

State of Alaska FY2011 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' mission is to develop and support workforce development programs designed to meet Alaskan needs.

Core Services

- Set workforce development policy.
- Attract resources and investments for workforce development.
- Coordinate workforce development through public/private partnerships.
- Administer federal and state workforce training initiatives that result in a skilled Alaskan workforce.
- Verify industry needs and labor shortages and direct resources that result in participant employment.
- Expand capacity of workforce development system by supporting regional training centers and the Alaska Vocational Education Center.
- Guide continuous improvement of the workforce investment system through the Alaska Workforce Investment Board.
- Measure returns on investment and use performance data to build demand driven employment and training programs.

Results at a Glance

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

END RESULT A: Increase un-subsidized employment through job training.

- 96% of participants who received training and employment assistance in FY2009 were satisfied with the services received.
- The rate at which trained workforce participants, who complete training and enter employment remained above the target of 95% during FY 2009.

Status of Strategies to Achieve End Result

- The number of participants trained in Alaska Workforce Investment Board priority industries continues to exceed the 60% target, coming in at 78.4% for FY 2009.
- The earnings to training costs rate increased to 117.2% for FY2009, attributable to the investment in training for high wage, high demand occupations within the Alaska Workforce Investment Board industry priorities.
- The Division met or exceeded all but one negotiated performance standard set by the U.S. Department of Labor.

Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> • Build new Workforce Investment Performance System which will include grants management, integrated reporting, and performance management. • Submit the Alaska Workforce Investment Board report on training programs to legislature by 02/15/10. • Submit report on Alaska Technical and Vocational Education Program performance to legislature by 02/15/10. • Submit report on State Training and Employment Program performance review to legislature by 02/15/10. • Submit annual Workforce Investment Act performance report to the US Department of Labor by 10/01/10. • Define and improve upon program and financial management monitoring, grant solicitation, and negotiation procedures to ensure compliance. • Implement year three of the federal funded initiative, the Alaska Pipeline Worker Training Project and update grant information to recent outcomes. | <ul style="list-style-type: none"> • Assist in implementing the Gasline Training Strategic Plan adhering to identified timeline of activity and aligning program activities with the plan. • Continue the Youth First Initiative through collaboration with business, industry and school districts to introduce students to high demand jobs. • Review and identify High Priority Industries and Occupational Priorities for training by 03/30/10. • Assist teachers in understanding and using industry job standards in the classroom. • Promote Career Readiness Certificate in coordination with the Department of Education and Early Development. • Continue Alaska Workforce Investment Board endorsed sector strategic plans to maximize Alaska workforce preparation and hire Alaskans. • Continue to expand registered apprenticeship as training model that will mitigate non-resident hire rate and prepare Alaskans for high-demand jobs. |
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Major Activities to Advance Strategies

- Recommend level of GF investment in workforce development given unpredictable federal funding and industry demand for a prepared Alaska workforce.
- Update regulations for the State Training Employment Program and design a streamlined request for grants process.

Key RDU Challenges

Continue to plan for and design workforce strategies based on the strategies and objectives outlined in the Gasline Training Strategic Plan despite serious instability in federal funding. As evidence of this instability is the federal response in FY2009 with American Recovery and Reinvestment Act (ARRA) funding. Alaska's allotment of formula Workforce Investment Act (WIA) funds was reduced by \$3.5 million between FY2009 and FY2010. At the same time the state was awarded \$9.1 million ARRA funding. Due to the decrease of \$3.5 million in WIA funds, the true increase in ARRA funds amounted to only \$5.6 million. Funding swings of more than 30 percent prevent development of reliably sustained workforce development programs. In turn this makes it difficult to meet the state's commitments under the Gasline Training Strategic Plan.

The Workforce Investment Act programs have been under a continuing resolution before Congress since October 2004. The department must draft a new plan every year in response to Congress's decision. Beneficial program changes remain in limbo while the state awaits a final decision from Congress. This reduces the state's ability to simplify and streamline service delivery and to address bureaucratic inefficiencies.

Nationally the workforce industry is focused on efficiency and renewable energy occupations. Alaska has focused on resource extraction related energy occupations. It will be important that Alaska develop industry led strategies for the efficiency and renewable energy industry similar to its efforts in support of oil, gas and mining.

The overhaul of the management information system is in progress and until the implementation and alignment of a financial, grants management and case management databases is complete, improvements to the reporting capacity of Business Services to include broad based standardized reporting practices will be deferred. The three databases will need a common reporting tool to produce standard and ad hoc management reports.

