

**State of Alaska  
FY2009 Governor's Operating Budget**

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

**Component: Business Services**

**Contribution to Department's Mission**

The Business Services component contributes to the department's mission by partnering with business and industry to build a trained and prepared workforce.

**Core Services**

Business Services provides administration, grant management, technical assistance, program development and design, and performance and evaluation support for the Workforce Investment Act (WIA) of 1998 Title IB programs, the State Training and Employment Program (STEP), the Denali Commission Training Fund, Alaska's Youth First Initiative, and the Construction Academy Program. Business Services also administers the Alaska Pipeline Worker Training Project, a targeted federal employment and training grant.

Under WIA Title IB, funds are available for eligible Youth, Adult and Dislocated Workers; under the Dislocated Worker program, an allowable set-aside provides workers who are served lay-off notices with Rapid Response services.

The Denali Commission Training Fund provides training associated with rural infrastructure projects sponsored by the Denali Commission. The fund is continuing to target training to expand the Denali Youth Initiative Program preparing rural youth (ages 16-24) for first jobs and employment in Denali Commission investment priorities in construction, maintenance, and operation of infrastructure for energy, health care and transportation.

State Training and Employment Program (STEP) provides Alaskan workers access to state and employer sponsored training programs and services.

The Youth First Initiative, funded with General Funds, fills gaps in the workforce system by focusing on youth employability, career awareness, pre-vocational training, teacher-industry externships, student internships, summer youth academies, and construction academies.

<b>FY2009 Resources Allocated to Achieve Results</b>		
<b>FY2009 Component Budget: \$36,896,000</b>	<b>Personnel:</b>	
	Full time	30
	Part time	0
	<b>Total</b>	<b>30</b>

**Key Component Challenges**

Prepare sustainable funding contingencies as a response to unpredictable federal formula funding allocations and potential rescissions by seeking supplemental funding sources and leveraging funds through partnerships with targeted Alaska business and industry (e.g. oil/gas, construction, transportation, mining, tourism and hospitality, healthcare, etc.).

Monitor the Congressional reauthorization of the federal Workforce Investment Act in 2008. The mandate to implement common performance measures across all employment and training programs, and potential changes to Youth, Adult and Dislocated Worker program design, funding, and program oversight, plus possible state workforce investment board restructuring will influence and shape Alaska's employment and training program outcomes.

Advocate for a simpler and more stable federal allocation formula for funding WIA Title 1B programs. Currently, the

allocations: limit the ability to achieve a key goal of federal allocation formulas which is to distribute program funds to areas based on their relative shares of people eligible to receive services; present time lags between when data is collected and when the allocations are made available so that the allocations do not reflect current labor market conditions; and are excessively volatile, making program planning difficult from year to year.

Continue to build on successes of the Youth First Initiative by showing demonstrable, reportable results tied with program and fiscal performance, participant outcomes, and grantee attainment of goals, and seek ways to formalize a unified system of data collection, as currently the Youth First Initiative performance is done manually or anecdotally.

Implement the first year of the federally funded Alaska Pipeline Worker Training Project to prepare skilled construction workers for ongoing modernization efforts on existing pipelines, and for construction of an anticipated gas pipeline, making use of apprenticeship programs.

Maintain the trend for increased efficiencies in employment and training programs by continuing to find cost-saving efficiencies in addition to maximizing leveraging resources, and streamlining operations, including grant solicitations, negotiations, and management for deliverables, in all programs.

### **Significant Changes in Results to be Delivered in FY2009**

Continue the Alaska Youth First Initiative by requesting \$3.5 million of General Fund in the capital budget to continue participation for youth and adults in construction academies. The funds are for use in training up the future Alaska workforce to take advantage of high-demand occupations in high-growth industries; to prepare Alaska's youth for careers and best-bet occupations; and to continue construction academies as a demonstrable, best-practice throughout Alaska. 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 that ends in FY08, and will assist in continuing construction academies with increased partnership with school districts and industry led consortia represented by the Alaska Home Builders Association and the Associated General Contractors.

