

State of Alaska
FY2007 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 designing and implementing employment and training programs that align with Alaska business and industry workforce demands and that result in participant employment and in building a prepared workforce.

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 policy oversight of the Alaska Workforce Investment Board and upon Alaska business and industry demands for a trained workforce. 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.

The Northwest Alaska Career and Technical Center, (NACTEC), component provides high school students with the necessary resources and skills to prepare them for skilled employment opportunities and the pursuit of postsecondary education. At NACTEC, students receive instruction in four focus areas: career and technical skills, career exploration, life skills, and soft skills.

End Results	Strategies to Achieve Results
<p>A: Increase employment through job training.</p> <p><u>Target #1:</u> Increase to 97 percent the participants satisfied with services.</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>Measure #1:</u> Percent of participants satisfied with services.</p> <p><u>Target #2:</u> At least 85 percent of trained participants will enter employment</p> <p><u>Measure #2:</u> Percent of trained participants entering employment</p>	<p><u>Target #1:</u> At least 60 percent of participants are trained in occupations aligned with the AWIB'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 percent 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 six months of training, 50 percent of a participant's training costs will be matched by earning changes.</p> <p><u>Measure #2:</u> Change in participant's earnings after six 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 percent of AVTEC students complete long-term programs.</p> <p><u>Measure #2:</u> The percent of AVTEC students who complete long-term programs.</p>
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Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> • Management Information System (MIS) training for all grantees on a continuous as-needed basis. • Submit Report on Training programs by 02/15/06. • Update Eligible Training Provider List (ETPL) procedures by 03/30/06. • Conduct National Emergency Grant (NEG) program evaluation by 09/30/06. • Update and make needed improvements in policy readability, usability, and tracking for program administration by 06/30/06. • Submit annual WIA report to USDOL by 10/15/06. • Review 20 percent of grantee participant files by 6/30/06. • Update WIA state plan as prescribed by the impending congressional reauthorization of the Workforce Investment Act. • Define and improve upon administrative and financial management monitoring procedures to ensure compliance with federal WIA requirements. • Develop and implement career guidance and youth employability skills programs to help advise and train youth in school or at the Alaska Job Centers. | <ul style="list-style-type: none"> • Offer incentives for employers to hire youth in work experience positions. • Assist teachers in understanding and using industry job standards in the classroom. • Provide summer industry academies for students at university and career centers to introduce them to high demand career opportunities • AVTEC-Employ full-time placement specialist to coordinate directly with employers to place 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 |
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Major Activities to Advance Strategies

- Coordinate career activities such as Vocational Student Professional Opportunities, Career Fairs, and School to Apprenticeship.
- AVTEC-Coordinate with student sponsors to improve application screening to help increase prospective student success.
- sites and career fairs.

FY2007 Resources Allocated to Achieve Results

FY2007 Results Delivery Unit Budget: \$57,497,100

Personnel:

