

State of Alaska FY2012 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 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.

- 97.2 Percent of all participants receiving training and employment assistance during first quarter FY2011 were satisfied with the services received.
- In FY2010, 93.9 percent of trainees entered employment after completing their training. This was below the target rate of 95 percent and below FY2009's rate of 95.9 percent.

Status of Strategies to Achieve End Result

- The percentage of workforce investment system participants trained in Alaska Workforce Investment Board priority industries was 71.9 in FY2010 this was above the target of 60 percent but below the prior year performance on 78.4 percent.
- The earnings to training costs rate is 113% for first quarter FY2011, attributable to the investment in training for high wage, high demand occupations within the Alaska Workforce Investment Board industry priorities.
- The division met the majority of negotiated performance standards set by the U.S. Department of Labor during first quarter FY2011.

Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> • Continue development of the Workforce Investment Performance System which includes fiscal, grant, and case management function and integrated reports. • Submit AWIB report on training programs to legislature by 02/15/11. • Submit annual WIA performance report to the USDOL by 10/01/11. • Improve upon program and financial management monitoring, grant solicitation, and negotiation procedures to ensure compliance. • Implement year four of the federal funded initiative, the Alaska Pipeline Worker Training Project and update grant information to recent outcomes. | <ul style="list-style-type: none"> • Implement Alaska State Energy Sector Partnership Renewable Energy/Energy Efficiency Training Plan. • Continue the Youth First Initiative via collaboration with business, industry, and school districts to introduce students to high demand jobs. • Identify priority industries and occupations for STEP training by 07/31/11 for AWIB review and approval. • 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 |
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Major Activities to Advance Strategies

- Recommend GF investment in workforce development given reduced federal funding and industry demand for a prepared workforce.
- Assist in implementing the Gasline Training Strategic Plan adhering to identified timeline of activity and aligning program activities with the plan.
- Assist in implementing the Career and Technical Education Plan aligning program activities with statewide policy.
- 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.

Key RDU Challenges

Design workforce development strategies based on the Alaska Career and Technical Education Plan, Alaska State Energy Sector Plan, and the Gasline Training Strategic Plan in the face of declines in federal funding. Based on the impact of the nation's economic decline, Alaska will receive less federal job training funds in FY2012 compared to states with higher unemployment rates.

The federal Workforce Investment Act programs have been under a continuing resolution before Congress since October 2004. In response to Congress' indecision, an interim workforce plan is required every year. Beneficial program changes remain in limbo while the state awaits congressional action. This reduces the state's ability to simplify and streamline service delivery. The state obtained nine waivers to federal statutes and regulations to mitigate impediments in service delivery; a tenth waiver will be implemented in FY2012 to streamline WIA performance reporting.

Maintaining the training and development programs achieved under the Alaska State Energy Sector Partnership will depend on the implementation of industry led workforce development strategies.

As economic recovery progresses, challenges in the Alaska workforce will include more dislocated workers needing retraining and skills upgrades necessary to return to work. A significant challenge will be refocusing Alaska's workforce development system on helping Alaska's students understand the importance of obtaining a high school diploma, and provide dislocated workers with training related to Alaska's high wage, high demand occupations, and for the thousands of projected new jobs in the future.

Encourage programs that receive funding from the Alaska Technical Vocational Education Program (TVEP) to establish career pathways for rural Alaskans accessing training for gas line related occupations.

Continue the Alaska Construction Academy with \$3,250.0 General Funds, which represents a reduced level from previous years (appropriation reduced by legislature from \$3,500.0 in FY2010). Although it is anticipated that 79 percent of high school students participating in a construction academy in Anchorage, Juneau, Fairbanks, Kenai Peninsula, Ketchikan, and the Mat-Su Valley, will remain in school and 70 percent of graduating seniors and adults will enter employment in FY2012, the continued expansion of pilot rural outreach programs in Kodiak, King Salmon, Dillingham, Bethel, and Nome, which began in FY2008, and continued through FY2009 and FY2010 with a \$3,500.0 General Fund appropriation, will be impacted.

Significant Changes in Results to be Delivered in FY2012

As a consequence of reduced cash flow, the Alaska Technical and Vocational Education Program (TVEP) grants will decline in FY2012 for the following TVEP Components: -\$9.5 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; -\$28.6 to the Yuut Elitnaurviat, Inc. People's Learning Center in Bethel; -\$28.6 to the Kotzebue Technical Center; and -\$6.4 to the New Frontier Vocational Technical Center in Soldotna.

With the enactment of new State Training and Employment Program regulations, effective June 2010, the Alaska Workforce Investment Board and the department have joint responsibility to implement the program, with new program goals and objectives enhancing training quality, making it more accessible, and combining program

resources with other available resources outside the program. The regulatory changes clarify the intent and will better guide the implementation of the program at the operational level in FY2012.