The statutory mandate set out in the Alaska Gasline Inducement Act requires the department to develop a job training program that will prepare Alaskans for jobs in gas pipeline project management, construction, operations, maintenance and other gas pipeline related fields. With the requested incremental funding of \$835.0 General Funds for training for gasline related occupations, the Business Services component will focus on strengthening public-private partnerships for enhanced development and delivery among existing training programs so they become regional "Centers of Excellence." This integrated system will connect an articulated career pathway from high school to postsecondary education and training; transition participants from school to work; incorporate career technical education standards, and use industry-based standards. A well integrated career technical education system will "feed" youth and adults with career interest and capability through the system from entry to journey level advancement at these strategic, regional locations. The funding will:

1. Fund a Program Coordinator and support staff to develop and implement a plan to link two or more regional training centers under national accreditation ensuring institutional and program standards are being met; provide technical assistance to all state/regional training programs in meeting skill standards to recognize Centers of Excellence -- \$200.0;
2. Contract for the development of a career pathways roadmap linking high schools, Regional Training Centers, State Training Centers, University of Alaska, Registered Apprenticeship, Pipeliner Training facility, and Jobs/Careers in a print and web based fashion to all schools and job centers and develop a web and print based Alaska Training Program guide -- \$50.0;
3. Provide training and related instruction to at least 70 apprentices at Regional Training Centers for AGIA related occupations -- \$210.0; and
4. Fund cooperative training agreements with business and industry for registered apprentices and structured on-the-job training for roughly 125 workers -- \$375.0.

Included in this budget request is a one time increase in STEP authorization of \$1,247,900 to use the carry forward balance of the STEP account to provide additional training opportunities to Alaskans.

By requesting \$3,700,000 in General Funds, develop an improved, cost-efficient, stable and reliable outcome-based

Management Information System (MIS) that will reduce maintenance and operations costs to the state; will show returns on significant workforce training investments; and will support the department to meet its statutory mission of ensuring a prepared, skilled workforce, and creating for Alaskans opportunities for profitable employment.

A significant change in the Business Services component is to continue the renewed focus on the mission to build industry partnerships that result in a trained and prepared workforce. Business Services will continue to cultivate new partnerships with the University, Denali Commission, school districts, employers, technical training providers, and Native Alaskan training and employment programs. These new partnerships permit leveraging resources from other programs to support increased training opportunities for Alaskan youth and adults for high-growth occupations in high-demand industries.

## Major Component Accomplishments in 2007

Continued to refine program design and implemented goals of the \$7 million grant award under the President's High Growth Job Training Initiative (HGJTI) 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 fast tracking participation through Alaska Job Centers making it easier for Alaskans interested in the construction industry to access training including registered apprenticeships. Acquired an additional no-cost extension of the project to continue through the end of FY08 to conduct in-depth evaluation, demonstrate success of the pilot project, and share best practices among the national workforce investment system.

Continued the youth component of HGJTI in Program Year 2006 by awarding 11 grants to non-profits providing information and outreach services to youth; seven grants to local school districts providing information and training to students; and four service agreements to other state divisions and the University for information, referral, outreach, employment and training services to youth and young adults, for a total of \$3,054,910 to assist 19,262 Alaskans.

Developed and implemented goals of Alaska's Pipeline Worker Training Earmark Grant through an additional no-cost extension in FY08, training 100 workers in pipeline construction techniques in arctic conditions through a joint effort of the Alaska Job Centers, Alaska Works Partnerships, the North Slope Contractors, and the four labor unions that are members of the Joint Petroleum Crafts Council. The training was to meet demand for certified heavy equipment operators, skilled laborers, welders, truck drivers and surveyors for full employment with North Slope Contractors in pipeline construction jobs.

Developed and implemented goals of Alaska's Youth First Initiative with the initial FY07 investment of \$850,000 in General Funds, serving 649 youth through career guides; 844 youth completing at least one Youth Employability Skill activity; 297 youth participating in paid and un-paid work experience; and six teachers receiving continuing education credits. With the increased investment in FY08 of \$1,450,000 for a total of \$2,300,000, targets are to serve 250 youth through career guides; 1,000 youth to receive Youth Employability Skills Training; 500 youth to complete an industry-based, paid work experience; and 50 teachers to complete an industry-based externship.

Supported the expansion of the Youth First Initiative by increasing participation in the Anchorage (King Career Center) and Fairbanks (Hutchison Technical High School) construction academies, institutionalizing the concept of work readiness in our education system. Projections for enrollment of the Anchorage and Fairbanks construction academies in FY 08 with the \$2 million CIP General Fund investment to the Business Services component included: training 700 high school students and 175 adults; 75 of the high school graduates entering employment in construction related jobs, and 35 entering post-secondary training programs such as apprenticeships, college, or additional vocational training. Further estimates included 130 adult course completers entering employment in construction related jobs six months following their Alaska Construction Academy (AkCA) course, and 30 adult course completers accepted into construction trades related apprenticeship programs.