Full time	72
Part time	54
Total	126

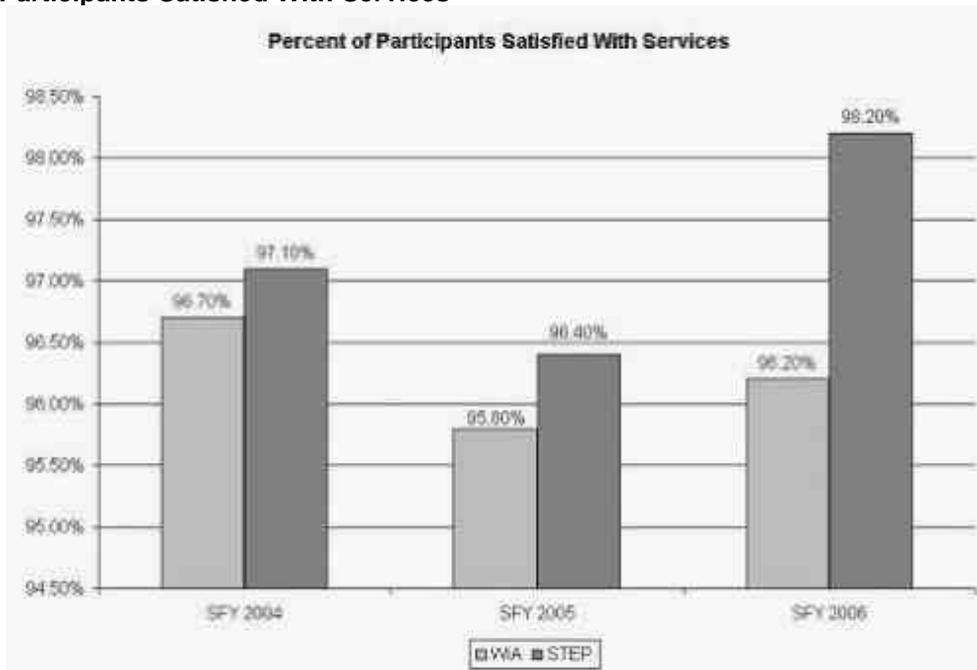
Performance Measure Detail

A: Result - Increase employment through job training.

Target #1: Increase to 97 percent the participants satisfied with services.

Measure #1: Percent of participants satisfied with services.

Percent of Participants Satisfied With Services



Analysis of results and challenges: Participants who received training services are 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 95.8% for WIA and 96.4% for STEP; however, our response rates were low (47% for WIA and 41% for STEP) through June 2005.

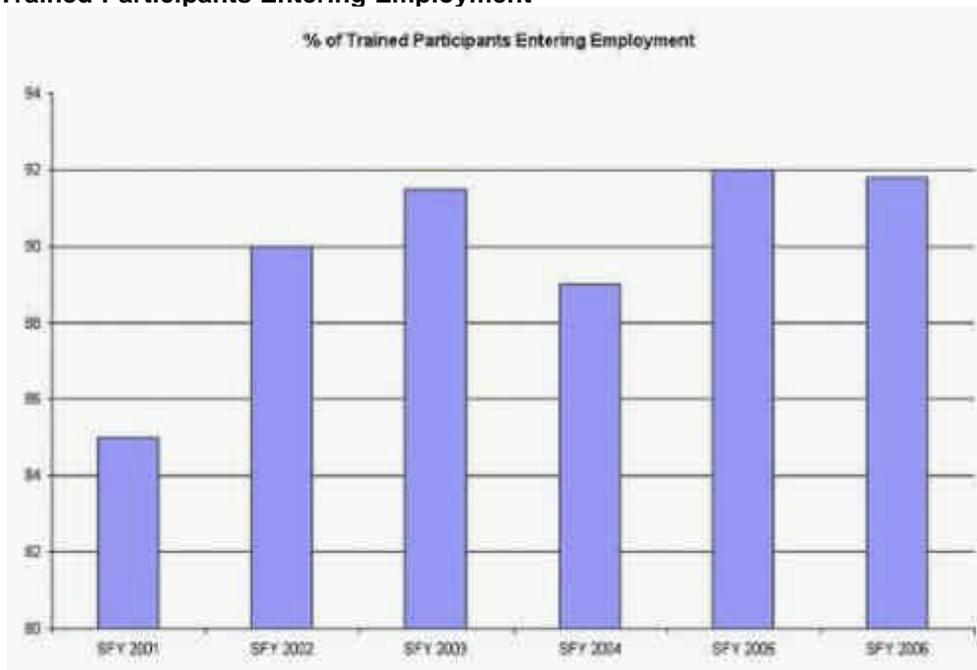
Our participant customer satisfaction rate for SFY2006 was 96.2% for WIA and 98.2% for STEP; however, our response rates were low (38% for WIA and 42% for STEP) through August 2005. For SFY2006 our goal for participant customer satisfaction response rate is 75%.

