

# **State of Alaska FY2007 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 by matching employers with job seekers, and specialized employment and case management services for Veterans, public assistance recipients, disabled workers and unemployed workers through 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 provides training and needs related support services to eligible clients. Through the federal Senior Community Service Employment Program (SCSEP) provide work experiences for older workers via selected grantees.

Provide vital links between job openings and qualified, job-ready applicants in 24 One-Stop Job Centers located across the State, and through outreach locations and web-based delivery methods. Assist businesses in finding qualified job applicants by listing job openings, by matching, screening and referring Alaskan applicants, and by offering use of our public facilities to conduct recruitment sessions and interviews.

Provide orientations, job search assistance, assessments, labor market information, eligibility determinations, case management, employment counseling, 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.

Through specialized services, assist veterans, dislocated workers, low income adults, public assistance recipients, unemployed workers, seasonal workers, and Alaskans with no work experience.

Connect low-income seniors desiring to re-enter the mainstream workforce with non-profit organizations and public agencies needing workers. These services allow for needed work experiences with the goal of unsubsidized employment.

FY2007 Resources Allocated to Achieve Results		
<b>FY2007 Component Budget: \$29,853,500</b>	<b>Personnel:</b>	
	Full time	252
	Part time	2
	<b>Total</b>	<b>254</b>

**Key Component Challenges**

Employment and Training Services (ETS) must continue providing employment and training services to an increased customer base while the federal Wagner-Peyser grant has been flat funded or reduced for twelve consecutive years. ETS also experienced reduced funding in federal Workforce Investment Act (WIA) training account funds and VETS federal grants. Under-funded or unfunded federal mandates continue to impact ETS in the areas of the Work Opportunity Tax Credit (WOTC) federal grants, business relations group work, common performance measures (EMILE), and constant changes in reporting requirements.

To offset some of the funding shortfall, ETS will be forced for the third consecutive year to request use of limited federal Reed Act funds to support cost increases related to personal service benefits, health care, state bargaining unit contracts, leases, and technology investments.

Due to the 60-month lifetime limitation on public assistance benefits, ETS must continue to assist an increased number of public assistance clients in finding employment and removing barriers to employment.

### **Significant Changes in Results to be Delivered in FY2007**

ESD is continuing to develop a web based labor exchange system that automates skills based matching and promotes employer and job seeker interaction. This will result in better and faster matches between employers and job seekers. This project is scheduled to be completed in mid 2006.

A requested increase of \$1 million of Interagency receipt authorization to be supported by federal receipts in the Business Partnerships Division will have impacts in the following areas; Extend Employment & Training Services to more youth and other Alaskans through the use of mobile job center that can go to schools and other locations not located near a job center. Incorporate Career Guides into high schools to increase awareness and interest of construction, mining, transportation, and energy related jobs as viable career options. Assign Industry Representatives to liaison between employers and Career Guides to create learning and training opportunities such as job shadowing, mentoring, internships, and on-the-job training for young Alaskans. Coordinate with trade organizations to develop workshops and other avenues for young Alaskans to gain the appropriate knowledge, skills, and expectations to enter into apprenticeships thereby increasing Alaska's workforce readiness.

A requested increase in federal authorization in the ETS component in the amount of \$623.0 will increase employment and self-sufficiency for individuals with disabilities by funding Disability Program Navigators to link them to employers and to facilitate access to supports and services that will provide a transition to employment.

Continued service delivery efforts with Alaska Native organizations and Job Corps will increase access to employment related core, intensive and training services to more Alaskans.

### **Major Component Accomplishments in 2005**

Assisted 32,552 job seekers to enter employment through the Alaska Job Center Network.

Increased the number of Alaskans conducting on-site job searches at Alaska Job Centers statewide to 246,124, an increase of 48,698 from FY 2004.

Increased the number of job openings listed from employers to 53,910, an increase of 7,987 from FY2004.

The federal Senior Community Service Employment Program (in Alaska referred to as the Mature Alaskans Seeking Skilled Training program) continues to serve more eligible seniors. In FY05 the program served 388 participants, this is an increase over FY04 when it served 300. Of these participants, 89 obtained unsubsidized employment in FY05 compared to 80 in FY04. The FY05 numbers reflect that the program exceeded its federal performance measures in both categories.

Exceeded the National Emergency grant enrollment performance measure for displaced salmon fishermen. Employment and Training Services enrolled over 700 participants, exceeding the target of 468 participants by nearly 50%.

