

State of Alaska FY2013 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 Alaska's 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 Alaska workforce.
- Verify industry needs and labor shortages and direct resources that result in participant employment.
- Expand capacity of the workforce development system by supporting regional training centers.
- 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.

Target #1: 97 percent of participants receiving training and employment assistance satisfied with services.

Status #1: 97 percent of participants receiving training and employment assistance were satisfied with services reaching the target for FY2011 and up from 96 percent in FY2010.

Target #2: At least 95 percent of Workforce Investment Act (WIA) and State Training and Employment Program (STEP) training completers enter employment.

Status #2: During FY2011, 93.6 percent of Workforce Investment Act (WIA) and State Training and Employment Program (STEP) training completers entered employment. This was in line with the FY2010 performance, but short of the 95 percent target.

Strategy A1: 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 Alaska Workforce Investment Board priority industries.

Status #1: 78.6 percent of training participants were trained in Alaska Workforce Investment Board priority industries in FY2011 well above the 60 percent target and a marked increase from the 71.9 percent in FY2010.

Strategy A2: Maximize the return on investment for training resources.

Target #1: Within six months of training, 50 percent of a participant's training costs will be matched by the trainee's pre- and post-training earnings change.

Status #1: The trainee's pre- and post-training earnings change was 250 percent of training expenses for FY2011, well above the 50 percent target. This is primarily due to the focus of training on high-wage, high-demand industries.

Strategy A3: Meet all negotiated performance standards set by the Alaska Workforce Investment Board and USDOL.

Target #1: Meet all negotiated performance standards.

Status #1: The division met 17 of the 18 performance standards previously used by U.S. Department of Labor during FY2011.

Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> • Release the new Workforce Investment Performance System that includes grants and case management, and integrated performance reporting. • Submit the Alaska Workforce Investment Board (AWIB) annual report on training programs to the legislature. • Submit the Workforce Investment Act annual performance report to the U.S. Department of Labor (USDOL). • Improve upon program and financial management procedures to ensure compliance with federal and state statutes and regulations. • Implement final year of performance and submit program evaluation of the federal funded Alaska Pipeline Worker Training Project to USDOL. | <ul style="list-style-type: none"> • Implement final year of performance of the Alaska State Energy Sector Partnership Renewable Energy/Energy Efficiency federal grant award. • Identify priority industries and occupations for State Training and Employment Program (STEP) training for AWIB review and approval. • Update and continue AWIB-endorsed sector strategic plans to maximize Alaska workforce preparation and Alaskan hire. • Administer the state funded Career and Technical Education grant program aligned with Alaska's Career and Technical Education plan. • Administer the state-funded Youth First Initiative to introduce students to jobs and careers that show growth potential. |
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Key RDU Challenges

The primary challenge facing the Division of Business Partnerships (DBP) is a significant decrease in federal funds. In FY2012, DBP received approximately 20 percent (\$1.5 million) less in the Workforce Investment Act federal formula funds it grants to provide employment and training services to dislocated workers, low-income and under-skilled adult workers, and in- and out-of-school at risk youth. The continual decline of federal formula funding and the end of one-time federal awards, will result in reductions to services throughout the state, including the number of available training grants, and the amounts available for reimbursable service agreements with partner agencies. To help bridge this gap, DBP will seek supplemental funding sources and leverage funds through partnerships with Alaska business and industry (e.g. oil/gas, transportation, construction, mining, tourism and hospitality, health care).

DBP's ability to efficiently deliver services is hampered by the fact that the federal Workforce Investment Act programs have been under a continuing resolution before Congress since October 2004. An interim workforce plan is required every year and beneficial program changes remain in limbo while the state awaits Congressional action. To mitigate impediments in service delivery, the state obtained nine waivers to federal statutes and regulations, including the common measures waiver that streamlines WIA performance reporting.

It is also a challenge for the division to work with program recipients to establish career pathways for rural Alaskans that align with the Alaska Career and Technical Education plan.

In addition, DBP faces the following challenges:

- Managing the growing demand for state and federally funded program services within available resources.
- Designing sustainable workforce development strategies that align with Alaska Workforce Investment Board (AWIB)-endorsed workforce development plans, including the Alaska Career and Technical Education plan, Alaska State Energy Sector plan, Alaska Health Care Workforce Development plan, and Alaska's Oil and Gas Training plan.
- Continuing expansion into rural communities.
- Mitigating increased costs associated with current services.
- Ensuring and maintaining successful outcomes.
- Increasing efficiencies and streamlining operations, including grant solicitations, negotiation, and management.