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 85 percent of trained participants will enter employment

Measure #2: Percent of trained participants entering employment

Percent of Trained Participants Entering Employment



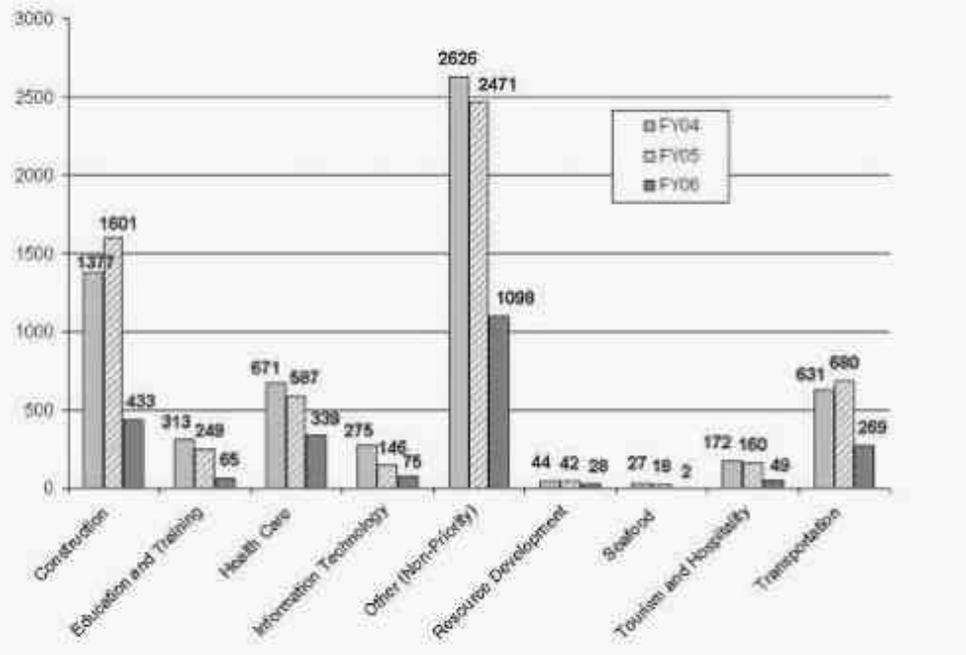
Analysis of results and challenges: We determined an aggregate percentage for the Entered Employment rate that accounts for performance in multiple training programs. We have historical data for the Entered Employment rate from SFY01 forward for the following programs: WIA Adult, WIA Youth, WIA Dislocated 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 percent of participants are trained in occupations aligned with the AWIB's industry priorities.

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

Clients Trained in Industry Priority Occupations



Analysis of results and challenges: We continue to allocate our limited training resources focused on priority industries to increase the likelihood that training participants will obtain employment in alignment with these priorities. We 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, Transportation, Hospitality, Seafood, Education, Construction, Information Technology, and Resource Development.

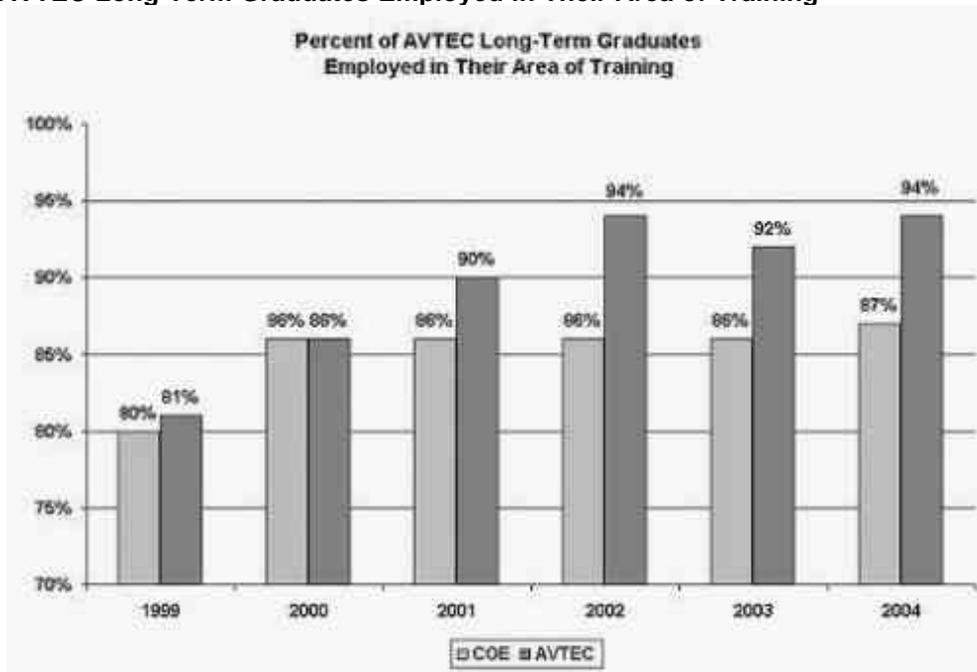
Our Management Information System (MIS) participant data for SFY2005 shows approximately 50 percent of clients were trained in priority industry occupations. The strategies and processes provide clear direction and insistence in training participants in priority industry occupations. In addition, we use these priorities to emphasize but not require 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 percent 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.