Commensurate with the department's efforts to implement the Gasline Training Program, the Capital Budget for FY12 includes a \$500.0 construction and equipment funding request needed to continue the forward momentum on the build out of the pipeline training center. The Fairbanks Pipeline Training Center is a public/private partnership that prepares Alaskans for work in the high demand oil/gas and construction industries. This equipment purchase and expansion of the Center's infrastructure will move the facility closer to being fully operational on a year-round basis, expanding training capacity for additional participants up to 200 per year, and 400 at peak during construction phase of a natural gas pipeline

Major RDU Accomplishments in 2010

The Alaska Workforce Investment Board, AVTEC-Alaska's Institute of Technology, Alaska Energy Authority, Alaska Housing Finance Corporation, Alaska AFL-CIO, Denali Commission, University of Alaska, U.S. Office of Apprenticeship, and Alaska Works Partnership, Inc., as the Alaska State Energy Sector Partnership, began development of a sustainable strategic workforce plan to increase the supply of workers with energy efficiency skills to support energy efficient end user technology and the geothermal, hydroelectric, wind turbine, and biomass industries.

The Alaska Construction Academies continue with successful outcomes, with the \$3,500.0 General Fund investment in FY 2010: 4,337 students received training, which is an increase of 27 percent from the preceding year; 503 adults received training, and 303 adults indicated that they received employment, representing an increase of 7 percent from the preceding year.

Across programs 96 percent of trained participants reported high customer satisfaction.

The degree to which investment of workforce development resources are aligned with the Alaska Workforce Investment Board priority industries is targeted at 60 percent; in FY2010, 72 percent of job training funds were expended in AWIB priority industries.

One-hundred-sixteen (116) Alaskans received pre-apprenticeship, registered apprenticeship, skills upgrade, or industry certification training to prepare them to work in pipeline construction, operation, and maintenance with \$585.0 General Fund for the Gasline Training Program.

Contact Information

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**Business Partnerships
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2010 Actuals				FY2011 Management Plan				FY2012 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Workforce Investment Board	385.1	510.0	0.0	895.1	392.1	562.6	0.0	954.7	403.3	578.0	0.0	981.3
Business Services	9,245.3	55.6	21,388.9	30,689.8	11,233.1	556.5	31,548.7	43,338.3	12,269.8	558.1	26,460.0	39,287.9
Kotzebue Tech Operations Grant	1,450.2	0.0	0.0	1,450.2	1,536.3	0.0	0.0	1,536.3	1,507.7	0.0	0.0	1,507.7
SAVEC Operations Grant	478.4	0.0	0.0	478.4	507.1	0.0	0.0	507.1	497.6	0.0	0.0	497.6
Yuut Operations Grant	850.2	0.0	0.0	850.2	936.3	0.0	0.0	936.3	907.7	0.0	0.0	907.7
Northwest Alaska Center	661.3	0.0	0.0	661.3	712.1	0.0	0.0	712.1	702.6	0.0	0.0	702.6
Delta Career Advancement Center	283.4	0.0	0.0	283.4	312.1	0.0	0.0	312.1	302.6	0.0	0.0	302.6
New Frontier Voc Tech Center	188.9	0.0	0.0	188.9	208.1	0.0	0.0	208.1	201.7	0.0	0.0	201.7
Construction Academy Training	3,450.6	0.0	0.0	3,450.6	3,250.0	0.0	0.0	3,250.0	3,250.0	0.0	0.0	3,250.0
Totals	16,993.4	565.6	21,388.9	38,947.9	19,087.2	1,119.1	31,548.7	51,755.0	20,043.0	1,136.1	26,460.0	47,639.1

Business Partnerships
Summary of RDU Budget Changes by Component
From FY2011 Management Plan to FY2012 Governor

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2011 Management Plan	7,767.1	11,320.1	1,119.1	31,548.7	51,755.0
Adjustments which will continue current level of service:					
-Workforce Investment Board	11.2	0.0	15.4	0.0	26.6
-Business Services	18.4	-1,071.6	1.6	-6,088.7	-7,140.3
Proposed budget decreases:					
-Business Services	0.0	0.0	0.0	-2,000.0	-2,000.0
-Kotzebue Tech Operations Grant	0.0	-28.6	0.0	0.0	-28.6
-SAVEC Operations Grant	0.0	-9.5	0.0	0.0	-9.5
-Yuut Operations Grant	0.0	-28.6	0.0	0.0	-28.6
-Northwest Alaska Center	0.0	-9.5	0.0	0.0	-9.5
-Delta Career Advancement Center	0.0	-9.5	0.0	0.0	-9.5
-New Frontier Voc Tech Center	0.0	-6.4	0.0	0.0	-6.4
Proposed budget increases:					
-Business Services	1,000.0	1,089.9	0.0	3,000.0	5,089.9
FY2012 Governor	8,796.7	11,246.3	1,136.1	26,460.0	47,639.1