Rate
SFY2004: Goal 75% - Actual 80.4%
SFY2005: (through 09/04) Goal 76% - Actual 81.8%
SFY2006: Projected Goal 76%
12. Adult Credential and Employment Rate
SFY2004: Goal 57% - Actual 63.4%
SFY2005: (through 09/04) Goal 59% - Actual 62.2%
SFY2006: Projected Goal 59%
13. Dislocated Worker Credential and Employment Rate

SFY2004: Goal 57% - Actual 70.5%
SFY2005: (through 09/04) Goal 59% - Actual 72.8%
SFY2006: Projected Goal 59%

14. Older Youth Credential and Employment Rate

SFY2004: Goal 30% - Actual 62.7%
SFY2005: (through 09/04) Goal 32% - Actual 55.4%
SFY2006: Projected Goal 32%

15. Dislocated Worker Entered Employment Wages

SFY2004: Goal 98% - Actual 157.9%
SFY2005: (through 09/04) Goal 98% - Actual 128.1%
SFY2006: Projected Goal 98%

16. WIA Employer Satisfaction

SFY2004: Goal 75% - Actual 14%
SFY2005: (through 09/04) Goal 75% - Actual 65%
SFY2006: Projected Goal 75%

17. WIA Participant Satisfaction Rate

SFY2004: Goal 75% - Actual 47%
SFY2005: (through 09/04) Goal 75% - Actual 75.1%
SFY2006: Projected Goal 75%

The five State Training Employment Program (STEP) performance measures include:

1. Entered Employment Rate

SFY2004: Goal 75% - Actual 86.4%
SFY2005: (through 09/04) Goal 75% - Actual 87.8%
SFY2006: Goal 75%

2. Employment Retention Rate

SFY2004: Goal 75% - Actual 86.4%
SFY2005: (through 09/04) Goal 75% - Actual 78.5%
SFY2006: Goal 75%

3. Earnings Change Rate

SFY2004: Goal \$1000 - Median Pre-Program Wage - Actual \$5,369
SFY2005: (through 09/04) Goal \$1000 - Median Pre-Program Wage - Actual \$627
SFY2006: Goal \$1,000 more than Median Pre-Program Wage

4. Credential and Employment Rate

SFY2004: Goal 75% - Actual 85%
SFY2005: (through 09/04) Goal 75% - Actual 85.6%
SFY2006: Goal 75%

5. Participant Satisfaction

SFY2004: Goal 75% - Actual 44%
SFY2005: (through 09/04) Goal 75% - Actual 73.2%
SFY2006: Goal 75%

Target #2: At least 77% of AVTEC students complete long-term programs.

Measure #2: The percent of AVTEC students who complete long-term programs.

AVTEC students complete long-term programs

Year			COE	AVTEC	YTD
1999			65%	75%	
2000			67%	80%	
2001			76%	80%	
2002			67%	77%	
2003			70%	80%	
2004				82%	
2005					0

Analysis of results and challenges: The Council on Occupational Education (COE) has nationally accredited AVTEC since 1997. The COE benchmark for measuring "students that complete long-term training programs" is established as the national average of more than 370 similar public post-secondary institutions. For each year from 1999 to 2003, AVTEC has consistently exceeded the benchmark.

Most of AVTEC's programs are 8-10 months long so values will continue to increase on a monthly basis.

Key RDU 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.

Increase the involvement of business and employers in Alaska's workforce investment system and increase job-training resources in Governor and Commissioner identified priority industries.

Strengthen the business-led Workforce Investment Board through better coordination with workforce development entities.

Maintain federal training program performance levels despite continued federal Workforce Investment Act formula reductions. This budget request includes the deletion of \$5,000.0 of unfunded federal authorization, these are dollars not available for training Alaskans.

Offset some of the impacts of federal training grant reductions by increasing the State Training and Employment Program (STEP) authorization.