Percent of AVTEC Long-Term Graduates Employed in Their Area of Training



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.

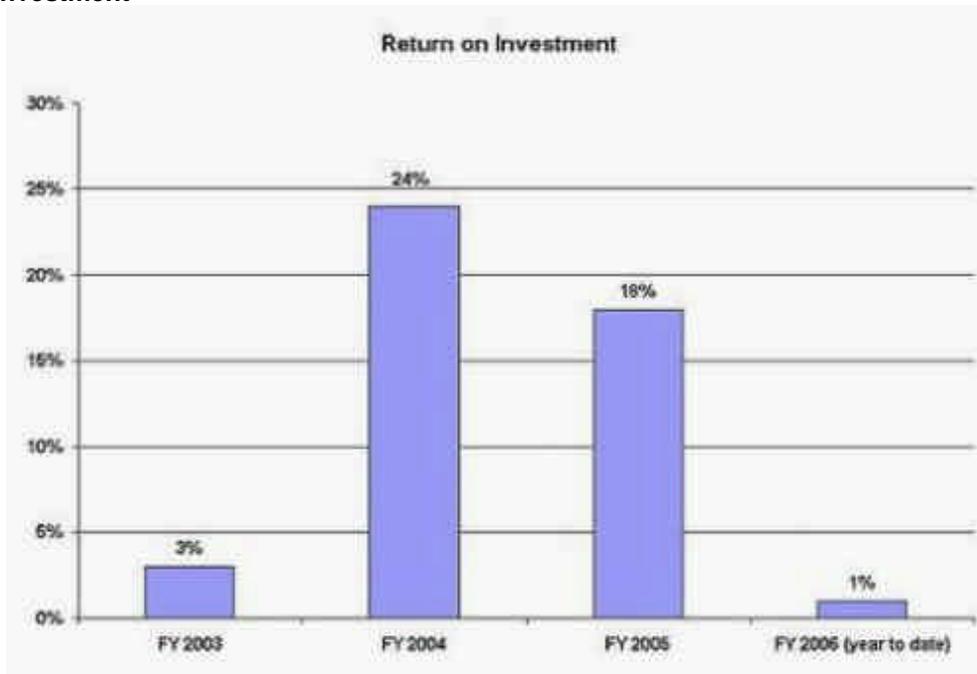
Graduates are followed for one year for employment purposes so graduate values continue to increase on a monthly basis.

AVTEC's 2006 training programs began in August 2005 hence there are no graduates yet as most programs are 8-10 months long.

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

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

Return on Investment



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 2004 was the first year the Division was in existence and it made a point of including the requirement for tracking expenditures in the Management Information System in all grants and RSA specifications.

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. The seventeen measures are:

1. Adult Entered Employment Rate
 - SFY2004: Goal 69% - Actual 70.4%
 - SFY2005: Goal 71% - Actual 71.4%
 - SFY2006 (through 8/05) Goal 71% - Actual 65.9%
2. Dislocated Worker Entered Employment Rate
 - SFY2004: Goal 75% - Actual 75.7%
 - SFY2005: Goal 77% - Actual 80.6%
 - SFY2006: (through 8/05) Goal 77% - Actual 75.3%
3. Older Youth Entered Employment Rate
 - SFY2004: Goal 68% - Actual 72.2%
 - SFY2005: Goal 69% - Actual 68.9%
 - SFY2006: (through 8/05) Goal 69% - Actual 33.3%
4. Adult Employment Retention Rate