### **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 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*

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	15,456.7	16,919.2	18,763.2
72000 Travel	321.5	217.2	267.2
73000 Services	3,275.8	3,281.8	3,622.7
74000 Commodities	612.6	425.0	490.0
75000 Capital Outlay	6.4	0.0	0.0
77000 Grants, Benefits	8,089.9	6,563.0	6,710.4
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>27,762.9</b>	<b>27,406.2</b>	<b>29,853.5</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	12,524.1	13,737.6	14,906.1
1003 General Fund Match	0.0	50.9	50.9
1004 General Fund Receipts	0.0	16.9	16.9
1007 Inter-Agency Receipts	14,740.0	12,746.5	14,155.5
1049 Training and Building Fund	487.4	651.7	674.1
1054 State Employment & Training Program	0.0	152.6	0.0
1108 Statutory Designated Program Receipts	11.4	50.0	50.0
<b>Funding Totals</b>	<b>27,762.9</b>	<b>27,406.2</b>	<b>29,853.5</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Unrestricted Revenues</b>				
Training & Building Fund	51155	487.4	651.7	674.1
State Employment and Training Program	51394	0.0	152.6	0.0
<b>Unrestricted Total</b>		<b>487.4</b>	<b>804.3</b>	<b>674.1</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	12,524.1	13,737.6	14,906.1
Interagency Receipts	51015	14,740.0	12,746.5	14,155.5
Statutory Designated Program Receipts	51063	11.4	50.0	50.0
<b>Restricted Total</b>		<b>27,275.5</b>	<b>26,534.1</b>	<b>29,111.6</b>
<b>Total Estimated Revenues</b>		<b>27,762.9</b>	<b>27,338.4</b>	<b>29,785.7</b>

**Summary of Component Budget Changes  
From FY2006 Management Plan to FY2007 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2006 Management Plan</b>	<b>67.8</b>	<b>13,737.6</b>	<b>13,600.8</b>	<b>27,406.2</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	0.0	170.8	136.2	307.0
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.0	24.3	19.4	43.7
-FY 07 Retirement Systems Cost Increase	0.0	317.8	249.6	567.4
<b>Proposed budget decreases:</b>				
-Federal Authorization to be Offset by Specific Federal Reed Act Authorization	0.0	-1,645.6	0.0	-1,645.6
-Direct State Training and Employment Program (STEP) Authorization	0.0	0.0	-152.6	-152.6
<b>Proposed budget increases:</b>				
-Alaska Youth First Initiative Interagency Receipts and 6 Non-Perm PCNs	0.0	0.0	1,000.0	1,000.0
-Disability Program Navigator Grant Federal Authorization and 7 Non-Perm PCNs	0.0	623.0	0.0	623.0
-Federal Reed Act Authorization that Offsets Reduction to General Federal Authorization	0.0	1,645.6	0.0	1,645.6
-Risk Management Self-Insurance Funding Increase	0.0	32.6	26.2	58.8
<b>FY2007 Governor</b>	<b>67.8</b>	<b>14,906.1</b>	<b>14,879.6</b>	<b>29,853.5</b>

**Employment and Training Services  
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	252	252	Annual Salaries	12,662,049
Part-time	3	2	COLA	339,786
Nonpermanent	10	24	Premium Pay	0
			Annual Benefits	7,146,992
			<i>Less 6.88% Vacancy Factor</i>	<i>(1,385,627)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>265</b>	<b>278</b>	<b>Total Personal Services</b>	<b>18,763,200</b>

**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
Administrative Assistant	0	2	5	1	8
Administrative Clerk I	3	1	1	0	5
Administrative Clerk II	2	0	0	1	3
Administrative Clerk III	1	1	1	3	6
Administrative Manager I	1	0	0	0	1
Administrative Manager IV	0	0	1	0	1
Asst Dir Employ Security	0	0	2	0	2
College Intern I	0	0	1	1	2
Community Devel Spec I	2	2	0	5	9
Community Devel Spec II	8	5	2	8	23
Community Devel Spec III	0	1	1	4	6
Dep Dir ESD	0	0	1	0	1
Division Director	0	0	1	0	1
Employ Counselor II	9	3	3	10	25
Employ Counselor III	0	0	1	0	1
Employ Sec Analyst I	0	0	3	0	3
Employ Sec Analyst II	1	0	6	0	7
Employ Sec Analyst III	1	0	4	0	5
Employ Sec Spec IA	15	1	3	19	38
Employ Sec Spec IB	22	11	6	30	69
Employ Sec Spec II	3	1	0	3	7
Employ Sec Spec III	1	1	1	2	5
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	8	9
Employment Service Mgr III	3	0	0	1	4
Employment Service Mgr IV	1	1	1	2	5
Information Officer	0	0	1	0	1
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
Program Coordinator	0	0	1	0	1
Project Assistant	3	0	0	0	3

**Position Classification Summary**

<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Project Asst	2	1	0	3	6
Project Coord	1	0	1	0	2
Project Coordinator	1	0	0	0	1
Security Operations Officer	1	0	0	0	1
<b>Totals</b>	<b>84</b>	<b>34</b>	<b>56</b>	<b>104</b>	<b>278</b>