The incongruity between the workforce and the skills demanded continues to be a significant obstacle to America's economic recovery. Unemployment is likely to reach 10 percent nationally and recovery efforts will need to focus on retraining America's workforce. Alaska will experience an echo effect in demand for retraining of skilled workers. More than 55,000 Alaskans, age 18 and older, do not have a GED or high school diploma. These same people will be expected to learn skills that require a post secondary education. To meet this demand Alaska's efforts must focus on helping Alaska's students to understand the relevance of an education.

Significant Changes in Results to be Delivered in FY2011

Continue the Alaska Construction Academy at \$3,500.0 This project will provide an opportunity for Alaskans (number of trained youth will increase from 3,402 to 3,597; and adults from 502 to 571 in FY2011) to attend a construction academy focused on high demand occupations in the construction industry, projecting 70% of high students and adults entering employment as a result.

The State Training Employment Program (STEP) was modified and made permanent in statute in the 2009 legislative session. FY2010 will see the development of new regulations in support of the program. FY2011 will be the first year the program functions under the new regulations. At the same time the STEP will have \$10,025.8 available. The Business Services component is requesting an increment of \$1,089.9 to fully utilize the funds and increase the number of Alaskans trained for skilled occupations by approximately 325.

Continue the highly successful Alaska Youth First Initiative at \$2,300.0; improvements to the program's performance through the deployment of a new grants database system that is intended to simplify and streamline the granting process for this and other fund sources will improve program performance. Emphasis will be placed on designing program reporting strategies that increase the accuracy and consistency of data reported by grantees of this initiative, resulting in greater capacity to leverage funds among other youth funding streams.

Continue the department's Gasline Training Program by reallocating \$85.0 of existing General Funds within the

department to the Alaska Workforce Investment Board (AWIB) Component to support an existing Education Specialist position that serves as the Department of Labor and Workforce Development's career and technical education skills coordinator, ensuring implementation of the vocational education strategies contained in the department's Alaska Gasline Inducement Act Training Strategic Plan.

Continue the department's Gasline Training Program efforts by reallocating \$585.0 of existing General Funds within the department to the Business Services Component to provide training and related instruction to at least 70 apprentices at Regional Training Centers, as defined under the leadership of the AWIB skills coordinator, and at rural campuses for registered apprenticeships in Gasline related occupations. This funding will also continue cooperative training agreements with business and industry for registered apprentices for approximately 100 incumbent workers entering a registered apprenticeship and 25 structured on-the-job training agreements for new and incumbent workers advancing to occupations that do not qualify as registered apprenticeships.

Commensurate with the department's efforts to implement the Gasline Training Program, the Capital Budget for FY2011 includes a \$2,000.0 funding request for expanding the Fairbanks Pipeline Training Center to include: utilities (sewer and water) to the 9-acre central facility site; a heat recovery and ventilation system for the welding shop; and additional welding and pipeline related equipment, specifically, the purchase of a class B tractor for a new general freight and line haul apprenticeship program.

Development of Alaska's workforce investment system is dependent upon its capacity to provide quality technical and vocational training in Alaska's high demand and emerging occupations. Continue the Alaska Technical and Vocational Education Program (TVEP) for FY2011, including the carry-forward amounts, available for distribution for the following TVEP Components: \$312.1 each to the Delta Career Advancement Center, the Northwest Alaska Career and Technical Center in Nome, and the Southwest Alaska Vocational and Education Center in King Salmon; \$936.3 to the Yuut Elitnaurviat, Inc. People's Learning Center in Bethel; \$936.3 to the Kotzebue Technical Center; and \$208.1 to the New Frontier Vocational Technical Center in Soldotna.

Major RDU Accomplishments in 2009

An innovative and nationally recognized model for registered apprenticeships in Alaska was developed. The state's workforce investment system capacity was increased to support job seekers in need of related instruction or supportive services to obtain or maintain an apprenticeship position. We developed new working relationships with postsecondary training providers to provide services using a demand driven model. As a result we trained 37 geophysical core drillers, 11 surveyor technicians, 14 electrical apprentices and more than 100 other apprentices through the job centers. In support of the gasline Training Strategic Plan developed in January of 2008 the division expended \$1,635,864 in Alaska Pipeline Worker Training Program funds.