SFY2004: Goal 82% - Actual 83.8%
SFY2005: Goal 82% - Actual 84.9%
SFY2006: (through 8/05) Goal 82% - Actual 83.8%

5. Dislocated Worker Employment Retention Rate

SFY2004: Goal 87% - Actual 85.9%
SFY2005: Goal 88% - Actual 83.8%
SFY2006: (through 8/05) Goal 88% - Actual 85.2%

6. Older Youth Employment Retention Rate

SFY2004: Goal 72% - Actual 76.5%
SFY2005: Goal 72% - Actual 76.0%
SFY2006: (through 8/05) Goal 72% - Actual 66.7%

7. Younger Youth Employment Retention Rate

SFY2004: Goal 47% - Actual 77.3%
SFY2005: Goal 49% - Actual 68.3%
SFY2006: (through 8/05) Goal 49% - Actual 58.1%

8. Adult Earnings Change Rate

SFY2004: Goal \$4,200 - Actual \$5,961
SFY2005: Goal \$4,400 - Actual \$5,335
SFY2006: (through 8/05) Goal \$4,400 - Actual \$5,168

9. Older Youth Earnings Change Rate

SFY2004: Goal \$3,200 - Actual \$3,349
SFY2005: Goal \$3,200 - Actual \$5,831
SFY2006: (through 8/05) Goal \$3,200 - Actual \$3,018

10. Younger Youth Diploma Rate

SFY2004: Goal 55% - Actual 64.6%
SFY2005: Goal 55% - Actual 69.8%
SFY2006: (through 8/05) Goal 55% - Actual 59.5%

11. Younger Youth Skill Attainment Rate

SFY2004: Goal 75% - Actual 80.4%
SFY2005: Goal 76% - Actual 87.4%
SFY2006: (through 8/05) Goal 76% - Actual 83.3%

12. Adult Credential and Employment Rate

SFY2004: Goal 57% - Actual 63.4%
SFY2005: Goal 59% - Actual 58.3%
SFY2006: (through 8/05) Goal 59% - Actual 57.4%

13. Dislocated Worker Credential and Employment Rate

SFY2004: Goal 57% - Actual 70.5%
SFY2005: Goal 59% - Actual 70.2%
SFY2006: (through 8/05) Goal 59% - Actual 65.2%

14. Older Youth Credential and Employment Rate

SFY2004: Goal 30% - Actual 62.7%
SFY2005: Goal 32% - Actual 56.5%
SFY2006: (through 8/05) Goal 32% - Actual N/A

15. Dislocated Worker Entered Employment Wages

SFY2004: Goal 98% - Actual 157.9%
SFY2005: Goal 98% - Actual 92.0%
SFY2006: (through 8/05) Goal 98% - Actual 86.4%

16. WIA Employer Satisfaction
SFY2004: Goal 75% - Actual 14%
SFY2005: Goal 75% - Actual 63.9%
SFY2006: (through 8/05) Goal 75% - Actual N/A

17. WIA Participant Satisfaction Rate
SFY2004: Goal 75% - Actual 47%
SFY2005: Goal 75% - Actual 75.4%
SFY2006: (through 8/05) Goal 75% - Actual 79.8%