Significant Changes in Results to be Delivered in FY2013

The Division of Business Partnerships' ability to implement strategies related to Alaska's Oil and Gas Training plan will be improved by a capital investment in the Fairbanks Pipeline Training Center increasing the center's capacity.

Major RDU Accomplishments in 2011

At the end of FY2011, the Alaska State Energy Sector Partnership was ranked second in the nation for program implementation and outcomes. The partnership focused on training for key occupations within renewable energy and energy efficiency sectors in response to the significant demand for retrofitting of residential and commercial facilities, and the need to relieve dependence on fossil fuels through increased renewable energy resources.

From a survey of high school students who participated in the Alaska Construction Academies in FY2011, 79 percent reported the construction classes increased their desire to remain in high school and attend classes. Of those students who attended construction academies and graduated, 97 percent reported that the construction classes prepared them for a career and 74 percent planned to work or were working in Alaska. Based on the most current data, this program provided 3,698 high school students and 449 adults with training in FY2011.

Training in the AWIB-identified priority industries remains on target despite declines in federal formula funds. The percentage of workforce investment system participants trained in Alaska Workforce Investment Board priority industries was 78.6 in FY2011. This was the fourth straight year exceeding the 60 percent target, and an increase from 71.9 percent in FY2010.

The Division of Business Partnerships fully-expended Alaska's \$9.2 million American Recovery and Reinvestment Act (ARRA) allocation received in FY2009. The funds were spent on Workforce Investment Act programs that provide employment and training services to dislocated workers, low-income and under-skilled adult workers, and in- and out-of-school, at risk youth. With these funds the state served 1,187 youth between 2009 and 2011 (665 were Alaska Native/American Indian), and 93 percent of these youth completed work experience.

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

**Business Partnerships
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2011 Actuals				FY2012 Management Plan				FY2013 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	390.6	564.9	0.0	955.5	1,514.3	578.0	0.0	2,092.3	1,525.0	589.4	0.0	2,114.4
Business Services	9,523.7	176.6	14,629.5	24,329.8	11,269.8	558.1	26,038.3	37,866.2	11,309.0	558.1	24,262.8	36,129.9
Kotzebue Tech Operations Grant	1,460.8	0.0	0.0	1,460.8	1,507.7	0.0	0.0	1,507.7	1,580.8	0.0	0.0	1,580.8
SAVEC Operations Grant	481.2	0.0	0.0	481.2	497.6	0.0	0.0	497.6	521.9	0.0	0.0	521.9
Yuut Operations Grant	877.3	0.0	0.0	877.3	907.7	0.0	0.0	907.7	980.8	0.0	0.0	980.8
Northwest Alaska Center	684.9	0.0	0.0	684.9	702.6	0.0	0.0	702.6	726.9	0.0	0.0	726.9
Delta Career Advancement Center	292.4	0.0	0.0	292.4	302.6	0.0	0.0	302.6	326.9	0.0	0.0	326.9
New Frontier Voc Tech Center	195.0	0.0	0.0	195.0	201.7	0.0	0.0	201.7	218.0	0.0	0.0	218.0
Construction Academy Training	3,245.2	0.0	0.0	3,245.2	3,250.0	0.0	0.0	3,250.0	3,250.0	0.0	0.0	3,250.0
Totals	17,151.1	741.5	14,629.5	32,522.1	20,154.0	1,136.1	26,038.3	47,328.4	20,439.3	1,147.5	24,262.8	45,849.6

Business Partnerships
Summary of RDU Budget Changes by Component
From FY2012 Management Plan to FY2013 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>
FY2012 Management Plan	8,757.7	11,396.3	1,136.1	26,038.3	47,328.4
Adjustments which will continue current level of service:					
-Workforce Investment Board	10.7	0.0	11.4	0.0	22.1
-Business Services	18.7	20.5	0.0	-3,275.5	-3,236.3
Proposed budget increases:					
-Business Services	0.0	0.0	0.0	1,500.0	1,500.0
-Kotzebue Tech Operations Grant	0.0	73.1	0.0	0.0	73.1
-SAVEC Operations Grant	0.0	24.3	0.0	0.0	24.3
-Yuut Operations Grant	0.0	73.1	0.0	0.0	73.1
-Northwest Alaska Center	0.0	24.3	0.0	0.0	24.3
-Delta Career Advancement Center	0.0	24.3	0.0	0.0	24.3
-New Frontier Voc Tech Center	0.0	16.3	0.0	0.0	16.3
FY2013 Governor	8,787.1	11,652.2	1,147.5	24,262.8	45,849.6