Provided community based outreach through Alaska's Career Guide model to 18,976 students with the FY2009 Alaska Youth First Initiative. Awarded \$1.9 million in grants focused on: work experience for 1,558 youth; youth employability skills training to 8,971 Alaskan youth age 16 to 24; and provided Alaska career information to 55 teachers through the Teacher Industry Externship which placed Alaska's teachers with employers in Alaska's high wage, high demand occupations to obtain first-hand knowledge of Alaska's in demand work skills.

The experience of the past year indicates that the Alaska Construction Academies are successful and exceeded expectations in FY2009: 3,402 students received training, which is an increase of 5.15% from the preceding year; 81 high school seniors received employment for an increase of 12% from the preceding year; 502 adults received training, and out of 281 adults surveyed, 203 indicated that they received employment representing an increase of 37% from the preceding year.

Organized regional training centers facilitating access to training for rural residents nearer to their home. Using a distance delivered approach designed a service delivery model for rural residents to receive assistance in academic skills as well as applied skills. Coordinated Technical Vocational Education Program (TVEP) related activities with funding incentives available through the Alaska Pipeline Worker Training Program.

Across all programs nearly 96 percent (95.9%) of trained participants entered employment and customer satisfaction remained high and steady, over 96%. The Division directs activities that result in a skilled Alaskan workforce, developed with industry driven training, which includes capacity building opportunities in rural Alaska.

Achieved all, and exceeded some, of the negotiated Workforce Investment Act, Title 1B performance level goals in all

categories for FY2009.

Contact Information
<p>Contact: Corine Geldhof, Director Phone: (907) 465-5937 Fax: (907) 465-3212 E-mail: corine.geldhof@alaska.gov</p>

**Business Partnerships
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2009 Actuals				FY2010 Management Plan				FY2011 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	21.4	0.0	499.7	521.1	385.1	0.0	549.3	934.4	386.7	0.0	551.4	938.1
Business Services	2,774.0	18,979.4	6,713.0	28,466.4	2,914.3	34,411.9	9,251.0	46,577.2	2,914.8	28,106.2	10,341.6	41,362.6
Kotzebue Tech Operations Grant	600.0	0.0	850.2	1,450.2	600.0	0.0	850.2	1,450.2	600.0	0.0	936.3	1,536.3
SAVEC Operations Grant	195.0	0.0	283.4	478.4	195.0	0.0	283.4	478.4	195.0	0.0	312.1	507.1
Yuut Operations Grant	0.0	0.0	850.2	850.2	0.0	0.0	850.2	850.2	0.0	0.0	936.3	936.3
Northwest Alaska Center	390.9	0.0	267.9	658.8	400.0	0.0	283.4	683.4	400.0	0.0	312.1	712.1
Delta Career Advancement Center	0.0	0.0	274.6	274.6	0.0	0.0	283.4	283.4	0.0	0.0	312.1	312.1
New Frontier Voc Tech Center	0.0	0.0	188.9	188.9	0.0	0.0	188.9	188.9	0.0	0.0	208.1	208.1
Construction Academy Training	3,500.0	0.0	0.0	3,500.0	3,500.0	0.0	0.0	3,500.0	3,500.0	0.0	0.0	3,500.0
Totals	7,481.3	18,979.4	9,927.9	36,388.6	7,994.4	34,411.9	12,539.8	54,946.1	7,996.5	28,106.2	13,910.0	50,012.7

Business Partnerships
Summary of RDU Budget Changes by Component
From FY2010 Management Plan to FY2011 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2010 Management Plan	7,994.4	34,411.9	12,539.8	54,946.1
Adjustments which will continue current level of service:				
-Workforce Investment Board	1.6	0.0	2.1	3.7
-Business Services	0.5	-9,083.8	0.7	-9,082.6
-Construction Academy Training	-3,500.0	0.0	0.0	-3,500.0
Proposed budget increases:				
-Business Services	0.0	2,778.1	1,089.9	3,868.0
-Kotzebue Tech Operations Grant	0.0	0.0	86.1	86.1
-SAVEC Operations Grant	0.0	0.0	28.7	28.7
-Yuut Operations Grant	0.0	0.0	86.1	86.1
-Northwest Alaska Center	0.0	0.0	28.7	28.7
-Delta Career Advancement Center	0.0	0.0	28.7	28.7
-New Frontier Voc Tech Center	0.0	0.0	19.2	19.2
-Construction Academy Training	3,500.0	0.0	0.0	3,500.0
FY2011 Governor	7,996.5	28,106.2	13,910.0	50,012.7