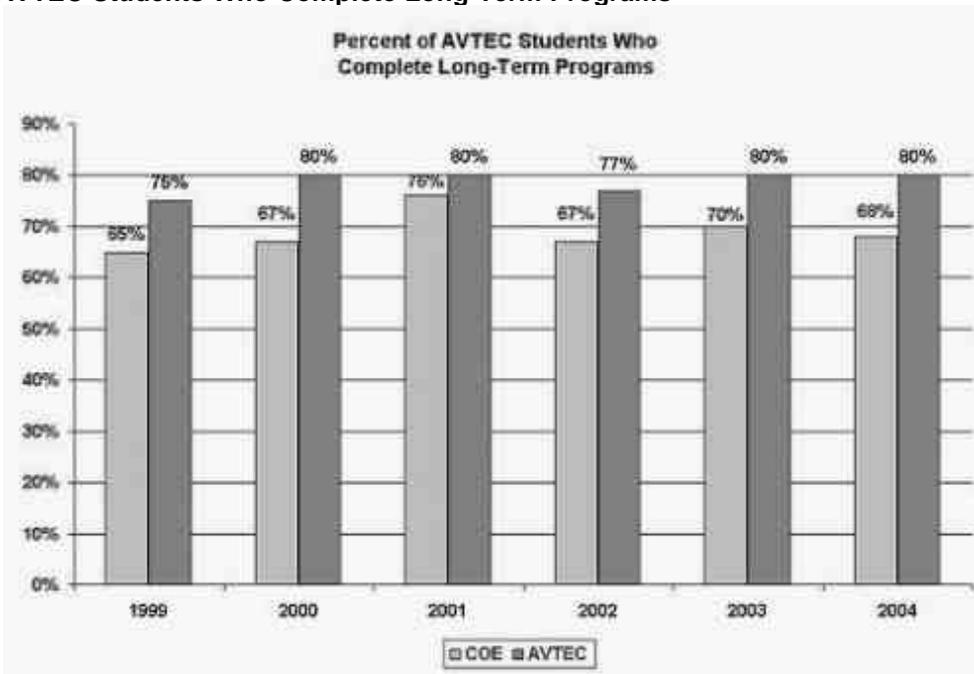
The five State Training Employment Program (STEP) performance measures include:

1. Entered Employment Rate
SFY2004: Goal 75% - Actual 86.4%
SFY2005: Goal 75% - Actual 86.9%
SFY2006: (through 8/05) Goal 75% - Actual 66.7%
2. Employment Retention Rate
SFY2004: Goal 75% - Actual 86.4%
SFY2005: Goal 75% - Actual 90.8%
SFY2006: (through 8/05) Goal 75% - Actual 78.3%
3. Earnings Change Rate
SFY2004: Goal \$1000 - Median Pre-Program Wage - Actual \$5,369
SFY2005: Goal \$1000 - Median Pre-Program Wage - Actual -\$4,311
SFY2006: (through 8/05) Goal \$1,000 more than Median Pre-Program Wage - Actual -\$1,700
4. Credential and Employment Rate
SFY2004: Goal 75% - Actual 85%
SFY2005: Goal 75% - Actual 83.5%
SFY2006: (through 8/05) Goal 75% - Actual 77.2%
5. Participant Satisfaction
SFY2004: Goal 75% - Actual 44%
SFY2005: Goal 75% - Actual 79.3%
SFY2006: (through 8/05) Goal 75% - Actual 75.8%

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

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

Percent of AVTEC Students Who Complete Long-Term Programs



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 2004, 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

Face federal formula funding reductions and rescissions and prepare contingencies by seeking supplemental funding sources and leveraging funds through partnerships with Alaska business and industry. Increased federal authorization of \$3 million is being requested to allow acceptance of special grant funds which will help to offset the impacts of Workforce Investment Act (WIA) grant reductions.

Implement the Alaska Youth First Initiative by requesting \$4 million in General Funds for training up the future Alaska workforce to take advantage of high-demand occupations in high-growth industries. This request will replace funding dedicated to training youth and advancing vocational technical education in Alaska's schools from the federal High Growth Job Training Initiative award which will end mid FY07.

The department has requested General Funds in the amount of \$300.0 to change funding for the Alaska Technical Center in Kotzebue from Federal training funds to General Funds. This change will help to address Workforce Investment Act (WIA) formula funding reductions by allowing the funds to be used for training grants.

Monitor the Congressional reauthorization of the federal Workforce Investment Act in 2006. The mandate to implement common performance measures across all employment and training programs, and potential changes to Youth, Adult and Dislocated Worker program design and funding will influence Alaska's employment and training program outcomes.

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

Significant Changes in Results to be Delivered in FY2007

The requested introduction of general fund dollars will serve to stabilize the AWIB annual budget, provide more funds for

the training programs, greatly streamline the process for funding this component, reduce the uncertainty of revenue collections and improve the board's ability to conduct its business. Many other states' WIBs receive the bulk, if not all, of their funding for staff from the general fund.

We have been advised of continuing reductions in federal Workforce Investment Act (WIA) formula funding. Also funding for several special federal initiatives will end during FY07. This continued loss of funding will result in service reductions throughout the department and will reduce the number of training grants available.