The Business Services component redesigned the process of issuing and evaluating Requests for Training Proposals in 2007, improving accountability, increased resource alignment and the overall granting and negotiation process. Focused solicitation language articulating Alaska's workforce development priorities and aligning initiatives among multiple funding sources created competitive interest among respondents and receipt of proposals with more defined training outcomes linked to jobs, plus grantee contributions. The increased competition enabled the division to enter into better articulated grant agreements with business, industry and education partners for advanced training opportunities, and the alignment of funding sources permitted innovative services to a broader spectrum of Alaskans seeking training.

Continued redesigning service delivery of the Rapid Response Program by developing statewide team outreach efforts,

distance delivery strategies to better identify potential dislocations, lay-off aversion strategies, and respond effectively to all business downsizings. All services are tailored to meet the unique needs of employers and workers and are provided before, during and after any potential layoff. The team worked with 78 business closures or downsizings, providing services to over 908 Alaskans across the state.

Achieved, and in some cases exceeded, the negotiated Workforce Investment Act, Title IB performance level goals in all categories for Program Year 06.

## 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 44.31.020 (5)	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 workforce.	Alaska Job Training Coordinating Council - Relating to employment/training of
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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.
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Admin Order #205	Establishes the Division of Business Partnerships
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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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## Contact Information

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**Business Services  
Component Financial Summary**

*All dollars shown in thousands*

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,724.0	2,260.9	2,500.0
72000 Travel	78.9	118.8	142.4
73000 Services	896.2	4,493.3	4,548.4
74000 Commodities	25.2	33.9	53.7
75000 Capital Outlay	6.9	0.0	0.0
77000 Grants, Benefits	22,810.9	27,818.6	29,651.5
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>25,542.1</b>	<b>34,725.5</b>	<b>36,896.0</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	19,633.3	25,158.4	25,223.1
1004 General Fund Receipts	851.2	2,307.5	3,150.3
1007 Inter-Agency Receipts	75.0	554.4	554.4
1054 State Employment & Training Program	4,982.6	6,705.2	7,968.2
<b>Funding Totals</b>	<b>25,542.1</b>	<b>34,725.5</b>	<b>36,896.0</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
<b>Unrestricted Revenues</b>				
State Employment and Training Program	51394	4,982.6	6,705.2	7,968.2
<b>Unrestricted Total</b>		<b>4,982.6</b>	<b>6,705.2</b>	<b>7,968.2</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	19,633.3	25,158.4	25,223.1
Interagency Receipts	51015	75.0	554.4	554.4
<b>Restricted Total</b>		<b>19,708.3</b>	<b>25,712.8</b>	<b>25,777.5</b>
<b>Total Estimated Revenues</b>		<b>24,690.9</b>	<b>32,418.0</b>	<b>33,745.7</b>

**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>
<b>FY2008 Management Plan</b>	<b>2,307.5</b>	<b>25,158.4</b>	<b>7,259.6</b>	<b>34,725.5</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 09 Health Insurance Increases for Exempt Employees	0.0	0.3	0.0	0.3
-FY 09 Bargaining Unit Contract Terms: General Government Unit	7.8	64.4	15.1	87.3
<b>Proposed budget increases:</b>				
-Add General Funds for AGIA Training Program Implementation	835.0	0.0	0.0	835.0
-Increase State Training and Employment Program Authorization to Provide Increased Training Opportunities to Alaskans	0.0	0.0	1,247.9	1,247.9
<b>FY2009 Governor</b>	<b>3,150.3</b>	<b>25,223.1</b>	<b>8,522.6</b>	<b>36,896.0</b>

**Business Services  
Personal Services Information**

Authorized Positions		Personal Services Costs		
<u>FY2008</u>				
<u>Management</u>		<u>FY2009</u>		
<u>Plan</u>		<u>Governor</u>		
			Annual Salaries	1,637,107
Full-time	28	30	COLA	89,981
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	888,252
			<i>Less 4.41% Vacancy Factor</i>	(115,340)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>28</b>	<b>30</b>	<b>Total Personal Services</b>	<b>2,500,000</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	0	0	1	0	1
Accounting Tech III	0	0	1	0	1
Admin Operations Mgr II	0	0	1	0	1
Administrative Assistant II	1	0	0	0	1
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	1	0	1	0	2
Administrative Officer I	0	0	1	0	1
Apprenticeship Outreach Coord.	1	0	0	0	1
Asst Dir Employ Security	1	0	0	0	1
Division Director	0	0	1	0	1
Employ Sec Analyst II	2	0	1	0	3
Employ Sec Analyst III	4	0	1	0	5
Grants Administrator I	1	0	0	0	1
Grants Administrator II	4	0	0	0	4
Grants Administrator III	1	0	0	0	1
Prog Coordinator	3	0	1	0	4
Research Analyst III	1	0	0	0	1
<b>Totals</b>	<b>21</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>30</b>