Significant Changes in Results to be Delivered in FY2006

The Alaska Workforce Investment Board and the Business Partnerships RDU will focus on better coordination of regional, local and internal resources and help to leverage and assess statutorily mandated resource allocations.

There will continue to be reductions in federal training grants due to reduction in WIA funds; however the effects of this reduction will continue to be partially offset by the \$8 million dollar federal National Emergency Grant (NEG) for dislocated workers impacted by the price decline in Alaska's commercial salmon industry and the requested increase in authorization for the State Training and Employment Assistance Program (STEP).

The AVTEC Allied Health training in Anchorage will be expanded to add a second Licensed Practical Nurse program beginning January 05 to meet health industry demand for these training professionals and a budget increase to support this effort is included.

Major RDU Accomplishments in 2004

Business Partnerships successfully sought renewal of a waiver that integrated Alaska's workforce investment system into one statewide area and reduced administrative duplication through the elimination of two local workforce areas.

Business Partnerships improved the WIA Youth program performance outcomes against federally negotiated performance measures to avoid sanctions from the USDOL.

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

AVTEC received accreditation renewal from the Council on Occupational Education for another six years.

Contact Information
<p>Contact: Corine Geldhof, Acting Director Phone: (907) 465-5937 Fax: (907) 465-3212 E-mail: corine_geldhof@labor.state.ak.us</p>

**Business Partnerships
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2004 Actuals				FY2005 Management Plan				FY2006 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
None.												
Non-Formula Expenditures												
Workforce Investment Board	0.0	409.3	380.0	789.3	0.0	431.1	715.0	1,146.1	0.0	354.9	722.4	1,077.3
Business Services	0.0	21,313.8	4,733.6	26,047.4	0.0	34,006.1	6,680.2	40,686.3	0.0	29,069.6	6,988.1	36,057.7
AVTEC	3,140.5	234.3	3,486.3	6,861.1	2,994.1	450.0	4,018.1	7,462.2	3,537.9	450.0	4,071.5	8,059.4
AVTEC Facilities Maintenance	0.0	0.0	834.0	834.0	0.0	0.0	879.1	879.1	0.0	0.0	1,067.8	1,067.8
Kotzebue Tech Operations Grant	0.0	0.0	500.9	500.9	0.0	300.0	911.1	1,211.1	0.0	300.0	564.5	864.5
SAVEC Operations Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	205.3	205.3
Yuut Operations Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	205.3	205.3
Totals	3,140.5	21,957.4	9,934.8	35,032.7	2,994.1	35,187.2	13,203.5	51,384.8	3,537.9	30,174.5	13,824.9	47,537.3

Business Partnerships
Summary of RDU Budget Changes by Component
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>
FY2005 Management Plan	2,994.1	35,187.2	13,203.5	51,384.8
Adjustments which will continue current level of service:				
-Workforce Investment Board	0.0	7.9	7.4	15.3
-Business Services	0.0	63.5	11.0	74.5
-AVTEC	18.8	0.0	38.6	57.4
-AVTEC Facilities Maintenance	0.0	0.0	17.5	17.5
-SAVEC Operations Grant	0.0	0.0	182.2	182.2
-Yuut Operations Grant	0.0	0.0	182.1	182.1
Proposed budget decreases:				
-Workforce Investment Board	0.0	-84.1	0.0	-84.1
-Business Services	0.0	-5,000.0	-500.0	-5,500.0
-AVTEC	0.0	0.0	-320.5	-320.5
-Kotzebue Tech Operations Grant	0.0	0.0	-410.2	-410.2
Proposed budget increases:				
-Business Services	0.0	0.0	796.9	796.9
-AVTEC	525.0	0.0	335.3	860.3
-AVTEC Facilities Maintenance	0.0	0.0	171.2	171.2
-Kotzebue Tech Operations Grant	0.0	0.0	63.6	63.6
-SAVEC Operations Grant	0.0	0.0	23.1	23.1
-Yuut Operations Grant	0.0	0.0	23.2	23.2
FY2006 Governor	3,537.9	30,174.5	13,824.9	47,537.3