A proposal to increase State Training and Employment Program (STEP) revenues through legislation will help to offset the trend of continuing reductions in WIA funding so that approximately 5,600 more Alaskans who might have been recipients of federal training dollars may gain employment through STEP-funded training.

The key issue facing AVTEC is training program expansion to meet the demand for an increased Alaskan workforce. To address this AVTEC is requesting \$1.6 Million in General Funds along with Receipt Supported Services to graduate on an annual basis an additional 45 Pipe Welders, 140 Mariners, 80 Allied Health Workers, 40 Commercial Drivers Licensees, 115 Facility Maintenance/Construction Trades Workers, and 75 Distance Training Graduates.

Major RDU Accomplishments in 2005

Acquired a \$7 million grant award under the President's High Growth Job Training Initiative to increase Alaska's capacity to recruit and train workers for careers in the energy industry sectors and to demonstrate an innovative approach to workforce development with a focus on industry engagement, and vocational and technical education.

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

The division issued an increased number of Requests for Training Proposals in 2005. The combination of an increase in advertisement of available funding and aligning initiatives among multiple funding sources created increased competitive interest among respondents. The increased competition gave the division more proposals to review for training opportunities; and the alignment of funding sources allowed the grantees to provide services to a broader spectrum of Alaskans seeking training.

Contact Information
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**Business Partnerships
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2005 Actuals				FY2006 Management Plan				FY2007 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	343.8	378.8	722.6	0.5	368.9	795.5	1,164.9	0.5	0.0	871.8	872.3
Business Services	0.0	20,310.2	5,633.4	25,943.6	1.9	29,132.9	6,964.3	36,099.1	4,001.9	32,236.1	7,029.3	43,267.3
AVTEC	2,998.8	248.5	4,245.3	7,492.6	3,481.5	450.0	4,125.7	8,057.2	5,548.2	450.0	4,326.5	10,324.7
AVTEC Facilities Maintenance	0.0	0.0	974.9	974.9	0.0	0.0	1,085.7	1,085.7	0.0	0.0	1,337.2	1,337.2
Kotzebue Tech Operations Grant	0.0	0.0	944.2	944.2	0.0	300.0	564.5	864.5	300.0	0.0	576.4	876.4
SAVEC Operations Grant	0.0	0.0	0.0	0.0	0.0	0.0	205.3	205.3	0.0	0.0	209.6	209.6
Yuut Operations Grant	0.0	0.0	0.0	0.0	0.0	0.0	205.3	205.3	0.0	0.0	209.6	209.6
Northwest Alaska Center	0.0	0.0	0.0	0.0	400.0	0.0	0.0	400.0	400.0	0.0	0.0	400.0
Totals	2,998.8	20,902.5	12,176.6	36,077.9	3,883.9	30,251.8	13,946.3	48,082.0	10,250.6	32,686.1	14,560.4	57,497.1

Business Partnerships
Summary of RDU Budget Changes by Component
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>
FY2006 Management Plan	3,883.9	30,251.8	13,946.3	48,082.0
Adjustments which will continue current level of service:				
-Workforce Investment Board	0.0	-369.2	353.1	-16.1
-Business Services	0.0	97.4	64.1	161.5
-AVTEC	429.3	0.0	0.0	429.3
-AVTEC Facilities Maintenance	0.0	0.0	33.1	33.1
-Kotzebue Tech Operations Grant	300.0	-300.0	0.0	0.0
Proposed budget decreases:				
-Workforce Investment Board	0.0	0.0	-278.3	-278.3
Proposed budget increases:				
-Workforce Investment Board	0.0	0.3	1.5	1.8
-Business Services	4,000.0	3,005.8	0.9	7,006.7
-AVTEC	1,637.4	0.0	200.8	1,838.2
-AVTEC Facilities Maintenance	0.0	0.0	218.4	218.4
-Kotzebue Tech Operations Grant	0.0	0.0	11.9	11.9
-SAVEC Operations Grant	0.0	0.0	4.3	4.3
-Yuut Operations Grant	0.0	0.0	4.3	4.3
FY2007 Governor	10,250.6	32,686.1	14,560.4	57,497.1